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*Electronically Filed On: November 11, 2015*

5 *Counsel for Victoria L. Nelson, Chapter 7 Trustee*

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7  
8 **UNITED STATES BANKRUPTCY COURT**  
9 **DISTRICT OF NEVADA**

10 In re:  
11 AMERI-DREAM REALTY, LLC,  
12 Debtor.

Case No. BK-S-15-10110-LED  
Chapter 7

**DECLARATION OF VICTORIA L. NELSON IN SUPPORT OF SECOND INTERIM APPLICATION OF NELSON & HOUMAND, P.C. FOR ALLOWANCE OF COMPENSATION FOR SERVICES RENDERED DURING THE PERIOD FROM JUNE 3, 2015, THROUGH NOVEMBER 11, 2015, AND FOR REIMBURSEMENT OF EXPENSES PURSUANT TO 11 U.S.C. §§ 330 AND 331 AND FEDERAL RULE OF BANKRUPTCY PROCEDURE 2016**

Date of Hearing: December 15, 2015  
Time of Hearing: 11:00 a.m.  
Place: Courtroom No. 3, Third Floor  
Foley Federal Building  
300 Las Vegas Blvd., S.  
Las Vegas, NV 89101

Judge: Honorable Laurel E. Davis

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25 I, Victoria L. Nelson, declare as follows:

26 1. I am over the age of 18 years and I am competent to make this declaration. I have  
27 personal knowledge of the facts set forth herein, except for those facts stated on information and  
28 belief and, as to those facts, I am informed and believe them to be true. If called as a witness, I

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1 could and would testify as to the matters set forth below based upon my personal knowledge.

2 2. I am the appointed Chapter 7 Trustee in the above-captioned bankruptcy case.

3 3. I make this Declaration in support of the *Second Interim Application of Nelson &*  
4 *Houmand, P.C. for Allowance of Compensation for Services Rendered During the Period From*  
5 *June 3, 2015, Through November 11, 2015, and For Reimbursement of Expenses Pursuant to 11*  
6 *U.S.C. §§ 330 and 331 and Federal Rule of Bankruptcy Procedure 2016* (the "Fee Application").<sup>1</sup>

7 4. Pursuant to Guideline 2.2.2 of the Region 17 United States Trustee Guidelines, I  
8 have been provided a copy of the billing entries and itemization of expenses that are attached as  
9 **Exhibits "1" and "2"** to the *Declaration of Jacob L. Houmand In Support of the Second Interim*  
10 *Application of Nelson & Houmand, P.C. for Allowance of Compensation for Services and*  
11 *Reimbursement of Expenses Rendered During the Period From June 3, 2015, Through November*  
12 *11, 2015 Pursuant to 11 U.S.C. §§ 330 and 331 and Federal Rule of Bankruptcy Procedure 2014*  
13 (the "Houmand Declaration") and approve of the same.

14 5. The balance of the trust account in the Debtor's bankruptcy estate is Ninety-Nine  
15 Thousand Five Hundred Twenty-Six and 40/100 Dollars (\$99,526.40). However, pursuant to  
16 *Order Granting Motion for (1) Turnover of Security Deposits Held in Trust Account of McDonald*  
17 *Carano Wilson Pursuant to 11 U.S.C. § 542 and (2) Authority to Administer Security Deposits*  
18 *Through the Debtor's Bankruptcy Estate Pursuant to 11 U.S.C. § 105(a)* [ECF No. 196]<sup>2</sup> on  
19 November 23, 2015, the funds held in the trust account of McDonald Carano Wilson totaling  
20 Seven Hundred Seven Thousand Five Hundred Sixty-Seven and 29/100 Dollars (\$707,567.29)  
21 shall be turned over to me and placed my trust account thereby providing a balance in the trust

22 \_\_\_\_\_  
23 <sup>1</sup> Unless otherwise indicated, all chapter and section references are to the Bankruptcy Code, 11  
24 U.S.C. §§ 101-1532, and to the Federal Rules of Bankruptcy Procedure, Rules 1001-9037. The  
25 Federal Rules of Civil Procedure will be referred to as "FRCP" and the Federal Rules of  
26 Bankruptcy Procedure will be referred to as "FRBP." The Local Rules of Practice for the United  
27 States Bankruptcy Court for the District of Nevada shall be referred to as the "Local Rules". In  
addition, all defined terms herein shall have the same meaning ascribed to them in the Fee  
Application unless otherwise provided.

28 <sup>2</sup> All references to "ECF No." are to the numbers assigned to the documents filed in the case as  
they appear on the docket maintained by the clerk of the court.

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1 account in the Debtor's bankruptcy estate of Eight Hundred Seven Thousand Ninety-Three and  
2 69/100 Dollars (\$807,093.69).

3 6. I am a member of the Firm and regularly employ the Firm to represent bankruptcy  
4 estates in other unrelated bankruptcy cases in which I am the Trustee. I did not personally bill  
5 any legal fees in the above-captioned bankruptcy case.

6 7. No agreement or understanding exists between the Firm and any other entity for  
7 the sharing of compensation received or to be received for services rendered in connection with  
8 this case, except as permitted under Section 504(b)(1).

9 8. Much work has been accomplished by the Firm between the periods from June 3,  
10 2015, through November 11, 2015. Set forth below is a narrative of the facts leading up to the  
11 filing of the bankruptcy case and the work performed by the Firm following the filing of the  
12 bankruptcy case.

13 **EVENTS PRECEDING THE FILING OF THE DEBTORS BANKRUPTCY CASE**

14 9. The Debtor was a real estate brokerage firm that represented clients in the purchase  
15 and sale of real property throughout Clark County, Nevada.

16 10. The Debtor also had a property management division that managed over one  
17 thousand rental properties for various landowners and tenants throughout Las Vegas, Nevada.

18 11. Subsequent to the filing of the Debtor's bankruptcy case, I was informed by John  
19 Brown, the principal of the Debtor and then-spouse of Elsie Peladas-Brown, that it was his belief  
20 that Elsie Peladas-Brown had embezzled approximately One Million Two Hundred Thousand  
21 Dollars (\$1,200,000) from the Security Deposits Trust Account of the Debtor and wired these  
22 monies to the Philippines between the period of March, 2013 through December, 2013.

23 12. It is the belief of John Brown that Elsie Peladas-Brown left the United States for  
24 the Philippines in January, 2014, and has not returned to the United States since that time.

25 **THE DEBTOR'S BANKRUPTCY FILING**

26 13. On January 9, 2015, the Debtor filed a voluntary bankruptcy pursuant to Chapter 7  
27 of Title 11 of the United States Code (Case No. BK-S-14-12346-ABL) in the United States  
28 Bankruptcy Court for the District of Nevada (the "Bankruptcy Case").

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1 14. On January 9, 2015, I was appointed as the Chapter 7 Trustee in the Bankruptcy  
2 Case.

3 15. Shortly following my appointment, I met with Debtor's principal and it's counsel  
4 to discuss matters requiring immediate attention including the securing and closing of a 4,861  
5 square foot commercial property located at 4875 West Nevso Drive, Las Vegas, NV, and the  
6 administration of approximately Seven Hundred Seven Thousand Dollars (\$707,000) of funds  
7 identified as security deposits which were those portion of funds which were not embezzled and  
8 placed into the IOLTA bank account of Debtor's bankruptcy counsel. I was also tasked with  
9 identifying and closing residential sales of real property which contracts had been entered into  
10 pre-petition but closed after the bankruptcy was filed by the Debtor.

11 16. Since my appointment, I also sought and obtained Court approval for the turnover  
12 of the approximately Seven Hundred Seven Thousand Dollars (\$707,000) of funds identified as  
13 security deposits which were those portion of funds which were not embezzled and placed into  
14 the IOLTA bank account of Debtor's bankruptcy counsel.

15 17. Due to the fact that the Debtor's bankruptcy case was deemed a mega case, I  
16 sought and obtained court approval to employ Garden City Group, LLC ("GCG") as the claims  
17 and noticing agent.

18 18. The deadline to file proofs of claims expired on May 14, 2015. Pursuant to GCG,  
19 there is a total of \$3,197,122 in calculated claim value. It is the belief of GCG, however, that  
20 there may be a duplication of claims wherein both the landlord and the corresponding tenant may  
21 have filed proofs of claims seeking the same security deposit and/or various other funds collected  
22 and held for either the tenant or the landlord in the Debtor's Security Deposits Trust Account.

23 19. I anticipate the commencement of claim objections in the ensuing months.

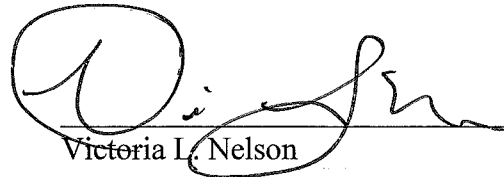
24 20. I also employed Schwartz Flansburg, PLLC to pursue the recovery of funds  
25 embezzled by Elsie Peladas-Brown.

26 21. Since the employment of Schwartz Flansburg, PLLC, a summary judgment was  
27 obtained against Elsie Peladas-Brown for the embezzlement of the \$1.2 million from the Security  
28

1 Deposits Trust Account of the Debtor and a second adversary action was filed against the errors  
2 and omissions insurance policy held by the Debtor.

3 I declare under penalty of perjury under the laws of the United States that the foregoing is  
4 true and correct.

5 Dated this 11th day of November, 2015.

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8 Victoria L. Nelson

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