

1 Jacob L. Houmand, Esq. (NV Bar No. 12781)
Email: jhoumand@nelsonhoumand.com
2 Kyle J. Ortiz, Esq. (NV Bar No. 14252)
Email: kortiz@nelsonhoumand.com
3 NELSON & HOUMAND, P.C.
3900 Paradise Road, Suite U
4 Las Vegas, Nevada 89169-0903
Telephone: 702/720-3370
5 Facsimile: 702/720-3371

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

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

STATUS REPORT

Date of Hearing: January 3, 2017
Time of Hearing: 10:30 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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18 VICTORIA L. NELSON, the appointed Chapter 7 Trustee in the above-captioned
19 bankruptcy case (the “Trustee”), by and through her counsel of record, Jacob L. Houmand, Esq.
20 and Kyle J. Ortiz, Esq. of the law firm of Nelson & Houmand, P.C., hereby files this *Status*
21 *Report* (the “Status Report”).¹ The purpose of the Status Report is to provide the Court with the
22 current status of the administration of the Debtor’s bankruptcy estate prior to the hearing on the
23 *Third Interim Application of Nelson & Houmand, P.C. for Allowance of Compensation for*
24 *Services Rendered During the Period From November 12, 2015, Through December 1, 2016, and*
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26 ¹ Unless otherwise indicated, all chapter and section references are to the Bankruptcy Code, 11
27 U.S.C. §§ 101-1532, and to the Federal Rules of Bankruptcy Procedure, Rules 1001-9037. The
28 Federal Rules of Civil Procedure will be referred to as “FRCP” and the Federal Rules of
Bankruptcy Procedure will be referred to as “FRBP.” The Local Rules of Practice for the United
States Bankruptcy Court for the District of Nevada shall be referred to as the “Local Rules”.

NELSON & HOUMAND, P.C.
3900 Paradise Road, Suite U, Las Vegas, Nevada 89169
Telephone: (702) 720-3370 Facsimile: (702) 720-3371

1 *For Reimbursement of Expenses Pursuant to 11 U.S.C. §§ 330 and 331 and Federal Rule of*
2 *Bankruptcy Procedure 2016 (the “Fee Application”) [MECF No. 218]² (the “Fee Application”)*
3 *scheduled for hearing on January 3, 2017, at 10:30 a.m.*

4 **A. The Review and Analysis of the Proofs of Claims Filed in the Debtor’s Bankruptcy**
5 **Case**

6 As of the date of the filing of this Status Report, 931 claims have been filed with the Court
7 totaling approximately Two Million Four Hundred Ninety-Seven Thousand Six Hundred Thirty-
8 Five Dollars and 38/100 (\$2,497,635.38). The Trustee’s review of the proofs of claim that have
9 been filed in the Debtor’s bankruptcy case has revealed that the proofs of claim can generally be
10 divided into the following three categories: (1) unpaid security deposits filed by both homeowners
11 and/or tenants; (2) unpaid real estate commissions; and (3) unpaid invoices submitted from
12 various independent contractors. The vast majority of the proofs of claim, however, relate to
13 unpaid security deposits filed by both landlords and tenants. The Trustee has classified each of the
14 proofs of claim that have been filed into these three general categories and has reviewed the same
15 in order to expedite the administration of the Debtor’s bankruptcy case. Additionally, the Trustee
16 has also cross-referenced the proofs of claim that relate to the same property address to identify
17 claims where both the landlord and tenant are seeking a return of lost security deposits.

18 Following the review and analysis of the claims, the Trustee has discovered that there is a
19 basis to object to a majority of the claims. The major categories of objections include the
20 following: (1) landlords that are improperly claiming a priority under Section 507(a)(7); (2)
21 tenants that are claiming a priority in excess of the maximum amount allowed under Section
22 507(a)(7); (3) realtors that are claiming a priority in excess of the maximum amount allowed
23 under Section 507(a)(4); (4) claims filed by the landlord and tenant for the same security deposit;
24 and (5) claims with insufficient documentation. The Trustee has organized the claims into these
25 five categories in preparation for the filing of objections to claims. Additional miscellaneous
26 objections identified by the Trustee include duplicate claims, claims improperly claiming a

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28 ² All references to “MECF No.” are to the numbers assigned to the documents filed in the Debtor’s main bankruptcy case as they appear on the docket maintained by the clerk of the court.

1 secured status, claims asserting an unidentified priority, and independent contractors improperly
2 claiming a priority under Section 507(a)(4). Out of the 931 claims filed the Trustee has identified
3 only 230 claims with no basis to object. This number is subject to change if and when additional
4 documentation is provided. The Trustee anticipates beginning the process of filing omnibus
5 objections to claims within next sixty (60) days.

6 **B. The Status of the Adversary Proceeding Against XL America, Inc. and Related**
7 **Defendants**

8 On October 29, 2015, the Trustee commenced the adversary proceeding captioned *Nelson*
9 *v. XL America, Inc. et al.* (Case Number BK-S-15-01183-LED) (the “XL Adversary Proceeding”)
10 by filing a complaint against XL America, Inc., XL Insurance America, Inc., XL Select
11 Professional, Pearl Insurance Group, LLC, and Greenwich Insurance Company (the
12 “Defendants”) alleging the following claims for relief: (1) Breach of Contract; (2) Breach of
13 Implied Covenant of Good Faith and Fair Dealing; (3) Breach of Fiduciary Duty; (4) Violations
14 of N.R.S. §686A.310; and (5) Declaratory Relief. The XL Adversary Proceeding seeks to recover
15 damages from the Defendants relating to the Errors and Omissions Policy that was previously
16 held by the Debtor. On January 8, 2016, the *Defendants’ Motion to Withdraw the Reference of*
17 *this Adversary Proceeding Pursuant to 28 U.S.C. § 157(d) and Federal Rule of Bankruptcy*
18 *Procedure 5011, Jury Demand, and Supporting Memorandum of Law* was filed with the United
19 States District Court for the District of Nevada (the “District Court”). On November 14, 2016, the
20 District Court entered an *Order Withdrawing Reference*. On December 22, 2016, the Trustee filed
21 *Plaintiff’s Motion for Summary Judgment* on all claims for relief set forth in the Complaint. On
22 December 27, 2016, the Defendants filed Motions to Dismiss.

23 **C. The Continued Maintenance of Websites to Provide Notice to Creditors and Parties-**
24 **In-Interest**

25 In order to provide daily updates regarding the administration of the Debtor’s bankruptcy
26 case to creditors and parties-in-interest, the Trustee has established and continues to maintain a
27 website that is devoted to the Debtor’s bankruptcy case. General information regarding the
28 Debtor’s bankruptcy case can be accessed at the following hyperlink:

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1 <http://nelsonhoumand.com/ameri-dream-realty-llc>. This webpage highlights important notices in
2 the Debtor’s bankruptcy case such as the proof of claim deadline, identifies all of the upcoming
3 hearings in the Debtor’s bankruptcy case as well as the related pleadings, and information relating
4 to the Brown Adversary Proceeding and XL America Adversary Proceeding.

5 The Trustee has also created a separate webpages that provide specific information
6 relating to the following specific topics in the Debtor’s bankruptcy case: (1) a numerical list of all
7 of the proofs of claim that have been recorded by GCG and their images³; (2) all the docketed
8 entries and pleadings that have been filed in the Debtor’s main bankruptcy case⁴; (3) all of the
9 docketed entries and pleadings that have been filed in the Brown Adversary Proceeding⁵; and (4)
10 all of the docketed entries and pleadings that have been filed in the XL America Adversary
11 Proceeding⁶. The Trustee will continue to update these webpages in order to provide creditors
12 with an up-to-date status on the administration of the Debtor’s bankruptcy case.

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19 ³ The hyperlink for the webpage related to the proofs of claim filed in the Debtor’s bankruptcy
20 case can be accessed at the following link: [http://nelsonhoumand.com/ameri-dream-realty-llc-
21 proof-of-claims/](http://nelsonhoumand.com/ameri-dream-realty-llc-proof-of-claims/). This webpage contains a link to a separate webpage maintained by GCG to
ensure the accuracy of the information relating to the proofs of claim that have been filed in the
Debtor’s case.

22 ⁴ The hyperlink for the webpage related to the docketed entries and pleadings that have been filed
23 in the Debtor’s main bankruptcy case can be accessed at the following link:
<http://nelsonhoumand.com/ameri-dream-realty-court-documents/>

24 ⁵ The hyperlink for the webpage related to the docketed entries and pleadings that have been filed
25 in the Brown Adversary Proceeding can be accessed at the following link:
<http://nelsonhoumand.com/ameri-dream-realty-llc-nelson-peladas-brown-court-documents/>

26 ⁶ The hyperlink for the webpage related to the docketed entries and pleadings that have been filed
27 in the XI America Adversary Proceeding can be accessed at the following link:
28 [http://nelsonhoumand.com/ameri-dream-realty-llc-nelson-v-xl-america-inc-et-al-court-
documents/](http://nelsonhoumand.com/ameri-dream-realty-llc-nelson-v-xl-america-inc-et-al-court-documents/)

1 Dated this 30th day of December, 2016.

2 **NELSON & HOUMAND, P.C.**

3 /s/ Kyle J. Ortiz

4 Jacob L. Houmand, Esq. (NV Bar No. 12781)

5 Kyle J. Ortiz, Esq. (NV Bar No. 14252)

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