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11  
12 UNITED STATES BANKRUPTCY COURT  
13 DISTRICT OF NEVADA

14 In re:  
15 ROBERT C. GRAHAM, LTD. fdba ROB  
16 GRAHAM & ASSOCIATES fdba  
LAWYERSWEST,

17  
18 Debtor.

Case No. BK-S-16655-BTB  
Chapter 7

**DECLARATION OF VICTORIA L. NELSON IN SUPPORT OF APPLICATION TO EMPLOY NELSON & HOUMAND, P.C., NUNC PRO TUNC, AS GENERAL BANKRUPTCY COUNSEL FOR VICTORIA L. NELSON, CHAPTER 7 TRUSTEE PURSUANT TO 11 U.S.C. §§ 327(a) AND 328(a) AND FEDERAL RULE OF BANKRUPTCY PROCEDURE 2014**

Date of Hearing: February 15, 2017  
Time of Hearing: 10:00 a.m.  
Place: Courtroom No. 4, Second Floor  
Foley Federal Building  
300 Las Vegas Blvd., S.  
Las Vegas, NV 89101

Judge: Honorable Bruce T. Beesley

26 I, VICTORIA L. NELSON, declare as follows:

27 1. I am over the age of 18 years and I am competent to make this declaration. I have  
28 personal knowledge of the facts set forth herein, except for those facts stated on information and

1 belief and, as to those facts, I am informed and believe them to be true. If called as a witness, I  
2 could and would testify as to the matters set forth below based upon my personal knowledge.

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

4 3. I make this declaration in support of the *Application to Employ Nelson &*  
5 *Houmand, P.C., Nunc Pro Tunc, as General Bankruptcy Counsel for Victoria L. Nelson, Chapter*  
6 *7 Trustee Pursuant to 11 U.S.C. §§ 327(a) and 328(a) and Federal Rule of Bankruptcy Procedure*  
7 *2014 (the “Application”).*<sup>1</sup>

8 4. On December 15, 2016, an *Involuntary Bankruptcy Petition* [ECF No. 1]<sup>2</sup> (the  
9 “Involuntary Petition”) was filed against ROBERT C. GRAHAM, LTD., fdba ROB GRAHAM &  
10 ASSOCIATES fdba LAWYERSWEST (the “Debtor”) pursuant to 11 U.S.C. § 303. The  
11 Involuntary Petition was filed by the Estate of Michael B. Macknin, the Sharona Dagani Trust,  
12 and the Margueritte Owens Revocable Trust (collectively, the “Petitioning Creditors”).

13 5. The filing of the Involuntary Petition against the Debtor followed numerous  
14 reports that the Debtor had neglected its clients and that its principal, Robert C. Graham, Esq.  
15 (“Mr. Graham”), had misappropriated funds from the Debtor’s IOLTA Account.

16 6. Specifically, on December 9, 2016, the Nevada State Bar filed an *Emergency*  
17 *Petition for Temporary Suspension Pursuant to Supreme Court Rule 102(4)* (the “Emergency  
18 Petition”) with the Supreme Court of the State of Nevada (Case No. 71849). The Emergency  
19 Petition sought a temporary suspension of Mr. Graham based upon his misappropriation of  
20 millions of dollars from more than fifty clients, guardianships, special needs trusts and estates.  
21 The Emergency Petition further details that Mr. Graham abruptly closed his practice and  
22 abandoned more than one hundred clients without providing them with any advance notice.

23 \_\_\_\_\_  
24 <sup>1</sup> Unless otherwise indicated, all chapter and section references are to the Bankruptcy Code, 11  
25 U.S.C. §§ 101-1532, and to the Federal Rules of Bankruptcy Procedure, Rules 1001-9037. The  
26 Federal Rules of Civil Procedure will be referred to as “FRCP” and the Federal Rules of  
27 Bankruptcy Procedure will be referred to as “FRBP.” Unless otherwise expressly stated herein,  
all undefined, capitalized terms shall have the meaning ascribed to them in the Application.

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

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1           7.       On December 16, 2016, the Petitioning Creditors filed a *Motion to Appoint Interim*  
2 *Trustee In Involuntary Case* [ECF No. 3] (the “Interim Trustee Motion”), which sought authority  
3 to appoint an interim trustee to take possession of property and to manage the business operations  
4 and assets of the Debtor.

5           8.       On December 21, 2016, the Bankruptcy Court entered an *Order on Trustee Motion*  
6 *and Order for Relief Under Chapter 7* [ECF No. 21] (the “Order for Relief”). The Order for  
7 Relief provided that the Debtor had consented to the filing of a bankruptcy petition and that the  
8 filing of the bankruptcy case was effective as of December 15, 2016 (the “Petition Date”). The  
9 Order for Relief further required that the Office of the United States Trustee (the “U.S. Trustee”)  
10 appoint an Interim Chapter 7 Trustee pursuant to 11 U.S.C. § 701.

11           9.       On December 22, 2016, I was appointed as the Chapter 7 Trustee in the Debtor’s  
12 bankruptcy case [ECF No. 22].

13           10.       Following my appointment, I have contacted counsel for the Nevada State Bar,  
14 counsel for the Petitioning Creditors, and numerous former clients of the Debtor.

15           11.       I have determined that she will require assistance in administering the Debtor’s  
16 bankruptcy case.

17           12.       I now desire to employ the law firm of Nelson & Houmand, P.C. (the “Firm”), as  
18 general bankruptcy counsel in the Debtor’s bankruptcy case.

19           13.       Based upon information provided by counsel for the Petitioning Creditors and  
20 counsel for the Nevada State Bar, the Trustee believes that there may be a significant amount of  
21 litigation arising from the Debtor’s treatment and misappropriation of funds from its IOLTA  
22 Account.

23           14.       I will also seek to employ the law firm of Diamond McCarthy LLP (“Diamond  
24 McCarthy”) as special litigation counsel to assist with anticipated litigation arising from the  
25 Debtor’s bankruptcy case and to provide advice concerning causes of action that can be  
26 commenced on behalf of the bankruptcy estate.

27           15.       The Application seeks authority to employ the Firm effective as of December 22,  
28 2016, to account for time expended reviewing the docket in the Debtor’s bankruptcy case,

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1 conducting legal research, and coordinating conference calls with counsel for the Nevada State  
2 Bar and the Petitioning Creditors.

3 16. I believe that the Court should approve the Firm's request for *nunc pro tunc*  
4 employment because it only covers a thirteen (13) day period of time from when the Firm first  
5 began working on issues related to the Debtor's bankruptcy case and the filing of the Application.

6 17. Pursuant to Section 327, I desire to employ the Firm to render the following  
7 professional services:

- 8 (a) To investigate the financial affairs of the Debtor and  
9 determine if there are any preferential transfers, fraudulent  
10 conveyances, or turnover actions that may be filed on behalf  
11 of the bankruptcy estate pursuant to 11 U.S.C. §§ 542, 544,  
12 547, and 548.
- 13 (b) To prosecute any and all preferential transfers, fraudulent  
14 conveyances, or turnover actions that may be filed on behalf  
15 of the bankruptcy estate pursuant to 11 U.S.C. §§ 542, 544,  
16 547, and 548.
- 17 (c) To advise me of my rights and obligations and performance  
18 of my duties during the administration of this bankruptcy  
19 case;
- 20 (d) To represent me in all proceedings before this Court and any  
21 other court which assumes jurisdiction of a matter related to  
22 or arising in this bankruptcy case;
- 23 (e) To assist me in the performance of my duties as set forth in  
24 11 U.S.C. § 704;
- 25 (f) To assist me in developing legal positions and strategies  
26 with respect to all facets of these proceedings; and
- 27 (g) To provide such other counsel and advice as I may require  
28 in connection with this bankruptcy case including, but not  
limited to, serving as co-counsel and local bankruptcy  
counsel for Diamond McCarthy.

18. I have selected the Firm because its attorneys have experience in matters of this  
character, are familiar with bankruptcy practice, and are qualified to represent my interests in this  
case.

1 19. Subject to Court approval, in accordance with 11 U.S.C. § 330, I seek to retain the  
2 Firm on an hourly basis at the customary and standard rates that the Firm charges for similar  
3 representation, plus reimbursement of actual and necessary expenses incurred by the Firm in  
4 performing its duties.

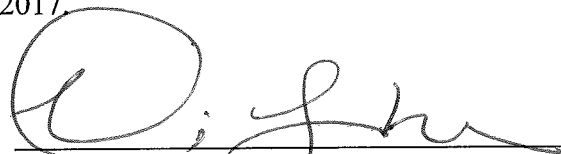
5 20. The Firm proposes the compensation of attorneys be at varying rates currently  
6 ranging from \$250 per hour to \$325 per hour for the services of attorneys, subject to change from  
7 time to time, and all subject to application to, and approval by, this Court pursuant to Sections  
8 330 and 331 of the Bankruptcy Code.

9 21. The Firm proposes the compensation of paraprofessionals be at varying rates  
10 currently ranging from \$175 per hour for paraprofessionals, subject to change from time to time,  
11 and all subject to application to, and approval by, this Court pursuant to Sections 330 and 331 of  
12 the Bankruptcy Code.

13 22. **I am a member of the Firm and regularly employ the Firm to represent**  
14 **bankruptcy estates in other unrelated bankruptcy cases in which I am a Trustee. I will not**  
15 **personally bill any legal fees in this case.**

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

18 Dated this 4<sup>th</sup> day of January, 2017.

19   
20 \_\_\_\_\_  
21 Victoria L. Nelson, Chapter 7 Trustee

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