

Electronically Filed On: April 17, 2018

Jacob L. Houmand, Esq. (NV Bar No. 12781)
Email: jhoumand@houmandlaw.com
Kyle J. Ortiz, Esq. (NV Bar No. 14252)
Email: kortiz@houmandlaw.com
HOUMAND LAW FIRM, LTD.
9205 West Russell Road, Building 3, Suite 240
Las Vegas, NV 89148
Telephone: 702/720-3370
Facsimile: 702/720-3371

Counsel for Shelley D. Krohn, Chapter 7 Trustee

UNITED STATES BANKRUPTCY COURT

DISTRICT OF NEVADA

In re:

ROBERT C. GRAHAM, LTD. fdba ROB
GRAHAM & ASSOCIATES fdba
LAWYERSWEST,

Debtor.

Case No. BK-S-16-16655-BTB
Chapter 7

**REPLY TO RESPONSE TO MOTION TO
APPROVE COMPROMISE PURSUANT
TO FEDERAL RULE OF BANKRUPTCY
PROCEDURE 9019**

Date of Hearing: April 24, 2018
Time of Hearing: 1:30 p.m.
Place: Courtroom No. 4, Second Floor
Foley Federal Building
300 Las Vegas Blvd., S.
Las Vegas, NV 89101

Judge: Honorable Bruce T. Beesley¹

Shelley D. Krohn, the duly appointed Chapter 7 Trustee in the above-captioned bankruptcy case (the “Trustee”), by and through her counsel Jacob L. Houmand, Esq. and Kyle J. Ortiz, Esq. of the Houmand Law Firm, Ltd., hereby submits this *Reply to Response to Motion to Approve Compromise Pursuant to Federal Rule of Bankruptcy Procedure 9019* (the “Reply”).

¹ Unless otherwise indicated, all chapter and section references are to the Bankruptcy Code, 11 U.S.C. §§ 101-1532, and to the Federal Rules of Bankruptcy Procedure, Rules 1001-9037. The 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”.

HOUMAND LAW FIRM, LTD.
9205 West Russell Road, Building 3, Suite 240 Las Vegas, NV 89148
Telephone: (702) 720-3370 Facsimile: (702) 720-3371

1 The Reply² is based on the following Memorandum of Points and Authorities, the
2 pleadings and papers on file herein, and any argument that may be entertained at the hearing on
3 the *Motion to Approve Compromise Pursuant to Federal Rule of Bankruptcy Procedure 9019*
4 [ECF No. 299]³ (the “Motion”).⁴

5 **MEMORANDUM OF POINTS AND AUTHORITIES**

6 **I. LEGAL ARGUMENT**

7 In a letter filed with the Court on April 11, 2018, [ECF No. 323] (the “Response”), Mr.
8 Bruce W. Cole (“Mr. Cole”) opposes the Motion on the basis that Ms. Graham and Mr. Graham
9 should not be entitled to receive any exemption or money prior to the former clients of the
10 Debtor. As outlined in the Motion, Ms. Graham, the Former Trustee, and Trustee Hepner have
11 entered into the Homestead Stipulation allowing Ms. Graham a homestead exemption in the
12 amount of \$8,000.00⁵. This a significant reduction from the \$75,000.00 homestead exemption
13 allowed under Colorado Law. *See* C.R.S.A. § 38-41-201(1)(A). While the Trustee contends that
14 Mr. Graham used monies being held in the trust account of the Debtor to make the initial payment
15 under the lease with the option to purchase and to close on the purchase of the Property, Ms.
16 Graham contends that she used \$8,000 of her own funds to close on the purchase of the Property
17 and that she is without knowledge as to the source of the funds used by Mr. Graham to fund the
18 lease with the option to purchase or to close on the sale of the Property.

19 The Former Trustee entered into the Homestead Stipulation in order to avoid the costs and
20 delay associated with litigating whether Ms. Graham is entitled to claim a homestead exemption

21 _____
22 ² The Trustee also requests that the Court take judicial notice of all pleadings filed in the above-
23 referenced bankruptcy case, including adversary proceedings, pursuant to Federal Rule of
24 Evidence 201, incorporated by reference by FRBP 9017.

25 ³ All references to “ECF No.” are to the numbers assigned to the documents filed in the case as
26 they appear on the docket maintained by the clerk of the court.

27 ⁴ Unless otherwise set forth herein, all defined terms shall have the same meaning ascribed to
28 them in the Objection.

⁵ Mr. Graham is not entitled to any funds under the terms of the Homestead Stipulation and the
Settlement Agreement.

HOUAMAND LAW FIRM, LTD.
9205 West Russell Road, Building 3, Suite 240 Las Vegas, NV 89148
Telephone: (702) 720-3370 Facsimile: (702) 720-3371

1 under Colorado law. Such litigation would require the Debtor’s bankruptcy estate to incur
2 significant administrative expenses. These expenses would include not only the work performed
3 by her general bankruptcy in objecting to Ms. Graham’s exemption, but also the work that would
4 have to be performed by the Trustee’s forensic accountants to trace the funds used to acquire the
5 Property. Such work would almost certainly incur administrative fees and expenses that would
6 exceed Ms. Graham’s reduced \$8,000 homestead exemption.

7 While the Trustee understands the frustrations set forth in the Response due to the actions
8 of Mr. Graham, the Homestead Stipulation and the Settlement Agreement is in the best interest of
9 the bankruptcy estate as their approval will result in the recovery of approximately \$3,971.48. The
10 Settlement Agreement also avoids the potential costs of litigation with Trustee Hepner concerning
11 the division of the net proceeds from the sale of the Property. Given that the sale of the Property
12 resulted in net proceeds of only \$17,256.23,⁶ the approval of the Settlement Agreement and the
13 Homestead Stipulation is in the best interest of the estate and avoids the incurrence of
14 administrative expenses that would be incurred in the disputes with both Ms. Graham and Trustee
15 Hepner that would likely outweigh any recovery for the Debtor’s estate in the event the Trustee
16 prevailed.

17 ...
18 ...
19 ...
20 ...
21 ...
22 ...
23 ...
24 ...
25 ...

26 _____

27 ⁶ Trustee Hepner and the Former Trustee anticipated that the sale of the Property would provide
28 for a much greater recovery, however, after several months of marketing the Property ultimately
sold for an amount significantly less than originally anticipated.

HOUAMAND LAW FIRM, LTD.

9205 West Russell Road, Building 3, Suite 240 Las Vegas, NV 89148
Telephone: (702) 720-3370 Facsimile: (702) 720-3371

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

II. CONCLUSION

For the foregoing reasons, the Trustee respectfully requests that the Court enter an order (i) overruling the objections raise in the Response; (ii) approving the Homestead Stipulation and Settlement Agreement attached as **Exhibits “3” and “4”** to the Krohn Declaration pursuant to FRBP 9019 and (iii) for such other and further relief as is just and proper.

Dated this 17th day of April, 2018.

HOUAMAND LAW FIRM, LTD.

By: /s/ Kyle J. Ortiz
Jacob L. Houmand, Esq. (NV Bar No. 12781)
Kyle J. Ortiz, Esq. (NV Bar No. 14252)
9205 West Russel Road, Building 3, Suite 240
Las Vegas, Nevada 89148
Telephone: 702/720-3370
Facsimile: 702/720-3371

Counsel for Shelley D. Krohn, Chapter 7 Trustee