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*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

**STIPULATION TO TURNOVER FUNDS  
FROZEN BY THE STATE BAR OF  
NEVADA**

Date of Hearing: N/A  
Time of Hearing: N/A

Judge: Honorable Bruce T. Beesley<sup>1</sup>

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., and the State Bar of Nevada (the “State Bar” and together with the Trustee, the “Parties”), by and through its counsel of record, Daniel M. Hooge, Esq., hereby stipulate and agree as follows:

...  
...  
...

<sup>1</sup> 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”.

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I. RECITALS

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2 1. On December 15, 2016, an *Involuntary Bankruptcy Petition* [ECF No. 1]<sup>2</sup> (the  
3 “Involuntary Petition”) was filed against Robert C. Graham, Ltd. fdba Rob Graham & Associates  
4 fdba Lawyerswest (the “Debtor”) pursuant to 11 U.S.C. § 303. The Involuntary Petition was filed  
5 by the Estate of Michael B. Macknin, the Sharona Dagani Trust, and the Margueritte Owens  
6 Revocable Trust (collectively, the “Petitioning Creditors”).

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

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

17 4. On December 22, 2016, Victoria L. Nelson (“Trustee Nelson”) was appointed as  
18 the Chapter 7 Trustee in the Debtor’s bankruptcy case [ECF No. 22].

19 5. Prior to the filing of the Involuntary Petition against the Debtor, the Supreme  
20 Court of the State of Nevada entered an *Order Granting Petition, Suspending Attorney, and*  
21 *Restricting Handling of Client Funds* (the “Supreme Court Order”) on December 9, 2016.

22 6. The Supreme Court Order, among other things, froze all funds held in any client  
23 trust accounts maintained by the Debtor and prohibited the transfer of any funds without written  
24 authorization from counsel for the State Bar:

25 1. All proceeds from Graham’s practice of law and all fees and all  
26 fees and other funds received from or on behalf of his clients shall,  
from the date of service of this order, be deposited into a trust

27  
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 account from which no withdrawals may be made by Graham  
2 except upon written approval of bar counsel; and

3 2. Graham and anyone else with access to the accounts, *see* NRC  
4 65(d), are prohibited from withdrawing any funds from any and all  
5 accounts in any way relating to his law practice, including not  
6 limited to his general and trust accounts, except upon written  
7 approval of bar counsel.

8 7. A true and correct copy of the Supreme Court Order is attached hereto as Exhibit  
9 “1”.

10 8. The effect of the Supreme Court Order was to place the Debtor’s IOLTA Trust  
11 Account (Account Number 1389) held at City National Bank, N.A. (the “Trust Account”) under  
12 the control of the State Bar of Nevada.

13 9. At the time that the Trust Account was frozen, it held funds totaling \$132,152.81.

14 10. On January 13, 2018, Trustee Nelson died.

15 11. On January 19, 2018, the Trustee was appointed as the successor Chapter 7 Trustee  
16 in the Debtor’s bankruptcy case.

17 12. EisnerAmper LLP (“EisnerAmper”), the forensic accountant employed by the  
18 Trustee<sup>3</sup>, has conducted a thorough analysis of the Debtor’s financial affairs and has determined  
19 that the funds held in the Trust Account were commingled with the Debtor’s operating expenses  
20 such that a tracing would be impossible.

21 13. Based upon the analysis of the Debtor’s financial affairs conducted by  
22 EisnerAmper, the State Bar has agreed to transfer all funds held in the Trust Account to the  
23 Trustee in order to be distributed to creditors according to the priority scheme under Section 726.

24 ...  
25 ...  
26 ...

27 <sup>3</sup> On May 5, 2017, the Court entered an *Order Granting Application to Employ EisnerAmper LLP*  
28 *As Forensic Accountant, Nunc Pro Tunc to March 17, 2017, 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* [ECF No. 245].

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**II. STIPULATION**

**IT IS HEREBY STIPULATED AND AGREED** that all funds held in accounts frozen pursuant to the Supreme Court Order, including the Trust Account, shall be transferred to the Trustee and distributed to creditors according to the priority scheme set forth under Section 726.

**IT IS FURTHER STIPULATED AND AGREED** that the Trustee can upload a copy of the *Order* approving this Stipulation that is attached hereto as Exhibit “2”.

Dated this 24th day of January, 2019.

Dated this 24th day of January 2019.

By: /s/ Jacob L. Houmand  
Jacob L. Houmand, Esq. (NV Bar No. 12781)  
Kyle J. Ortiz, Esq. (NV Bar No. 14252)  
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Trustee*

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