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

10 In re:
11 ROBERT C. GRAHAM, LTD. fdba ROB
12 GRAHAM & ASSOCIATES fdba
13 LAWYERS WEST,
14
15 Debtor.

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

**DECLARATION OF SHELLEY D.
KROHN IN SUPPORT OF MOTION TO
APPROVE COMPROMISE PURSUANT
TO FEDERAL RULE OF BANKRUPTCY
PROCEDURE 9019**

Date of Hearing: July 30, 2019
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

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20 I, Shelley D. Krohn, declare as follows:

21 1. I am over the age of 18 years and I am competent to make this declaration. I have
22 personal knowledge of the facts set forth herein, except for those facts stated on information and
23 belief and, as to those facts, I am informed and believe them to be true. If called as a witness, I
24 could and would testify as to the matters set forth below based upon my personal knowledge.

25
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".

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- 1 2. I am the appointed Chapter 7 Trustee in the above-captioned bankruptcy case.
- 2 3. I make this declaration in support of the *Motion to Approve Compromise Pursuant*
- 3 *to Federal Rule of Bankruptcy Procedure 9019* (the "Motion").²
- 4 4. On December 15, 2016, an *Involuntary Bankruptcy Petition* [ECF No. 1]³ (the
- 5 "Involuntary Petition") was filed against the Debtor⁴ pursuant to 11 U.S.C. § 303. The
- 6 Involuntary Petition was filed by the Estate of Michael B. Macknin, the Sharona Dagoni Trust,
- 7 and the Margueritte Owens Revocable Trust (collectively, the "Petitioning Creditors").
- 8 5. On December 16, 2016, the Petitioning Creditors filed a *Motion to Appoint Interim*
- 9 *Trustee in Involuntary Case* [ECF No. 3] (the "Interim Trustee Motion"), which sought authority
- 10 to appoint an interim trustee to take possession of property and to manage the business operations
- 11 and assets of the Debtor.
- 12 6. On December 21, 2016, the Bankruptcy Court entered an *Order on Trustee Motion*
- 13 *and Order for Relief Under Chapter 7* [ECF No. 21] (the "Order for Relief"). The Order for
- 14 Relief provided that the Debtor had consented to the filing of a bankruptcy petition and that the
- 15 filing of the bankruptcy case was effective as of December 15, 2016 (the "Petition Date"). The
- 16 Order for Relief further required that the Office of the United States Trustee (the "U.S. Trustee")
- 17 appoint an Interim Chapter 7 Trustee pursuant to 11 U.S.C. § 701.
- 18 7. On December 22, 2016, Victoria L. Nelson ("Trustee Nelson") was appointed as
- 19 the Chapter 7 Trustee in the Debtor's bankruptcy case [ECF No. 22].
- 20 8. On January 13, 2018, Trustee Nelson died.

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23 ² 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
Bankruptcy Procedure will be referred to as "FRBP."

26 ³ All references to "ECF No." are to the numbers assigned to the documents filed in the above-
27 referenced case as they appear on the docket maintained by the clerk of the court.

28 ⁴ Unless otherwise expressly stated herein, all undefined, capitalized terms shall have the meaning
ascribed to them in the Motion.

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1 9. On January 19, 2018, I was appointed as the successor Chapter 7 Trustee in the
2 Debtor’s bankruptcy case.

3 10. I have investigated the Debtor’s financial affairs and determined that Valassis
4 received transfers from the Debtor prior to the Petition Date in the approximate amount of
5 \$143,975.88 (collectively, the “Transfers”).

6 11. I believe that there is a basis to avoid and recover the Transfers pursuant to
7 Sections 544(b) and 548 and applicable state law.

8 12. Valassis disputes my contention that the Transfers can be avoided and recovered
9 for the benefit of the Debtor’s creditors.

10 13. Valassis and I have entered into the Settlement Agreement that resolves the dispute
11 concerning the Transfers. A true and correct copy of the Settlement Agreement is attached hereto
12 as **Exhibit “1”**.

13 14. The principal terms of the Settlement Agreement are outlined below⁵:

14 a. In consideration of a resolution of the dispute concerning the Transfers,
15 Valassis shall pay the Debtor’s bankruptcy estate the Settlement Sum no later than ten calendar
16 days after entry of a final non-appealable order approving this Agreement pursuant to Federal
17 Rule of Bankruptcy Procedure 9019.

18 b. Valassis and I shall execute mutual releases. The release provided by
19 Valassis shall also preclude it from filing a proof of claim in the Debtor’s bankruptcy pursuant to
20 11 U.S.C. § 502(h).

21 15. Valassis and I have negotiated and reached the Settlement Agreement in good
22 faith.

23 . . .
24 . . .

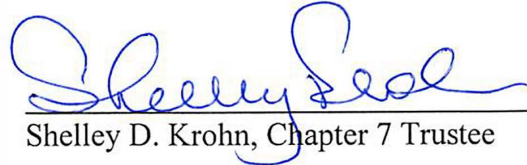
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26 ⁵ The description of the Settlement Agreement set forth herein and in the Motion is a summary
27 only and does not modify or otherwise affect the terms of the Settlement Agreement. To the
28 extent of any conflict between the Settlement Agreement and the description set forth herein, the
Settlement Agreement shall control. Capitalized terms used but not defined herein shall have the
meaning set forth in the Settlement Agreement.

1 16. I now file the Motion to obtain court approval of the Settlement Agreement
2 pursuant to FRBP 9019.

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 26 day of June, 2019.

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9 Shelley D. Krohn, Chapter 7 Trustee

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