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Electronically Filed On: January 9, 2020

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
LAWYERS WEST,

Debtor.

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

**FIRST INTERIM APPLICATION OF
EISNERAMPER LLP FOR ALLOWANCE
OF COMPENSATION FOR SERVICES
RENDERED DURING THE PERIOD
FROM MARCH 17, 2017 THROUGH
MARCH 6, 2019 AND FOR
REIMBURSEMENT OF EXPENSES
PURSUANT TO 11 U.S.C. §§ 330 AND 331
AND FEDERAL RULE OF
BANKRUPTCY PROCEDURE 2016**

Date of Hearing: February 12, 2020
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. Beesley

Shelley D. Krohn (the “Trustee”), Chapter 7 Trustee in the above-captioned bankruptcy case, by and through her counsel of record, Jacob L. Houmand, Esq. of the Houmand Law Firm, Ltd., hereby submits this *First Interim Application of EisnerAmper LLP for Allowance of Compensation for Services Rendered During the Period From March 17, 2017 Through March 6, 2019 and For Reimbursement of Expenses Pursuant to 11 U.S.C. §§ 330 and 331 and Federal*

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Rule of Bankruptcy Procedure 2016 (the “Fee Application”).¹

The Fee Application is filed pursuant to Sections 330 and 331, FRBP 2016, the Guidelines for Compensation and Reimbursement of Professionals in Region 17 as promulgated by the Offices of the United States Trustee (the “Region 17 Guidelines”), and the Guidelines for Reviewing Applications for Compensation and Reimbursement on Expenses Filed Under 11 U.S.C. § 330 effective January 30, 1996 (the “U.S. Trustee Guidelines”). The Application is also based on the following Memorandum of Points and Authorities, the *Declaration of Shelley D. Krohn In Support of First Interim Application of EisnerAmper LLP for Allowance of Compensation for Services Rendered During the Period From March 17, 2017 Through March 6, 2019 and For Reimbursement of Expenses Pursuant to 11 U.S.C. §§ 330 and 331 and Federal Rule of Bankruptcy Procedure 2016* (the “Trustee Declaration”) and the *Declaration of Hubert Klein In Support of First Interim Application of EisnerAmper LLP for Allowance of Compensation for Services Rendered During the Period From March 17, 2017 Through March 6, 2019 and For Reimbursement of Expenses Pursuant to 11 U.S.C. §§ 330 and 331 and Federal Rule of Bankruptcy Procedure 2016* (the “Klein Declaration”), both of which are filed separately and concurrently with this Court pursuant to Local Rule 9014(c)(2).²

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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”.

² All references to “ECF No.” are to the numbers assigned to the documents filed in the case as they appear on the docket maintained by the clerk of the court.

1 The Fee Application is also based on the pleadings and papers on file herein and any
2 argument that may be entertained at the hearing on the Fee Application.³

3 Dated this 9th day of January, 2020.

4 **HOUMAND LAW FIRM, LTD.**

5 By: /s/ Jacob L. Houmand
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11 *Counsel for Shelley D. Krohn, Chapter 7 Trustee*

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27 ³ The Firm also requests that the Court take judicial notice of all pleadings filed in the above-
28 referenced bankruptcy case, including adversary proceedings, pursuant to Rule of Evidence 201,
incorporated by reference by FRBP 9017.

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Name of Firm: EisnerAmper LLP

Authorized to Provide Professional Services to: Shelley D. Krohn, Chapter 7 Trustee

Date of Retention: March 17, 2017⁴

Period for which Compensation and Reimbursement is Sought: March 17, 2017, through March 6, 2019

Amount of Compensation Requested: \$107,666.50

Amount of Expense Reimbursement Requested: \$289.10

This is an: X interim final application.

This is the first interim Fee Application filed by EisnerAmper LLP in this case.

⁴ On May 4, 2017, the Court entered an *Order Granting Application to Employ EisnerAmper LLP 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] that authorized the employment of EisnerAmper *nunc pro tunc* as of March 17, 2017.

BILLING SUMMARY

Prior Applications: None

Fees

Fees Previously Requested	0.00
Fees Previously Awarded	0.00

Expenses

Expenses Previously Requested	0.00
Expenses Previously Awarded	0.00

Retainer Paid:	0.00
Drawn on Retainer:	0.00
Remaining Retainer:	0.00

Current Application Fees from March 17, 2017, through March 6, 2019, Requested:	\$107,666.50
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Current Application Expenses March 17, 2017, through March 6, 2019, Requested:	\$289.10
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**FIRST INTERIM FEE APPLICATION OF
EISNERAMPER LLP
SUMMARY OF COMPENSATION REQUESTED BY CATEGORY
MARCH 17, 2017 THROUGH MARCH 6, 2019**

ACTIVITY	FEES
ADMINISTRATION/PLANNING	\$3,894.00
INITIAL DOCUMENT REVIEW	\$6,456.50
ANALYSIS OF BANK ACCOUNTS	\$7,774.00
REVIEW OF QUICKBOOKS LEDGERS/POSTINGS	\$2,182.00
PREPARATION OF ACCOUNTING RECONSTRUCTION BASED ON BANK STATEMENTS/QUICKBOOKS	\$87,360.00
TOTAL:	\$107,666.50

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1 **MEMORANDUM OF POINTS AND AUTHORITIES**

2 **I. INTRODUCTION**

3 EisnerAmper LLP (the “Firm”), forensic accountants employed by the Trustee in the
 4 above-captioned chapter 7 case (the “Bankruptcy Case”), hereby submits this First Interim
 5 Application for services rendered in the Bankruptcy Case during the period from March 17, 2017,
 6 through March 6, 2019 (the “Fee Application Period”). The Firm requests an order (i) approving
 7 and allowing on an interim basis compensation in the amount of \$107,666.50 for the reasonable
 8 and necessary services of the Firm during the Fee Application Period, (ii) approving and allowing
 9 on an interim basis reimbursement of expenses in the amount of \$289.10 that were incurred
 10 during the Fee Application Period, and (iii) authorizing the Trustee to pay such amounts to the
 11 Firm. The Firm believes that the services it rendered to the Trustee during the Fee Application
 12 Period benefited the Debtor’s estate and that, therefore, the professional fees and costs requested
 13 in this Fee Application should be approved under Section 330(a). The Trustee is currently
 14 holding funds in the amount of \$426,064.50.

15 **II. JURISDICTION AND VENUE**

16 1. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1134.
 17 This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(A). The statutory basis for the relief
 18 sought are Sections 330, FRBP 2016, and Local Rule 2016. Venue before this Court is
 19 appropriate under 28 U.S.C. §§ 1408 and 1409.

20 2. This matter constitutes a core proceeding under 28 U.S.C. § 157(b)(2). Pursuant to
 21 Local Rule 9014.2, if the Court determines that absent consent of the parties the Court cannot
 22 enter final orders or judgment regarding the Application consistent with Article III of the United
 23 States Constitution, the Firm consents to entry of final orders and judgment by this Court.

24 **III.**

25 **SUMMARY OF PROFESSIONAL SERVICES PERFORMED**

26 3. The Firm has provided services in the matters as described below.

27 4. The following summary is intended only to highlight a number of the services
 28 rendered by the Firm, and it is not meant to be a detailed description of all of the work performed.

1 Detailed descriptions of day-to-day services provided by the Firm and the time expended
 2 performing such services is fully set forth in the billing summary, true and correct copies of which
 3 are attached to the Klein Declaration as **Exhibit “1”**.

4 5. Detailed descriptions of the actual expenses incurred by the Firm during the Fee
 5 Application Period are attached to the Klein Declaration as **Exhibit “1”**.

6 IV.

7 STATEMENT REGARDING NOTICE

8 6. Pursuant to FRBP 2002(a)(6) and 2002(c)(2), notice of hearing on the Fee
 9 Application, identifying the Firm and amounts requested, has been served on all identified
 10 creditors and parties in interest not less than 28 days prior to the date set for hearing on this Fee
 11 Application.

12 V.

13 STATEMENT REGARDING TERMS AND CONDITIONS OF EMPLOYMENT

14 7. On March 22, 2017, Victoria L. Nelson (“Trustee Nelson”) filed an *Application to*
 15 *Employ EisnerAmper LLP As Forensic Accountant, Nunc Pro Tunc to March 17, 2017, for*
 16 *Victoria L. Nelson, Chapter 7 Trustee, Pursuant to 11 U.S.C. §§ 327(a) and 328(a) and Federal*
 17 *Rule of Bankruptcy Procedure 2014* [ECF No. 213] (the “Application to Employ”). The
 18 Application to Employ sought to employ the Firm as forensic accountant for the Debtor’s
 19 bankruptcy estate *nunc pro tunc* as of March 17, 2017.

20 8. On May 4, 2017, the Court entered an *Order Granting Application to Employ*
 21 *EisnerAmper LLP As Forensic Accountant, Nunc Pro Tunc to March 17, 2017, for Victoria L.*
 22 *Nelson, Chapter 7 Trustee, Pursuant to 11 U.S.C. §§ 327(a) and 328(a) and Federal Rule of*
 23 *Bankruptcy Procedure 2014* [ECF No. 245].

24 9. The scope of the Firm’s employment in the Debtor’s bankruptcy case included the
 25 following: tracing cash flows and other transfers; analyzing materials obtained through the
 26 discovery process; locating bank accounts; identifying the location and disposition of recoverable
 27 assets; assisting in identifying potential avoidable transfers such as preferences and fraudulent
 28 conveyances and other recoverable transfers; offering testimony; and performing other forensic

1 accounting analysis.

2 10. The results achieved during the Fee Application Period encompassed by this Fee
3 Application relate to the scope of employment set forth in this Fee Application and are set forth in
4 more specific detail in the billing entries attached as **Exhibit “1”** to the Klein Declaration.

5 11. The actual expenses incurred by the Firm during the Fee Application Period are set
6 forth in more specific detail in the billing entries attached as **Exhibit “1”** to the Klein Declaration.

7 12. During the time in question, the Firm has assisted the Trustee in those items
8 detailed in the “Scope of Employment” of the Employment Application and other miscellaneous
9 functions.

10 13. The Firm’s services were rendered economically and without unnecessary
11 duplication of efforts. In addition, the work involved, and thus the time expended, was carefully
12 assigned in consideration of the experience and expertise required for each particular task. If
13 more than one person attended a meeting or hearing, it was not a duplication of that effort but it
14 was necessary to adequately represent the interests of the Trustee.

15 VI.

16 **STATEMENT REGARDING THE ADMINISTRATION OF THE DEBTOR’S** 17 **BANKRUPTCY ESTATE**

18 14. On December 15, 2016, an *Involuntary Bankruptcy Petition* [ECF No. 1]⁵ (the
19 “Involuntary Petition”) was filed against the Debtor pursuant to 11 U.S.C. § 303. The Involuntary
20 Petition was filed by the Estate of Michael B. Macknin, the Sharona Dagani Trust, and the
21 Margueritte Owens Revocable Trust (collectively, the “Petitioning Creditors”). See Trustee
22 Declaration.

23 15. On December 16, 2016, the Petitioning Creditors filed a *Motion to Appoint Interim*
24 *Trustee in Involuntary Case* [ECF No. 3] (the “Interim Trustee Motion”), which sought authority
25 to appoint an interim trustee to take possession of property and to manage the business operations
26 and assets of the Debtor. See Trustee Declaration.

27
28 ⁵ 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.

1 16. On December 21, 2016, the Bankruptcy Court entered an *Order on Trustee Motion*
2 *and Order for Relief Under Chapter 7* [ECF No. 21] (the “Order for Relief”).

3 17. The Order for Relief provided that the Debtor had consented to the filing of a
4 bankruptcy petition and that the filing of the bankruptcy case was effective as of December 15,
5 2016 (the “Petition Date”).

6 18. The Order for Relief further required that the Office of the United States Trustee
7 (the “U.S. Trustee”) appoint an Interim Chapter 7 Trustee pursuant to 11 U.S.C. § 701. *See*
8 Trustee Declaration.

9 19. On December 22, 2016, Victoria L. Nelson (“Trustee Nelson”) was appointed as
10 the Chapter 7 Trustee in the Debtor’s bankruptcy case [ECF No. 22]. *See* Trustee Declaration.

11 20. On January 13, 2018, Trustee Nelson died. *See* Trustee Declaration.

12 21. On January 19, 2018, the Trustee was appointed as the successor Chapter 7 Trustee
13 in the Debtor’s bankruptcy case. *See* Trustee Declaration.

14 22. During the course of the administration of the Debtor’s bankruptcy case, Trustee
15 Nelson and the Trustee have served multiple subpoenas issued pursuant to FRBP 2004
16 (collectively, the “Subpoenas”) seeking the production of financial records related to the Debtor’s
17 financial affairs. *See* Trustee Declaration.

18 23. The Subpoenas have resulted in the production of thousands of financial records
19 that were required to be analyzed to evaluate whether there were pre-petition transfers of estate
20 property that could be avoided for the benefit of creditors. *See* Trustee Declaration.

21 24. The vast majority of the time spent by the Firm related to the analysis of the
22 financial records produced by financial institutions pursuant to the Subpoenas and the Debtor’s
23 books and records. *See* Trustee Declaration.

24 25. The forensic accounting prepared by the Firm has assisted the Trustee in
25 recovering approximately \$426,064.50. *See* Trustee Declaration.

26 26. The Firm is also assisting the Trustee with the investigation and prosecution of
27 avoidance actions against Bank of America, N.A. and the Mormon Church. *See* Trustee
28 Declaration.

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VII.

STATEMENT OF STATUTORY AUTHORITY FOR RELIEF SOUGHT

27. 11 U.S.C. Section 330(a) states:

(a)(1) After notice to the parties in interest and the United States trustee and a hearing, and subject to sections 326, 328 and 329 the court may award to a trustee, an examiner, a professional person employed under section 327 or 1103.

(A) Reasonable compensation for actual, necessary services rendered by the trustee, examiner, professional person, or attorney and by any paraprofessional person employed by any such person; and

(B) Reimbursement for actual, necessary expenses.

28. 11 U.S.C. Section 503 states, in relevant part:

(a) An entity may timely file a request for payment of an administrative expense, . . .

(b) After notice and a hearing, there shall be allowed administrative expenses, . . . including –

(2) compensation and reimbursement awarded under Section 330(a) of this title.

29. 11 U.S.C. Section 331 authorizes the application for and payment of compensation or reimbursement as follows:

A trustee, an examiner, a debtor's attorney, or any professional person employed under section 327 or 1103 of this title may apply to the court not more than once every 120 days after an order for relief in a case under this title, or more often if the court permits, for such compensation for services rendered before the date of such an application or reimbursement for expenses incurred before such date as is provided under section 330 of this title. After notice and a hearing, the court may allow and disburse such compensation or reimbursement.

30. This Fee Application is brought pursuant to 11 U.S.C. Sections 330(a), 331 and 503(b) and Region 17 Guidelines Subsection (b).

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VIII.

STATEMENT RE: AMOUNT OF COMPENSATION SOUGHT TO BE ALLOWED

31. This Fee Application seeks allowance of compensation as follows: (a) \$107,666.50 for professional services rendered during the period from March 17, 2017, through and including March 6, 2019; and (b) reimbursement of actual expenses in the amount of \$289.10 incurred by the Firm during the period from March 17, 2017, through and including March 6, 2019.

IX.

**STATEMENT REGARDING SERVICES RENDERED, HOURLY RATES,
AND EXPENSES INCURRED**

32. Services rendered by Applicant are set forth in detail in the billing entries attached as **Exhibit "1"** to the Klein Declaration. The billing entries attached as **Exhibit "1"** to the Klein Declaration reflect the tasks and includes a detailed list of all time for which compensation is sought, including date of service, designation of category of person rendering service and hourly billing rate, and description of time spent and tasks performed.

33. Actual expenses incurred by the Firm during the Fee Application Period are attached as **Exhibit "1"** to the Klein Declaration.

34. No unusual or costly expenses are listed above.

35. The Firm has charged customary rates for fees which are allowed by accountants in this area pursuant to 11 U.S.C. § 330.

36. The Firm is not employed on a contingency basis and, as in all bankruptcy proceedings, the fees charged are subject to the discretion of the Court.

37. For the convenience of the Court, the U.S. Trustee, and all interested parties, the following paragraphs set forth a narrative statement, summary and explanation of certain activities and services performed during the time covered by the Fee Application Period. The Firm expended a total of 368.8 hours in providing services on behalf of the Trustee in the Bankruptcy Case over a period of approximately two-years, resulting in a blended hourly rate of \$291.93. To provide an orderly and meaningful summary of the services rendered by the Firm in accordance with applicable law and guidelines the Firm utilized the following separate project

1 billing categories in the Fee Application Period to provide a breakdown of the time expended:

2 Administration/Planning. The entries in this category relate to the work performed
3 pertaining to operational and administrative matters including communications with the Trustee
4 and her bankruptcy counsel. The Firm spent \$3,894.00 for this category.

5 Initial Document Review. The entries in this category relate to an initial review of
6 documents related to the Debtor's bankruptcy case. The Firm spent \$6,453.50 for this category.

7 Analysis of Bank Accounts/Preparation of Accounting Reconstruction. The entries in
8 these categories relate to the analysis of thousands of pages of bank statements produced by
9 financial institutions, identification of recipients of transfers of bankruptcy estate property, and a
10 forensic accounting of the use of the Debtor's IOLTA Trust Account. The Firm spent
11 \$97,608.10.00 for these categories.

12 X.

13 **STATEMENT REGARDING EXPERTISE REQUIRED**

14 38. The Firm is skilled in insolvency proceedings, Chapter 7 Trustee cases, and
15 forensic accounting and has special knowledge which enabled the Firm to perform services of
16 benefit to the Trustee. Specialized knowledge and skills with respect to insolvency practice, and
17 procedure and law are required to handle the problems which arise in the bankruptcy context.

18 XI.

19 **STATEMENT REGARDING PAYMENTS MADE OR PROMISED**

20 **AND AGREEMENTS TO SHARE COMPENSATION**

21 39. No payments have been made or promised to the Firm for services rendered or to
22 be rendered in connection with this case, other than those payments described in this Fee
23 Application.

24 40. No agreement or understanding exists between the Firm and any other entity for
25 the sharing of compensation received or to be received for services rendered in connection with
26 this case, except as permitted under Section 504(b)(1). *See* Klein Declaration.

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XII.

CONCLUSION

WHEREFORE, the Firm respectfully requests that this Court enter an Order: (a) granting this Fee Application; (b) approving and allowing compensation in the amount of \$107,666.50 and reimbursement of expenses in the amount of \$289.10 on an interim basis for the Fee Application Period consistent with the terms of this Fee Application; (c) authorizing the Trustee to pay the Firm the amounts set forth in the Fee Application; and (d) for such other relief as is such and proper.

Dated this 9th day of January 2020.

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