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

10 In re:
11 AMERI-DREAM REALTY, LLC,
12 Debtor.

Case No. BK-S-15-10110-GS
Chapter 7

DECLARATION OF SHELLEY D. KROHN IN SUPPORT OF TRUSTEE'S TENTH OMNIBUS OBJECTION TO PROOFS OF CLAIM PURSUANT TO 11 U.S.C. § 502(b)(1) AND FEDERAL RULE OF BANKRUPTCY PROCEDURE 3007—CLAIM NUMBERS 60-1, 87-1, 137-1, 230-1, 231-1, 290-1, 501-1, 681-1, 683-1, AND 735-1, BASED ON IMPROPER ASSERTION OF A SECURED CLAIM

Date of Hearing: September 15, 2020
Time of Hearing: 9:30 a.m.
Place: Courtroom No. To Be Determined
Foley Federal Building
300 Las Vegas Blvd., S.
Las Vegas, NV 89101

Judge: Honorable Gary Spraker

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

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

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1 2. I am the appointed Chapter 7 Trustee in the above-captioned bankruptcy case.¹

2 3. I make this declaration to support the *Trustee’s Tenth Omnibus Objection To*
3 *Proofs Of Claim Pursuant To 11 U.S.C. § 502(B)(1) And Federal Rule Of Bankruptcy Procedure*
4 *3007—Claim Numbers 60-1, 87-1, 137-1, 230-1, 231-1, 290-1, 501-1, 681-1, 683-1, and 735-1,*
5 *Based on Improper Assertion of a Secured Claim (the “Objection”).*²

6 4. On January 9, 2015 (the “Petition Date”), Ameri-Dream Realty, LLC (the
7 “Debtor”) filed a voluntary bankruptcy pursuant to Chapter 7 of Title 11 of the United States
8 Code [ECF No. 1]³.

9 5. On January 9, 2015, Victoria L. Nelson (“Trustee Nelson”) was appointed as the
10 Chapter 7 Trustee in the Debtor’s bankruptcy case [ECF No. 4].

11 6. On January 28, 2015, the Court entered an *Amended Notice of Chapter 7*
12 *Bankruptcy Case* [ECF No. 12] that established May 14, 2015, as the deadline for creditors to file
13 proofs of claim.

14 7. On February 9, 2015, Trustee Nelson filed an *Application for Order Authorizing*
15 *Employment of the Garden City Group, LLC As Claims and Noticing Agent* [ECF No. 88].

16 8. On February 27, 2015, the Court entered an *Order Granting Application for Order*
17 *Authorizing Employment of the Garden City Group, LLC As Claims and Noticing Agent* [ECF No.
18 128].

19 9. Since its employment, GCG has been maintaining the Proofs of Claim that have
20 been submitted by creditors.

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23 ¹ 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.” The Local Rules of Practice for the United
States Bankruptcy Court for the District of Nevada shall be referred to as the “Local Rules”.

26 ² Unless otherwise provided herein, all defined terms shall have the same meaning ascribed to
27 them in the Objection.

28 ³ 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 10. On September 30, 2015, Trustee Nelson filed a *Motion for (1) Turnover of Security*
2 *Deposits Held In Trust Account of McDonald Carano Wilson Pursuant to 11 U.S.C. § 542 and (2)*
3 *Authority to Administer Security Deposits Through the Debtor’s Bankruptcy Estate Pursuant to*
4 *11 U.S.C. § 105(a)* [ECF No. 181] (the “Turnover Motion”).

5 11. The Turnover Motion sought authority for approximately \$707,567.29 – the
6 balance of the Security Deposits that were in the Debtor’s possession as of the Petition Date –
7 held in the IOLTA Account of counsel for the Debtor to be transferred to Trustee Nelson so that
8 the funds could be administered for the benefit of creditors.

9 12. The Turnover Motion was supported by counsel for the Debtor, an accountant
10 employed by the Debtor prior to the Petition Date, and the Nevada Real Estate Division.

11 13. On November 6, 2015, the Court entered an *Order Granting Motion for (1)*
12 *Turnover of Security Deposits Held In Trust Account of McDonald Carano Wilson Pursuant to 11*
13 *U.S.C. § 542 and (2) Authority to Administer Security Deposits Through the Debtor’s Bankruptcy*
14 *Estate Pursuant to 11 U.S.C. § 105(a)* [ECF No. 196] (the “Turnover Order”).

15 14. The Turnover Order provided that the security deposits held in the IOLTA
16 Account of counsel for the Debtor would be transferred to the Debtor’s bankruptcy estate and
17 administered pursuant to Section 726.

18 15. On January 13, 2018, Trustee Nelson died.

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

21 17. On May 11, 2015, April and Kenneth Bell filed a proof of claim asserting a
22 secured claim of \$1,925.00. The basis for the asserted proof of claim was a residential lease
23 agreement. A true and correct copy of Claim 60-1 is attached hereto as **Exhibit “1”**.

24 18. On March 13, 2015, Janet Lawrence filed a secured claim in the amount of
25 \$1475.00. The basis for the asserted proof of claim was a security deposit based on a rental
26 agreement. A true and correct copy of Claim 87-1 is attached hereto as **Exhibit “2”**.

27 19. On April 7, 2015, Wei Chen Chang filed a secured claim for \$1,470.00. The basis
28 for the asserted proof of claim was a security deposit based on a rental agreement. A true and

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1 correct copy of Claim 137-1 is attached hereto as **Exhibit “3”**.

2 20. On April 27, 2015, Wei Qin filed a secured claim for \$1,400.00. The basis for the
3 asserted proof of claim was a security deposit based on a rental agreement. A true and correct
4 copy of Claim 230-1 is attached hereto as **Exhibit “4”**.

5 21. On April 28, 2015, Karen Elizabeth Johnson filed a secured claim for \$1,825.00.
6 The basis for the asserted proof of claim was a security deposit based on a rental agreement. A
7 true and correct copy of Claim 231-1 is attached hereto as **Exhibit “5”**.

8 22. On May 4, 2015, Yichao Huang filed a secured claim for \$6,854.00. The basis for
9 the asserted proof of claim was a security deposit based on a rental agreement. No documentation
10 was attached to the proof of claim. A true and correct copy of Claim 290-1 is attached hereto as
11 **Exhibit “6”**.

12 23. On May 8, 2015, Jeffrey Chen and Shirley Zheng filed a secured claim for
13 \$1,395.00. The basis for the asserted proof of claim was a security deposit based on a rental
14 agreement. A true and correct copy of Claim 501-1 is attached hereto as **Exhibit “7”**.

15 24. On May 12, 2015, Ya Qing Zhang filed a secured claim for \$4,571.00. The basis
16 for the asserted proof of claim was past rent payments held in trust. A true and correct copy of
17 Claim 735-1 is attached hereto as **Exhibit “8”**.

18 25. On May 12, 2015, Yuk S. Wong and Xiao Y Zhu filed a claim proof of claim,
19 asserting a secured claim of \$2038.75. The stated basis of the claim was for rent not received
20 from the Debtor with respect to real property described as 7620 Lillywood Ave. No evidence of a
21 perfected security interest is attached. A true and correct copy of Claim 681-1 is attached hereto
22 as **Exhibit “9”**.

23 26. On May 12, 2015, Yuk S. Wong and Xiao Y Zhu filed a claim proof of claim,
24 asserting a secured claim of \$3,847.00. The stated basis of the claim was for rent not received
25 from the Debtor with respect to real property described as 2285 Chestnut Ranch Ave., Henderson,
26 NV 89052. No evidence of a perfected security interest is attached. A true and correct copy of
27 Claim 683-1 is attached hereto as **Exhibit “10”**.

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1 27. On February 10, 2020, the Court entered an *Order Granting Ex Parte Motion to*
2 *Permit the Joinder of Objections to Proofs of Claim Pursuant to Federal Rule of Bankruptcy*
3 *Procedure 3007(c)* (the “Joinder Order”) [ECF No. 306].

4 28. The Joinder Order allows the Trustee to object to multiple proofs of claim in a
5 single objection when the legal theory underpinning the objection is identical.

6 29. Each of the above referenced proofs of claim was timely filed.

7 30. Each of the above referenced proofs of claim was filed asserting a secured claim
8 based upon a security deposit in connection with the purchase, lease, or rental of property.
9 I now seek an order reclassifying the above referenced claims as general unsecured claims.

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

12 Dated this 14 day of August, 2020.

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15 Shelley D. Krohn, Chapter 7 Trustee
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