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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 ELEVENTH OMNIBUS OBJECTION TO PROOFS OF CLAIM PURSUANT TO 11 U.S.C. § 502(b)(1) AND FEDERAL RULE OF BANKRUPTCY PROCEDURE 3007—CLAIM NUMBERS 50-3, 56-1, 58-3, 63-1, 93-1, 96-1, 172-1, 738-1, 860-1, AND 874-1, BASED ON IMPROPER SECURED CLAIM AND IMPROPER ASSERTION OF A PRIORITY CLAIM BY A LANDLORD FOR A SECURITY DEPOSIT**

Date of Hearing: October 1, 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

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

26 1. I am over the age of 18 years and I am competent to make this declaration. I have  
27 personal knowledge of the facts set forth herein, except for those facts stated on information and  
28 belief and, as to those facts, I am informed and believe them to be true. If called as a witness, I

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1 could and would testify as to the matters set forth below based upon my personal knowledge.

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

3 3. I make this declaration to support the *Trustee’s Eleventh Omnibus Objection To*  
4 *Proofs Of Claim Pursuant To 11 U.S.C. § 502(B)(1) And Federal Rule Of Bankruptcy Procedure*  
5 *3007—Claim Numbers Claim Numbers 50-3, 56-1, 58-3, 63-1, 93-1, 96-1, 172-1, 738-1, 860-1,*  
6 *And 874-1, Based On Improper Secured Claim And Improper Assertion Of A Priority Claim By A*  
7 *Landlord For A Security Deposit (the “Objection”).*<sup>2</sup>

8 4. On January 9, 2015 (the “Petition Date”), the Debtor filed a voluntary bankruptcy  
9 pursuant to Chapter 7 of Title 11 of the United States Code [ECF No. 1]<sup>3</sup>.

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

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

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

17 8. On February 27, 2015, the Court entered an *Order Granting Application for Order*  
18 *Authorizing Employment of the Garden City Group, LLC As Claims and Noticing Agent* [ECF No.  
19 128].

20 9. Since its employment, Garden City Group, LLC (“GCG”) has been maintaining  
21 the Proofs of Claim that have been submitted by creditors.

22  
23 <sup>1</sup> 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 <sup>2</sup> Unless otherwise provided herein, all defined terms shall have the same meaning ascribed to  
27 them in the Objection.

28 <sup>3</sup> 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.

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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 14, 2015, Richard F. Chun filed an amended proof of claim asserting a  
22 total claim of \$2,400.00, a secured claim in the amount of \$2,400.00, and asserting priority in the  
23 amount of \$2,400.00. The basis for the asserted proof of claim was a security deposit based on a  
24 rental agreement. A true and correct copy of Claim 50-3 is attached hereto as **Exhibit "1"**.

25           18.     On April 27, 2015, Yiqun Wang filed a proof of claim asserting a split claim  
26 listing a total claim of \$3,607.00, with a secured portion of \$2,775.00. The basis for the asserted  
27 proof of claim was a residential lease agreement. A true and correct copy of Claim 56-1 is  
28 attached hereto as **Exhibit "2"**.

1 19. On May 14, 2015, Karen Chun filed an amended proof of claim asserting a split  
2 claim, listing a total claim of \$2354.00, with a secured portion of \$2,534.00, and asserting a  
3 priority claim in the amount of \$2,534.00. The basis for the asserted proof of claim was a  
4 residential lease agreement. A true and correct copy of Claim 58-3 is attached hereto as **Exhibit**  
5 **“3”**.

6 20. On May 14, 2015, HLST Global, LLC filed a proof of claim asserting a split claim  
7 listing a total claim of \$4,450.00, with a secured portion of \$1,950.00 and a priority amount of  
8 \$2,500.00. The basis for the asserted proof of claim was a residential lease agreement. A true and  
9 correct copy of Claim 63-1 is attached hereto as **Exhibit “4”**.

10 21. On March 18, 2015, Jaimy Wong filed a split claim, with a total claim of  
11 \$2,650.00, a secured claim in the amount of \$2,650.00, and asserting priority in the amount of  
12 \$2,650.00. The basis for the asserted proof of claim was a security deposit based on a rental  
13 agreement. A true and correct copy of Claim 93-1 is attached hereto as **Exhibit “5”**.

14 22. On March 20, 2015, Michael and Leah Xu filed a split claim, with a total claim of  
15 \$2,945.00, a secured claim in the amount of \$2,945.00, and asserting priority in the amount of  
16 \$2,945.00. The basis for the asserted proof of claim was a security deposit based on a rental  
17 agreement. A true and correct copy of Claim 96-1 is attached hereto as **Exhibit “6”**.

18 23. On April 17, 2015, Bei Quan filed a split claim, with a total claim of \$4,794.40, a  
19 secured claim in the amount of \$4,794.40, and asserting priority in the amount of \$4,794.40. The  
20 basis for the asserted proof of claim was a security deposit based on a rental agreement. A true  
21 and correct copy of Claim 172-1 is attached hereto as **Exhibit “7”**.

22 24. On May 13, 2015, Xiang Lu filed a split claim, with a total claim of \$1,200.00, a  
23 secured claim in the amount of \$1,200.00, and asserting priority in the amount of \$1,200.00. The  
24 basis for the asserted proof of claim was listed as unpaid real estate commissions. A true and  
25 correct copy of Claim 738-1 is attached hereto as **Exhibit “8”**.

26 25. On May 14, 2015, Hweichen Lily Chang and Yin Fang Wang filed a split claim,  
27 with a total claim of \$5,241.00, a secured claim in the amount of \$3,266.00, and asserting priority  
28 in the amount of \$1,975.00. The basis for the asserted proof of claim was a security deposit based

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1 on a rental agreement. A true and correct copy of Claim 860-1 is attached thereto as **Exhibit “9”**.

2 26. On May 14, 2015, Qian Yan Li filed a split claim, with a total claim of \$3,156.00,  
3 a secured claim in the amount of \$1,906.00, and asserting priority in the amount of \$1,250.00.  
4 The basis for the asserted proof of claim was a security deposit based on a rental agreement. A  
5 true and correct copy of Claim 874-1 is attached hereto as **Exhibit “10”**.

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

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

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

12 30. Each of the above referenced proofs of claim was filed by a landlord asserting a  
13 secured claim and a priority claim based upon the deposit, before the commencement of the  
14 case, by an individual, of money in connection with the purchase, lease, or rental of  
15 property, or the purchase of services, for the personal, family, or household use of such  
16 individual.

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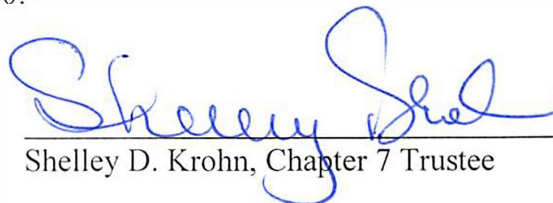
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1 31. I now seek an order reclassifying the above referenced claims as general unsecured  
2 claims.

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 18<sup>th</sup> day of August, 2020.

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8 Shelley D. Krohn, Chapter 7 Trustee

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