

1 Arthur A. Zorio, Nevada Bar No. 6547  
azorio@bhfs.com  
2 BROWNSTEIN HYATT FARBER SCHRECK, LLP  
5371 Kietzke Lane  
3 Reno, NV 89511  
Telephone: 775.398.3812  
4 Facsimile: 775.333.8171

5 Steven E. Abelman, Colorado Bar No. 13980  
(*pro hac vice* admission pending)  
6 sabelman@bhfs.com  
BROWNSTEIN HYATT FARBER SCHRECK, LLP  
7 410 Seventeenth Street  
Suite 2200  
8 Denver, CO 80202-4432  
Telephone: 303.223.1100  
9 Facsimile: 303.223.1111

10 **UNITED STATES BANKRUPTCY COURT**  
11 **DISTRICT OF NEVADA**

12  
13 IN RE GHOLAM REZA JAZI ZANDIAN,  
14  
15 Debtor in Foreign  
Proceeding.

CASE NO.: BK-N-16-50644-BTB  
**CHAPTER 15**

16  
17 **OBJECTION TO PETITION FOR RECOGNITION**  
18 **AND CHAPTER 15 RELIEF**

19 Jed Margolin, by and through his attorneys Brownstein Hyatt Farber Schreck, hereby files  
20 the following objection to the Verified Petition for Recognition of Chapter 15 Relief (“Petition”).  
21 As grounds, Mr. Margolin asserts as follows:

22 **I. INTRODUCTION**

23 Jed Margolin is a judgment creditor of Gholam Reza Zandian (“Zandian”) pursuant to a  
24 judgment entered on June 24, 2013, by the First Judicial Court of the State of Nevada in Case No.  
25 090C005791B. A copy of Mr. Margolin’s judgment is attached hereto as Exhibit A.

26 The petitioner Patrick Canet (the “Petitioner”) is also a judgment creditor of Zandian,  
27 based upon a judgment obtained in a French court 18 years ago. The purpose of Chapter 15 is to  
28

1 encourage cooperation between the United States and foreign countries with respect to  
 2 transnational insolvency cases. Chapter 15 is not intended to, nor does it, elevate the rights of a  
 3 foreign judgment creditor ahead of judgment creditors in the United States concerning assets  
 4 located in the United States. Yet that is precisely what the Petition attempts to accomplish.  
 5 Absent additional evidence, the Chapter 15 relief requested should not be granted by this Court.

6 The Petition is devoid of any evidence that there is a pending insolvency case for Zandian  
 7 in France. While it appears there is (or was) a bankruptcy case in France for Computer World, no  
 8 such evidence exists for a bankruptcy case for Zandian. Rather the Petitioner was purportedly  
 9 appointed the “judicial liquidator” for the benefit of creditors in a proceeding involving Computer  
 10 World, formerly known as CEPAT, case no. 989252. In that capacity, the Petitioner, on behalf of  
 11 the bankruptcy estate of Computer World, obtained a judgment against Zandian. The Petitioner’s  
 12 status as a judgment creditor, however, does not create a cross-border insolvency case. Of equal  
 13 importance, there are no assets in Nevada either owned presently or alleged to be related in any  
 14 fashion to Computer World. The sole nexus to Nevada is the Computer World Judicial  
 15 Liquidator purports to have a judgment against Zandian. This is no different than Jed Margolin’s  
 16 judgment against Zandian, except there is no doubt that the latter judgment is not stale or  
 17 otherwise unenforceable. As a result there is no just reason why the Petitioner’s judgment against  
 18 Zandian should cause this Court to limit other creditors’ claims versus Zandian or their ability to  
 19 execute against Zandian’s assets unrelated to Computer World.

## 20 **II. ARGUMENT**

### 21 **A. The Petition is Inconsistent With the Purposes of Chapter 15.**

22 The purpose of Chapter 15 of the Bankruptcy Code is set forth in 11 USC § 1501(a). The  
 23 Petition seeks relief incongruent with the stated purposes of Chapter 15 because Zandian is not  
 24 subject to a cross-border insolvency. In particular, section 1501<sup>1</sup> states in part:

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 26  
 27  
 28 <sup>1</sup> Unless otherwise indicated, all section references herein are to the United States Bankruptcy Code, 11 U.S.C. §§ 101 *et seq.*

1 (a) The purpose of this chapter is to incorporate the Model Law on cross-  
2 border insolvency so as to provide effective mechanisms for dealing with  
3 cases of cross-border insolvency with the objectives of –  
4 (1) cooperation between –  
5 (A) courts of the United States, United States trustees, trustees,  
6 examiners, debtors and debtors in possession; and  
7 (B) the courts and others competent authorities of foreign countries  
8 involved in cross-border insolvency cases; . . . .

9 11 U.S.C. § 1501(a) (emphasis added).

10 Case law confirms that the purpose of Chapter 15 is to “facilitate[e] administration of an  
11 insolvency case in a foreign jurisdiction.” *In re Kemsley*, 489 B.R. 346, 359 (Bankr. S.D.N.Y.  
12 2013). “Chapter 15 was implemented by Congress in an attempt to harmonize transnational  
13 insolvency proceedings.” *In re Ran*, 607 F.3d 1017, 1025 (5th Cir. 2010).

14 The Petition does not contain documentation supporting the existence of a cross-border  
15 insolvency case in which Zandian is a debtor within the meaning of section 1502(1). The only  
16 debtor in the cross-border case contained in the Petition is Computer World. Rather than  
17 facilitating any foreign insolvency proceeding involving Zandian, the express objective of the  
18 Petition is to collect upon a judgment obtained by a “judicial liquidator” of Computer World  
19 against Zandian. This is not a proper purpose for a Chapter 15 case.

20 **B. The Petition Does Not Satisfy the Requirements of Section 1515.**

21 Attached to the Verified Petition is a single document in French and translated to English.  
22 The document is titled “Judgment of 3 April 1998.” On the caption, the Plaintiff is denominated  
23 “Canet, Judicial Liquidator of Computer World.” The Defendant is Zandian. Since the  
24 Petitioner’s capacity is as the “Judicial Liquidator of Computer World,” the insolvency case is, by  
25 the very terms of the judgment, one involving Computer World, not Zandian. To the extent  
26 Computer World had assets in the United States, Chapter 15 would be applicable such that relief  
27 could be granted under Section 1511 to ensure cooperation between the Courts of France and the  
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1 United States. Here, however, the judgment confirms that the Petition is being misused merely to  
2 gain priority over—or otherwise impede execution of—the judgment obtained by Jed Margolin.

3 The judgment recites in pertinent part:

4 Following the adjournments, the matter was argued at the hearing of  
5 6 March 1998, during which Mr. Canet, Esq., in his official capacity,  
6 appearing through Mr. Gayraud, Esq., developed the terms of his  
7 document instituting proceedings. He recalls that by judgment rendered  
8 by this Commercial Court dated 12 June 1992, Computer World formerly  
9 called CEPAT, was admitted to the benefit of reorganization proceedings.

10 On 11 June 1993, this reorganization had been converted into judicial  
11 liquidation and Mr. Canet, Esq., appointed to the duties of liquidator and  
12 representative of the creditors.

13 He states that in connection with his duties, he summoned Mr. Zandian,  
14 Chairman and General Manager and 48% shareholder, for the purposes of  
15 having a pecuniary sanction ordered against him derived from Article 180  
16 of the Law of 25 January 1985.

17 Indeed, Mr. Zandian was guilty of a certain number of acts justifying that  
18 a sanction be ordered against him for repayment of the company's  
19 liabilities out of his own assets. [complement de passif]

20 Following a judgment rendered by the 6<sup>th</sup> Chamber of this Court on 13  
21 June 1997, Mr. Canet, Esq.'s claim was allowed. Mr. Zandian was  
22 ordered to personally assume the debts of the company up to the amount  
23 of \$20,000,000 francs. ...

24 ON THESE GROUNDS: ... Appoints Mr. Canet, Esq., 1 Rue De La  
25 Citadelle 93500 Pontoise, as liquidator.

26 Grants the creditors a time limit of 2 months as from publication of this  
27 judgment in the BODACC [official bulletin of civil and commercial  
28 notices] to file their proofs of claim.

Declares that the time limit granted to the judicial liquidator for drawing  
up the list of creditors is 10 months as from expiry of the above time limit  
set for proofs of claims.

Requests the employees to appoint a representative from within the  
company under the conditions provided by Article 148-1 of the Law.

Declares that the report of appointment or failure to do so shall be filed  
forthwith with the Clerk's office in accordance with Article 15, 2nd  
paragraph of the Decree of 27 December 1985, as amended...

29 The Petition is devoid of any evidence that there is an ongoing insolvency or liquidation  
30 proceeding against Zandian. Even presuming that the documents attached to the Petition are  
31 authentic, they are all at least 18 years old. Therefore, even if they were valid in 1998, one cannot

1 assume they are currently valid. There is no case number of a pending liquidation or insolvency  
2 case against Zandian. There is no docket sheet or pleading reflecting activity during the past 18  
3 years. It is questionable whether the Judgment of 3 April 1998 is even viable, as there is no  
4 certification indicating that this 18-year-old judgment is still valid. It requires a leap of faith to  
5 accept that the person purporting to be Mr. Canet actually is Mr. Canet and that he is still  
6 authorized to act as liquidator.

7 **C. Zandian's Suspicious Activities.**

8 The facts and circumstances surrounding Zandian's illicit activities, as well as the glaring  
9 omissions in the materials provided herein, should cause this Court to be extremely suspicious  
10 about this Chapter 15. Various courts have determined Zandian engaged in bad faith litigation  
11 and linked him to "forged" patent assignments. Most recently, Zandian attempted to bribe  
12 counsel for Jed Margolin. As a result, there is an insufficient basis to trust that Mr. Canet is  
13 actually bringing this action or that the Computer World insolvency proceeding is still an active  
14 case.

15 In 1993, US Federal Agents arrested Zandian for attempting to illegally export one of  
16 IBM's most powerful computers to Iran. Although Zandian was not convicted of criminal  
17 charges, the Administrative Law Judge denied Zandian all export privileges for a period of 10  
18 years related to his activities. Jed Margolin has been pursuing Zandian for many years, including  
19 obtaining a judgment against him. See Exhibit A (Order Denying Zandian's Motion to Set Aside  
20 Default Judgment), wherein Judge James T. Russell describes abuse of process by Zandian as  
21 well as Zandian's involvement with filing forged patent assignment documents. More recently,  
22 Jed Margolin prosecuted an action for a series of fraudulent conveyances Zandian made to family  
23 and insiders after Mr. Margolin obtained his judgment against Zandian. A copy of the Motion to  
24 Void Deeds, Assigned Property, for Writ of Execution and to Convey is attached hereto as  
25 Exhibit B. The attached motion also details Zandian's attempt to bribe counsel for Mr. Margolin  
26 to stop Mr. Margolin's efforts to execute on his judgment. If bribery, forgery and abuse of  
27 process is in Zandian's repertoire, then impersonating a judicial liquidator is not out of the  
28 question.

1 It is highly suspicious that after 18 years, someone purporting to be a liquidator for a  
2 company long since closed attempts to intervene in Nevada just as Jed Margolin is closing in on  
3 assets fraudulently conveyed. The properties which are subject to the fraudulent conveyance  
4 actions have been titled in Zandian's name for over 10 years. Despite this, Mr. Canet took no  
5 action to collect the judgment that he obtained in France until he filed the Verified Petition.  
6 Given the suspicious timing of the Petition, the Court should closely scrutinize all arguments  
7 made and documents offered in support thereof.

8 Again, there is no evidence provided that the Judgment of 3 April 1998 is even viable  
9 after 18 years. The Petitioner would have this Court believe that a "judicial liquidator" for  
10 Computer World would lay dormant for 18 years only to be miraculously revived in the heels of a  
11 Nevada fraudulent conveyance action. Perhaps most noteworthy, the judgment states that "Mr.  
12 Zandian was ordered to personally assume the debts of the company up to the amount of  
13 \$20,000,000 francs." France officially converted to the Euro in February 2002. The Bank of  
14 France stopped exchanging all Francs for Euros on February 17, 2012. If the Judgment was still  
15 viable, it would have had to have been transformed by a Court to a currency presently in  
16 existence. It is noteworthy that the materials appended to the Petition contain only those  
17 documents which could have been pirated from the 18 year old case.

18 **D. The Petition Fails to Meet the Requirements of Bankruptcy Rule 1007(a)(4).**

19 In addition to being substantively flawed and highly suspicious, the Petition is also  
20 procedurally deficient. Bankruptcy Rule 1007(a)(4) requires that the following documents be  
21 filed with the petition, unless the Court orders otherwise: "a list containing the names and  
22 addresses of all persons or bodies authorized to administer foreign proceedings of the debtor, all  
23 parties to litigation pending in the United States in which the debtor is a party at the time of the  
24 filing of the petition, and all entities against whom provisional relief is being sought under § of  
25 the Code." Fed. R. Bankr. P. 1007(a)(4). The purpose of these requirements is to ensure that  
26 entities with an interest in the case receive appropriate notice. *See COLLIER ON BANKRUPTCY*  
27 ¶ 1007.02[4] (Alan N. Resnick & Henry J. Sommer eds., 16th ed.).  
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1 Here, the foreign representative did not file the materials required under Rule 1007.  
2 Attached to the petition are photocopies of the attorney license cards of Mr. Canet and his French  
3 attorney, Jean-Marie Hyest. There is no representation, however, that Messrs. Canet and Hyest  
4 constitute “all persons or bodies authorized to administer foreign proceedings of the debtor.”  
5 More importantly, the foreign representative failed to list parties to U.S.-based litigation and  
6 parties against whom provisional relief is sought. The Court thus had no means of notifying such  
7 parties of the petition pursuant to Bankruptcy Rule 2002(q). Given the distinct possibility that  
8 key parties in interest did not receive notice of the Petition, the Court should not recognize the  
9 foreign proceeding.

10 **E. Order Granting Recognition Should Not Enter.**

11 For the same reasons set forth above, the Petition fails to meet the criteria established for  
12 an order granting recognition under 11 U.S.C. §1517. For instance, the Petition does not establish  
13 that there is a foreign main proceeding as defined in 11 U.S.C. §1502(4) because there are no  
14 allegations that France is currently (or has been for the past 18 years) the center of Zandian’s  
15 main interests. Because the materials accompanying the Petition relate to the late 1990s, there are  
16 no allegations that Zandian maintains any business interests in France. Thus, France may not  
17 even be a foreign non-main proceeding under 11 U.S.C. §1502(5).

18 **F. Reservation of Rights.**

19 To the extent the Petitioner can prove he is still authorized under French law to pursue the  
20 Judgment of 3 April 1998, Jed Margolin does not object to granting Petitioner access to Court  
21 under 11 U.S.C. §1509(b) to sue or be sued. In addition, Jed Margolin reserves his right to raise  
22 any other objections under Chapter 15 at the hearing scheduled for 10:00 a.m. on June 23, 2016.

23 WHEREFORE, Mr. Margolin respectfully requests that this Court enter an order denying  
24 the Petition for Recognition.  
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DATED this 16th day of June, 2016

BROWNSTEIN HYATT FARBER  
SCHRECK, LLP

By: /s/ Arthur A. Zorio

Arthur A. Zorio  
Nevada Bar No. 6547  
5371 Kietzke Lane  
Reno, NV 89511

By: /s/ Steven E. Abelman

Steven E. Abelman  
Colorado Bar No. 13980  
(*pro hac vice* admission pending)  
410 Seventeenth Street, Suite 2200  
Denver, CO 80202-4432

BROWNSTEIN HYATT FARBER SCHRECK, LLP  
410 Seventeenth Street, Suite 2200  
Denver, CO 80202-4432  
303.223.1100

**CERTIFICATE OF SERVICE**

I hereby certify that on this 16<sup>th</sup> day of June, 2016, the foregoing **OBJECTION TO PETITION FOR RECOGNITION AND CHAPTER 15 RELIEF** was electronically filed with the Court using the CM/ECF system, which sent notification to all parties in interest participating in the CM/ECF system and was served by placing same via first class mail postage prepaid properly addressed to all parties identified on the attached mailing matrix.

/s/ Sheila M. Grisham  
Sheila M. Grisham

**BROWNSTEIN HYATT FARBER SCHRECK, LLP**  
410 Seventeenth Street, Suite 2200  
Denver, CO 80202-4432  
303.223.1100

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Label Matrix for local noticing  
0978-3  
Case 16-50644-btb  
District of Nevada  
Reno  
Thu Jun 16 09:19:42 PDT 2016

KAEMPFER CROWELL  
50 W. Liberty Street, Suite 700  
Reno, NV 89501-1947

United States Bankruptcy Court  
300 Booth Street  
Reno, NV 89509-1360

(p)INTERNAL REVENUE SERVICE  
CENTRALIZED INSOLVENCY OPERATIONS  
PO BOX 7346  
PHILADELPHIA PA 19101-7346

INTERNAL REVENUE SERVICE  
PO BOX 7346  
PHILADELPHIA, PA 19101-7346

Louis M. Bubala III  
KAEMPFER CROWELL  
50 W. Liberty St., Suite 700  
Reno, NV 89501-1947

MATTHEW D. FRANCIS, ESQ.  
ADAM P. MCMILLEN, ESQ.  
BROWNSTEIN HYATT FARBER SCHRECK  
5371 KIETZKE LANE  
RENO, NV 89511-2083

NEVADA DEPARTMENT OF MOTOR VEHICLES  
BANKRUPTCY SECTION  
555 WRIGHT WAY  
CARSON CITY, NV 89711-0001

NEVADA DEPT. OF EMPLOYMENT SECURITY  
500 E. THIRD STREET  
CARSON CITY, NV 89713-0002

NEVADA DEPT. OF TAXATION  
BANKRUPTCY SECTION  
4600 KIETZKE LANE, #L-235  
RENO, NV 89502-5045

SEVERIN A. CARLSON, ESQ.  
TARA C. ZIMMERMAN, ESQ.  
KAEMPFER CROWELL  
510 W. FOURTH STREET  
CARSON CITY, NV 89703-4254

UNITED STATES TRUSTEE  
300 BOOTH STREET, SUITE 3009  
RENO, NV 89509-1360

JEFFREY L HARTMAN  
HARTMAN & HARTMAN  
510 WEST PLUMB LANE, STE B  
RENO, NV 89509-3693

The preferred mailing address (p) above has been substituted for the following entity/entities as so specified by said entity/entities in a Notice of Address filed pursuant to 11 U.S.C. 342(f) and Fed.R.Bank.P. 2002 (g)(4).

DEPARTMENT OF THE TREASURY  
INTERNAL REVENUE SERVICE  
OGDEN, UT 84201-0030

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(u)PATRICK CANET  
1 RUE DE LA CITADELLE  
95300 PONTOISE  
00000

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