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IN THE SECOND DISTRICT COURT OF WEBER COUNTY

STATE OF UTAH

<p>BARBARA J. KRAMBULE, individually and as Trustee of the BARBARA J. KRAMBULE REVOCABLE LIVING TRUST,</p> <p>Plaintiff,</p> <p>v.</p> <p>REBOUND VENTURES LLC, a Georgia limited liability company, NVEST1 HOLDINGS LLC, KAREN MILLER, and DALE AYERS,</p> <p>Defendants.</p>	<p>DEFAULT JUDGMENT</p> <p>Case No. 250900237</p> <p>Judge: H. Craig Hall</p>
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Before the Court is the motion of Barbara J. Krambule, individually and as Trustee of the Barbara J. Krambule Revocable Living Trust dated the 9th Day of June, 2008, for default judgment against Rebound Ventures LLC, Nvest1 Holdings, LLC, Karen Miller, and Dale Ayers (collectively “Defendants” or the “Rebound Parties”). On March 10, 2026, the Court entered the default certificate against the Defendants (Dkt. No. 38). The Court notes that the claims against Halliday, Watkins & Mann, P.C., Velocity Commercial Capital Loan Trust 2023-RTL 1, and

Kelly Mortgage, Inc. (the “Lender Defendants”) have all been dismissed per (Dkt. No. 31). The Court, having reviewed the verified motion for default judgment, hereby ORDERS, ADJUDGES, and DECREES as follows:

FINDINGS OF THE COURT

The following findings are made by the Court and are established by the allegations in the First Amended Complaint (Dkt. No. 23).

1. Barbara J. Krambule aka Bobbie Krambule aka Barbara Mondfrans (hereinafter “Krambule”) is an individual residing in Weber County. Krambule is over 70 years old.
2. Krambule is the trustee of the Barbara J. Krambule Revocable Living Trust dated the 9th Day of June, 2008 (the “Trust”).
3. This lawsuit involves the Property commonly known as 3173 North 1050 West, Pleasant View, UT 84414, and more fully described as:

ALL OF LOT 45, ORCHARDS PHASE NO. 2 (THE), PLEASANT VIEW CITY, WEBER COUNTY, UTAH, ACCORDING TO THE OFFICIAL PLAT THEREOF, ON FILE AND OF RECORD IN THE OFFICE OF THE WEBER COUNTY RECORDER, STATE OF UTAH.

TAX ID NO. 19-220-0002

hereinafter the “Property.”

4. On or about August 15, 2006, The Mountain Orchards, L.L.C. conveyed the Property to Randy Krambule and Bobby Krambule, via Warranty Deed, which was recorded on August 31, 2006, Entry No. 2205070. *See* warranty deed attached to the Amended Complaint as Exhibit 1.
5. On April 3, 2008, Randy Krambule passed away, leaving Barbara Krambule as the surviving joint tenant.

6. Barbara Krambule executed a Deed of Trust in favor of Zions First National Bank, N.A. (the “Zions First DOT”) on or about January 30, 2009, Entry No. 2968766.
7. As part of her estate planning, on or about January 30, 2009, Krambule conveyed the Property via Quit Claim Deed to Barbara J. Krambule Trustee of the Barbara J. Krambule Revocable Living Trust dated the 9th Day of June 2008, which quit claim deed was recorded on February 9, 2009 as Entry No. 2389989.
8. Krambule continued to live in the house, as her sole residence.
9. In 2023, the tax assessed value was \$761,000.00. The 2024 tax assessed value of the Property was \$841,000.00.
10. Following her husband’s death, Krambule also began to experience significant and debilitating health and financial issues. Admittedly, Krambule was unable to make all of her required mortgage payments on time. She simply needed some breathing room to get back on her financial feet. Krambule’s prior lender had recorded one or more notices of default.
11. In or about early 2023, the Rebound Parties contacted Krambule.
12. The Rebound Parties proposed an arrangement/agreement with Krambule by which they purported to help her cure her arrears, retain title to her home, and access equity in the Property.
13. Pursuant to the agreement, Krambule would convey nominal record title to the Property to Rebound. Rebound would borrow against the Property and escrow Krambule’s equity. Rebound would pay off the prior lender and other claimants thereby curing any existing arrears. Rebound was supposed to provide a written agreement to memorialize her rights of occupancy of the Property. After 2-3 years, Krambule would resume/reclaim title to the Property and Rebound

would cease its affiliation with the Property and return the equity to Krambule.

14. It was always understood and intended by the Rebound Parties and Krambule that she was the sole occupant of the Property and the beneficial title holder to the Property. It was never intended to be an outright conveyance of title to Rebound. The whole arrangement was to secure a means by which Krambule would stay in her house and cure her arrears with the equity in the Property.

15. The Rebound Parties advised Krambule that even though she would sign a Real Estate Purchase Contract and/or Bill of Sale, that the documents were mere formalities and legalities. It was always the intention and understanding of the parties that Krambule would keep and retain actual title to the Property. The real estate documents were signed merely to effectuate the Rebound scheme to obtain the equity in the home. The Rebound Parties were supposed to escrow her equity to be returned to her.

16. Pursuant to this agreement, on or about March 23, 2023, Krambule executed a Warranty Deed purporting to convey the Property to Rebound (the “Rebound Deed”). The Rebound Deed was recorded on April 3, 2023, as Entry No. 3278435. *See* Rebound Deed attached to the Amended Complaint as Exhibit 2.

17. Immediately after receiving nominal title, on or about March 24, 2023, Rebound borrowed against the Property and executed a Deed of Trust, Security Agreement and Assignment of Leases and Rents (the “Kelly Mortgage DOT”).

18. The Kelly Mortgage DOT was recorded on April 3, 2023 as Entry No. 3278436. *See* Kelly Mortgage DOT attached to the Amended Complaint as Exhibit 3.

19. From the transaction proceeds at closing, \$259,110.81 was paid to pay off the first deed of trust in favor of Zions First National Bank, N.A.¹ and \$11,263.66 was paid to pay off a federal tax lien.
20. \$381,363.93 was to be held in escrow by Cobb and Hyde.
21. On April 4, 2023, the Rebound Parties caused the title company (or Cobb & Hyde) to wire \$375,858.82 and \$5,505.11 to Nvest1 Holdings LLC. Nvest1 Holdings LLC is an affiliate of the Rebound Parties and a Defendant in this action. *See* Exhibits 7 and 8 to the Amended Complaint.
22. The funds were wired to an account at Wells Fargo Bank, NA, Account No. XXXX4302, per the email correspondence from Defendant Dale Ayers.
23. After removing the equity in the Property, the Rebound Parties defaulted on the loan obligations to Kelly Mortgage (or its successor/assignee(s)).
24. On or about September 11, 2024, the Trustee under the Kelly Mortgage DOT recorded a Notice of Default and Election to Sell, Entry No. 3339449 (the “NOD”). *See* NOD attached to the Amended Complaint as Exhibit 4.
25. The Rebound Parties did not cure the alleged default following receipt of the NOD.
26. On or about December 12, 2024, the trustee under the Kelly Mortgage DOT issued a Notice of Trustee’s Sale, stating that the Property would be sold at a foreclosure sale on January 14, 2025 at 11:00 AM (the “Trustee’s Sale”). *See* Notice of Trustee’s Sale attached to the Amended Complaint as Exhibit 5.

¹ A Substitution of Trustee and Full Reconveyance of the Zions First DOT was recorded on July 19, 2023, Entry No. 3291314.

27. Krambule became informed of the NOD and the notice of the Trustee's Sale.
28. At no time did the Rebound Parties cure the default on the Kelly Mortgage note/DOT.
29. Krambule filed this lawsuit on January 10, 2025 and the Court entered an injunction temporarily restraining the trustee's sale of the Property (Dkt. Nos. 11, 19, and 21).
30. Under the threat of foreclosure, the Property was sold for \$768,750.00 (well under the 2024 tax assessed value of \$841,000), of which \$675,000 was paid on the Kelly Mortgage Note/DOT, leaving \$37,862.23 in equity, which is currently being held in trust.
31. As a result of the actions of the Rebound Parties, Krambule suffered emotional distress, anguish and anxiety, loss of sleep and poor health (insomnia, depression, loss of productivity, loss of enjoyment, constant worry, poor health, headaches, fits of crying and abject depression).

CONCLUSIONS OF LAW

The Court finds that the above-listed facts are true and sufficiently established in this case.

These facts demonstrate actionable claims for the causes of action alleged in the First Amended Complaint, including fraud, misrepresentation, unconscionable and deceptive sale practices, and declaratory relief. The Court also accepts the statements by Krambule in the verified motion for default judgment, and includes them in this analysis.

Generally speaking, the Court concludes as follows: As a result of the conduct of the Rebound Parties, Krambule lost all of the current and future equity in her house, save the \$32,862.23 (held in escrow). The Rebound Parties drained the Property of its equity and then defaulted on the loan. The new lender threatened foreclosure and the property was sold while an

imminent foreclosure sale looming in the background. As a result, the Rebound Parties were unable to convey, sale, or deed the Property back to Krambule or return any of her equity.

While Krambule once lived in her family home, with well over \$500,000.00 of equity, due to the conduct of the Rebound Parties, she lost all of her equity, all of the ability to financially take care of herself going forward, and she now lives in the basement of a friend. She has quite literally lost everything.

The entire experience has caused her emotional distress, anguish and anxiety, loss of sleep and poor health (insomnia, depression, loss of productivity, loss of enjoyment, constant worry, poor health, headaches, fits of crying and abject depression). At a minimum, Krambule lost the \$381,363.93 of equity taken out of the Property and retained by the Rebound Parties.

On the First Cause of Action for Conversion, Civil Conspiracy, Consumer Sales Protection Act, Deceptive Sales Practices, Unconscionable Sales Practices, Theft, the allegations in the First Amended Complaint demonstrate Krambule's entitlement to relief. The Rebound Parties received nominal, record title to the Property based on the false representations made to Krambule. The Rebound Parties immediately borrowed against the Property and received cash back from the equity in the Property (i.e., the \$375,858.82 and \$5,505.11 wire transfers). The Rebound Parties retained possession and control over the funds resulting from the equity in the Property. The \$381,363.93 was to have been put into escrow for Krambule, but it has since been retained, stolen and/or kept by the Rebound Parties. Having extracted all of the equity from the Property, the Rebound Parties did nothing to cure their subsequent default on the deed of trust. The lender threatened foreclosure and the property was sold to a third-party for less than the tax

assessed value. As demonstrated in the First Amended Complaint, the allegations of which are deemed to be true, the conduct of the Rebound Parties amounted to deceptive acts or practices, prohibited by the Utah Consumer Sales Practice Act and the Utah Pattern of Unlawful Activity Act.

The above-described conduct of the Rebound Parties also constituted unlawful activities, per Utah Code § 76-10-1602 (including subparts -1602(4)(gg), (hh), (jj), (pp), (ddd), (ppp), (qqq), (rrr), and (iiii)). Krambule's transaction with the Rebound Parties, as described herein, also violated Utah's law prohibiting deceptive acts and practices, Utah Code 13-11-4, -4(d), -4(e), and Utah Code § 76-6-401(1) (recognizing that a deceptive acts occur when a person creates or confirms by words or conduct [an] impression of law or fact that is false that the actor does not believe to be true and it's likely to affect the judgment of another in a transaction) & Utah Code 76-6-404 (criminal theft).

Krambule's transaction with the Rebound Parties, as described herein, was also unconscionable, per Utah Code 13-11-5. Per Black's Law Dictionary, unconscionability generally is the manifestation of "[e]xtreme unfairness." *See Fell v. Alco*, 538 P.3d 1249 (Utah). Here, the Rebound Parties made representations to Krambule regarding title to the Property, withdrew all of the equity, and then failed to satisfy their loan obligations, resulting in a complete loss of Krambule's equity in the Property. The conduct of the Rebound Parties, in the opinion of the Court, was extremely unfair and unconscionable.

Based on these violations, Krambule is entitled to a judgment for the amount of the equity taken by the Rebound Parties, plus attorney's fees and costs (the total fees and costs may

be supplied by Krambule following entry of this judgment).

The Second Cause of Action for Fraud and Fraudulent Misrepresentation are also well stated. The Rebound Parties made false representations to Krambule about the nature of the agreement, title to the Property, her ability to regain record title to the property, and the return of the equity in the property. The representations were false and were known by the Rebound Parties to be false when they were made. In reliance thereon, Krambule deeded the Property to the Rebound Parties, who then extracted all of the equity out of the Property. The Rebound Parties failed to make the required payments to the lender and the note fell into default. The Property was sold to a third-party while the trustee's sale was pending and/or imminent. As a result, Krambule lost all of the equity in the Property, save the \$37,862.23 held in trust by the title company. As a result of this conduct, in addition to losing the equity in the Property, Krambule suffered emotional distress. She is therefore entitled to damages in the amount of the equity taken by the Rebound Parties, plus compensatory damages in the amount of \$500,000.00.

The Third Cause of Action for Elder Abuse is voluntarily dismissed by Plaintiff without prejudice.

The Fourth Cause of Action for Rescission is dismissed as moot, since the Property was sold to a third-party.

The Fifth Cause of Action against Halliday Watkins is dismissed per the Notice of Dismissal (Dkt. No. 31).

On the Sixth Cause of Action for Quiet Title and Declaratory Relief TRO, the claim for Quiet Title is dismissed as moot, since the Property was sold to a third-party.

The claim for Declaratory Relief in the Sixth Cause of Action is well stated and established by the First Amended Complaint. Under the agreement with the Rebound Parties, Krambule should have had the right to reclaim record title to the Property. Furthermore, she was entitled to receive the proceeds from the loan taken out by the Rebound Parties (i.e., the \$375,858.82 and \$5,505.11). She received neither. The Rebound Parties breached their agreement with Krambule.

Accordingly, Krambule is entitled to prejudgment interest based on the agreement with the Rebound Parties, at the contract claim at 10%, per Utah Code § 15-1-1(2). Indeed, Krambule and the Rebound Parties had an agreement, the Rebound Parties breached the agreement, and never returned the equity taken on April 4, 2023 in the amount of \$381,363.93. As of May 8, 2026, 1,130 days have transpired. Thus, prejudgment interest at \$104.49 a day amounts to \$118,073.70.

On the Seventh Cause of Action, any proceeds from the equity obtained by the Rebound Party from the Property (i.e., the \$375,858.82 and \$5,505.11) shall be held in a constructive trust for the benefit of Krambule and the Rebound Parties are ordered to immediately turn over to Krambule any such proceeds from the equity in the Property.

The Eighth Cause of Action for TRO, Preliminary Injunction, and Injunctive Relief is dismissed as moot, since the Property was sold to a third-party.

Given the default of the Rebound Parties, the Interpleader claim of alleged rent due to the Rebound Parties is voluntarily dismissed by Krambule.

Krambule is awarded the \$37,862.23 held in trust by the title company.

Krambule may submit her motion for attorney's fees and costs, by way of augmentation of this judgment.

The total judgment awarded to Plaintiff, Barbara Krambule, and against Defendants, Rebound Ventures LLC, Nvest1 Holdings, LLC, Karen Miller, and Dale Ayers, jointly and severally is as follows:

Damages:	\$381,363.93
Compensatory Damages:	\$500,000.00
Prejudgment Interest:	\$118,073.70
Attorneys Fees & Costs:	TBD
Sub-Total:	\$999,437.63
Less Money in Escrow:	\$37,862.23
TOTAL JUDGMENT:	\$961,575.40

This is the final judgment of the Court. It adjudicates all of the claims and rights and liabilities of all of the parties. This judgment may be augmented by attorney's fees and costs.

*******END OF JUDGMENT*******

In accordance with Utah State District Court's E-filing Standard No. 4 and Rule 10(e) of the *Utah Rules of Civil Procedure*, this Judgment does not bear the handwritten signature of the Judge, but instead displays an electronic signature at the top of the first page.