

Dominique Villela and
Shot Ventures, LLC
1700 East River Road, STE 64842
Tucson, Arizona 85728
520-245-0054/phone
Defendants, Pro Se

UNITED STATES DISTRICT COURT

DISTRICT OF OREGON

[See LR 3-2(b) DIVISION]

KILLA BEES DISTRIBUTION LLC, dba
KILLA BEEZ, an Oregon limited liability
company; KEVIN WONG, an individual

Plaintiff(s),

v.

LEFT COAST FINANCIAL SOLUTIONS,
INC., an Oregon corporation; LEFT COAST
FS HOLDINGS, INC. dba LCFS, an Oregon
corporation; CASEY ELIZABETH NYE-
HERRINGTON, an individual; DANIEL
HERRINGTON, an individual; NICHOLAS
RUPP, an individual; DOMINIQUE
VILLELA, an individual and in his capacity
as a member, manager, or employee of SHOT
VENTURES, LLC; SHOT VENTURES,
LLC, an Arizona limited liability company;
and DOES 1 through 25.

Defendant(s).

Civil Action No. 3:23-CV-01629-JR

Defendants Shot Ventures, LLC and
Dominique Villela's Response to Plaintiff's
Motion for Temporary Restraining Order and
Preliminary Injunction

I. Introduction

Defendant Dominique Villela, formerly contracted as the interim CEO of Left Coast Financial Solutions (LCFS), submits this response to PLAINTIFF'S MOTION FOR AN EX PARTE EMERGENCY MOTION FOR TEMPORARY RESTRAINING ORDER (TRO), PRELIMINARY INJUNCTION, LR 67 ORDER TO DEPOSIT FUNDS, ATTACHMENT, AND REPLEVIN. Although Defendant agrees that the remaining funds held by City Trust Bank should be secured, the Plaintiff's request for exclusive access to these funds is premature and should not be ordered, as they belong to multiple defrauded businesses. Therefore, Defendant respectfully requests that the Court order the deposit of the funds into the registry of this court, pursuant to Local Rule 67, and also appoint a receiver to oversee the equitable distribution of funds.

II. Relevant Background

- Dominique Villela was conditionally named interim contract CEO of Left Coast Financial Solutions (LCFS) on October 9, 2022 by the former leadership, Casey Elizabeth Nye-Herrington and Daniel Herrington (COO and CEO, respectively), in order to remove their leadership, initiate and manage a 3rd party forensic audit, and determine the extent of former leadership's self admitted loss of funds due to commingling and gross mismanagement of the deposited funds of up to 64 businesses.
- The former married leadership of LCFS, while purporting to have together resigned on November 11, 2022, placed Defendant Villela in the interim-CEO position with their resignation contingent upon the transfer of control over critical bank accounts, including the omnibus accounts at City Trust Bank (Account No. #01-000910 and #01-000912) which never occurred. This prevented Defendant from effectively performing his duties

and removing the former leadership. As a result, the former leadership remained in control while defrauding additional businesses, including the Plaintiff, and using Defendant's placement to obscure their accountability for the company's insolvency and self-admitted gross mismanagement of funds.

- Defendant Villela resigned March 15, 2023 of any and all positions, committees, and affiliations of Left Coast Financial Solutions, Inc.
- The former CEO's resignation was contingent upon the successful transfer of authority over critical accounts, including the primary omnibus account in the CNMI at City Trust Bank, which never occurred. City Trust Bank rejected any bank account change-of-control because of former Daniel Herrington's (COO of LCFS) and Casey Elizabeth Nye-Herrington's (CEO of LCFS) ongoing non-compliance with banking regulations and ongoing misuse of the bank accounts. As such, the former CEO and COO's resignation was never fully executed, leaving the leadership transition incomplete and obscuring the parties responsible, due to the privacy policies set in place between City Trust Bank and the principal account owner, Daniel Herrington, COO of LCFS.
- Though inactive and now locked, the only principal account holders of bank accounts at City Trust Bank in the CNMI are Daniel Herrington, COO and Casey Elizabeth Nye-Herrington, CEO of LCFS; Both are still correctly leadership, as Directors, principal majority shareholders, and executives of Left Coast Financial Services, Left Coast FS Holdings, Inc., and Left Coast FS Rancheria, Inc, all Oregon corporations.
- The Plaintiff has filed this motion seeking an emergency restraining order to claim the remaining funds in City Trust Bank. However, these funds do not exclusively belong to the Plaintiff, and equitable distribution should be ensured.

- Daniel Herrington, COO, and Casey Nye-Elizabeth Herrington, CEO, both executives and members of the Board of Directors of Left Coast Financial Solutions (LCFS), admitted to being aware of the company's insolvency and to the commingling of customer funds with operational capital, which they estimated was in the range of \$900,000 to \$1.2 million US dollars. This gross financial mismanagement impacted the Plaintiff and potentially numerous other businesses, though the exact number of businesses and their respective losses remains undetermined. Given the self-admitted extent of the mismanagement and gross negligence by the previous leadership, an equitable distribution of the remaining funds is necessary. A court-appointed receiver should oversee this process once an adequate and complete audit can determine the allocation fairly.

III. Argument

A. The Plaintiff Is Not Entitled to All Remaining Funds

The Plaintiff represents only one of many defrauded businesses, and their attempt to secure the remaining funds without considering other defrauded depositors or creditors is unjust. In cases involving multiple creditors and widespread financial mismanagement, courts often appoint receivers to ensure fair and lawful asset distribution. Given the complexity of this case, a receiver would be an appropriate mechanism to ensure an equitable outcome for all affected parties.

B. Appointment of a Court-Appointed Receiver Is Essential

Given the complexity of this case, the appropriate remedy is to appoint a neutral receiver to oversee the equitable distribution of funds. This would prevent any party from unfairly benefitting from exclusive access to shared assets.

C. Incomplete Records and Uncertainty of Fund Distribution

The financial records of Left Coast Financial Solutions (LCFS) under the former leadership, including the CEO and COO, are incomplete and unreliable. There were no comprehensive banking records kept, and efforts to obtain complete bank statements from City Trust Bank in the CNMI have been largely unsuccessful. This significantly complicates any determination of the remaining funds and the distribution of those funds to the Plaintiff or other claimants.

While the Plaintiff's complaint presents a compelling case, it is impossible to determine the equitable distribution of the funds without a full and professional audit of the financial records. Such an audit must be conducted by a qualified forensic auditing firm, provided that City Trust Bank in the CNMI allows access to those records to their account owner, Daniel Herrington, or via some other legal mechanism or investigation by law enforcement.

Additionally, the Oregon Division of Financial Regulation (OR-DFR), which has oversight of LCFS, has not responded to inquiries regarding whether they possess complete bank statements, whether they have conducted any form of audit to date, or if they would be willing to provide this data to another party. Without confirmation from the OR-DFR or direct access to the necessary banking records, it remains unclear whether the Plaintiff's claims can be adequately verified or fairly prioritized over those of other defrauded businesses.

This uncertainty further supports the necessity of appointing a court-appointed receiver to oversee a full audit and ensure that the distribution of any remaining funds is equitable and transparent for all affected parties.

D. The Plaintiff's Request for Replevin and Attachment Is Inappropriate
Plaintiff seeks replevin and attachment to recover and secure funds they claim as theirs. However, both legal remedies are inappropriate in this case for the following reasons:

1. Replevin: This remedy requires the Plaintiff to demonstrate a specific ownership interest in the funds they seek to recover, which they have not done. The funds in question are part of a larger, **shared pool, or “omnibus” type account**, held by City Trust Bank in the CNMI, affected by the gross financial mismanagement of Left Coast Financial Solutions. These funds do not belong solely to the Plaintiff but are subject to claims from approximately 60 other defrauded businesses. Therefore, the Plaintiff cannot meet the legal threshold for replevin as there is no exclusive ownership of the funds.
2. Attachment: This remedy allows a court to seize property to ensure it is available to satisfy a judgment. However, attachment should be denied here because the Plaintiff has not proven an exclusive right to the funds. Granting attachment would unfairly prioritize the Plaintiff’s claim over those of other businesses that were similarly defrauded by the former leadership of Left Coast Financial Solutions. Additionally, the CNMI bank account in question holds commingled funds that belong to multiple parties, making attachment inappropriate.

The equitable distribution of these funds, overseen by a court-appointed receiver, is necessary to ensure fairness to all claimants. No single party, including the Plaintiff, should have exclusive access to the funds without a comprehensive audit and legal determination of rightful ownership. Allowing replevin or attachment at this stage would preempt the necessary processes for determining the rightful distribution of the remaining assets.

E. The Role of the CNMI Treasurer Should Be Considered

Plaintiff is seeking to prevent the release of funds from an inactive account held by City Trust Bank to the Commonwealth Treasurer. However, the remaining funds in the CNMI account are part of a broader financial issue involving multiple defrauded businesses. Any court action that

grants the Plaintiff exclusive access to these funds before a comprehensive review and equitable distribution process would complicate the legal proceedings. The funds in question may belong to multiple parties, and the proper mechanism for ensuring fairness is through the appointment of a court-appointed receiver, not by granting the Plaintiff exclusive access to the funds.

F. The Plaintiff's Statement Regarding Account Inactivity Is Inaccurate

Plaintiff claims that Left Coast Financial Solutions' account at City Trust Bank became inactive due to lack of activity, but this is inaccurate. According to City Trust Bank, the omnibus bank account operated by Daniel Herrington, COO of LCFS, was locked or deemed “inactive” due to the following:

1. NSF (Non-Sufficient Funds) checks: Repeated checks were returned due to insufficient funds, including to and from abnormal payees and payors, signaling financial instability.
2. Non-compliance with CNMI laws: The former leadership of Left Coast Financial Solutions failed to meet local regulatory requirements in the Commonwealth of the Northern Mariana Islands (CNMI), which contributed to the account being locked.
3. Illicit banking services: Left Coast Financial Solutions (LCFS) was intended to operate as a money transmitter (Lic. #1816112), not a licensed chartered bank. However, the former leadership sold their clients, including the Plaintiff (as acknowledged in their Second Amended Complaint and in the Ex Part Emergency Motion for Temporary Restraining Order), “banking” services that LCFS was neither licensed nor legally permitted to provide. The principal omnibus account held at City Trust Bank in the CNMI was used for these unauthorized banking services, which added to the legal violations that led to the account being locked.

Thus, the account's inactivity resulted from improper conduct, suspicious transactions, and non-compliance by the former executives—not merely a lack of use. This highlights the mismanagement that requires a court-appointed receiver to ensure fair distribution of any remaining funds.

G. The Plaintiff's LR 67 Order to Deposit Funds Should Include a Receiver Appointment Before Further Claims Made on Shared Pool of Funds

While Defendant Villela acknowledges that securing the funds currently held in City Trust Bank in the CNMI is a necessary step, the proper course of action should be for the court to first ensure the accuracy and safeguarding of those funds. Defendant respectfully requests that the court order City Trust Bank to deposit the remaining funds from inactive Left Coast Financial Solutions' accounts No. 01-000910 and No. 01-00912 into the registry of this court, pursuant to Local Rule 67, in an interest-bearing account.

However, before any further claims or complaints are filed with the court, or before any disbursements are made from the court's registry, it is essential that a court-appointed receiver be appointed to oversee and manage the funds. This is critical for the following reasons:

1. **Ensuring Accurate Accounting of Funds:** Given the previous leadership's gross mismanagement of funds, commingling of customer deposits with operational capital, and the incomplete financial records of Left Coast Financial Solutions, it is impossible to ascertain the exact amount of funds currently held in the City Trust Bank accounts. A receiver should be tasked with conducting a forensic audit to ensure that the correct amount of funds is deposited into the court's registry.
2. **Equitable Distribution of Funds:** Appointing a receiver prior to any further claims or complaints ensures that the distribution of funds is handled equitably and that all affected

parties—approximately and up to 64 defrauded companies—have their claims properly considered. Without the appointment of a neutral third-party receiver, there is a risk that certain parties may attempt to assert priority over the funds, as the Plaintiff is currently doing, which could result in unfair or premature distribution.

3. Jurisdictional and Procedural Safeguards: While depositing the funds into the court’s registry would address potential jurisdictional issues with respect to funds held in City Trust Bank in the CNMI, the appointment of a receiver will help to further safeguard the legal and procedural integrity of the case. The receiver can manage the claims process, ensuring compliance with all applicable laws and regulations and preventing any parties from receiving preferential treatment without legal justification.

In light of these considerations, Defendant Villela requests that the court order City Trust Bank to deposit the funds into the court’s registry, but that no further claims, complaints, or distribution efforts be made until this court appoints a receiver to manage the funds and oversee the equitable distribution process.

IV. Conclusion

Defendant Villela respectfully requests that this Court modify the Plaintiff’s motion for a Temporary Restraining Order (TRO) with conditions. The Defendant agrees that funds should be secured and requests that the Court order City Trust Bank to deposit the remaining funds into the registry of this court, pursuant to Local Rule 67, in an interest-bearing account. However, before any further claims or complaints are processed, a court-appointed receiver should be appointed to manage the funds and ensure their equitable distribution among all affected parties, including the Plaintiff.

This modification would address the Plaintiff's concerns about securing the funds, while ensuring that the rights of all potentially affected parties—approximately and up to 64 defrauded businesses—are protected through proper judicial oversight.

Respectfully submitted this 24th day of October 2024.

By: _____ *Dominique Villela* _____

Dominique Villela and
Shot Ventures, LLC
1700 East River Road, STE 64842
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dom@shotventures.com
Defendants

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UNITED STATES DISTRICT COURT

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LEFT COAST FINANCIAL SOLUTIONS,
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FS HOLDINGS, INC. dba LCFS, an Oregon
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HERRINGTON, an individual; DANIEL
HERRINGTON, an individual; NICHOLAS
RUPP, an individual; DOMINIQUE
VILLELA, an individual and in his capacity
as a member, manager, or employee of SHOT
VENTURES, LLC; SHOT VENTURES,
LLC, an Arizona limited liability company;
and DOES 1 through 25.

Defendant(s).

Civil Action No. 3:23-CV-01629-JR

Declaration of Defendants Shot Ventures,
LLC and Dominique Villela in Support of
Shot Ventures, LLC and Dominique Villela's
Response to Plaintiff's Motion for Temporary
Restraining Order and Preliminary Injunction

1. I am Dominique Villela, do hereby declare as follows:
2. I am over the age of 18 and competent to make this affidavit and testify to the matters herein with personal knowledge.
3. I am a resident of Tucson, Arizona in Pima County, an individual defendant in this civil case, and I am the Executive Manager of Shot Ventures, LLC (the "Company"), also a defendant.
4. I have been the Executive Manager since the founding of the Company in April of 2017. As Executive Manager of Shot Ventures, LLC, I am vested with full authority to manage the business and legal affairs of the Company, including the authority to represent the Company in legal matters.
5. Pursuant to the Operating Agreement of Shot Ventures, LLC (or as authorized by the members of the LLC), I have the authority to make binding decisions on behalf of the Company, including the authority to engage legal counsel and represent the Company in U.S. District Court for the District of Oregon in the current case.
6. I affirm that I have the authority to act on behalf of Shot Ventures, LLC, in Civil Action No. 3:23-CV-01629-JR pending before the U.S. District Court for the District of Oregon.
7. I am fully authorized to execute and file documents, negotiate settlements, and take all necessary actions to manage this case on behalf of Shot Ventures, LLC.
8. I understand the duties and responsibilities involved in representing Shot Ventures, LLC, in legal matters, and I affirm that I will act in good faith in accordance with the legal and financial interests of the Company.
9. Contact Information: My contact information for all legal correspondence related to this case is as follows:

Name: Dominique Villela

Position: Executive Manager

Company: Shot Ventures, LLC

Address: 1700 East River Road, STE 64842, Tucson, Arizona 85728

Phone: 520-245-0054 / Email: dom@shotventures.com

I swear or affirm that the above statements are true and correct to the best of my knowledge, information, and belief.

Respectfully submitted this 24th day of October 2024.

By: *Dominique Villela*

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Defendants