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

9 In re:

Case No. BK-S-22-11824-ABL
Chapter 11

10 FRONT SIGHT MANAGEMENT, LLC
11 Debtor.
12
13

14 **DECLARATION OF ANDREA M. CHAMPION**

15 I, Andrea M. Champion, Esq., hereby declare as follows:

16 1. I am over eighteen (18) years of age and a resident of Clark County, Nevada.

17 2. I am an attorney duly licensed to practice law in the State of Nevada and am counsel
18 for Defendants/Counterclaimants Las Vegas Development Fund, LLC (“LVDF”), EB5 Impact Capital
19 Regional Center, LLC (“EBIC”), EB5 Impact Advisors, LLC (“EB5IA”), Robert W. Dziubla
20 (“Dziubla”), Jon Fleming (“Fleming), and Linda Stanwood (“Stanwood”) (collectively, “Lender
21 Parties”) in *Front Sight Management LLC v. Las Vegas Development Fund, LLC, et al.*, currently
22 pending before the Eighth Judicial District Court, under Case No. A-18-781084-B (the “Foreclosure
23 Action”).

24 3. I have personal knowledge of and am competent to testify to the fact contained in this
25 Declaration. If called to do so, I would competently and truthfully testify to all matters set forth herein,
26 except for those matters stated to be based upon information and belief.
27

28 ///

1 **CONSTRUCTION LOAN, DEFAULT, AND LAWSUIT TO AVOID FORECLOSURE**

2 4. On October 4, 2016, Front Sight executed and delivered a Construction Loan
3 Agreement (“Original Loan Agreement”) and a Promissory Note (“Original Note”). The Original Loan
4 Agreement and Original Note evidence a loan (“Loan”) made by Lender to Borrower.

5 5. The Original Note was secured by a Construction Deed of Trust, Security Agreement,
6 Assignment of Rents and Leases, and Fixture Filing (“Original Deed of Trust”) dated October 6, 2016,
7 and recorded October 13, 2016, as Document No. 860867, in the Official Records, Nye County, Nevada,
8 encumbering certain real property located in Nye County, Nevada (the “Property”).
9

10 6. On July 1, 2017, Front Sight executed and delivered a First Amendment to the Loan
11 Agreement (“First Amended Loan Agreement”) whereby the Original Loan Agreement was amended
12 to reduce the maximum loan amount from seventy-five million dollars (\$75,000,000) among other
13 things. An Amended and Restated Promissory Note (“Amended Note”) and First Amended to
14 Construction Deed of Trust, Security Agreement, and Fixture Filing (“Amended Deed of Trust”) were
15 executed to modify the rights and obligations of the parties. The Amended Deed of Trust was recorded
16 January 12, 2018, as Document No. 886510, in the Official Records, Nye County, Nevada encumbering
17 the Property.

18 7. On February 28, 2018, Front Sight executed and delivered a Second Amendment to the
19 Loan Agreement (“Second Amended Loan Agreement”) to allow time for Front Sight to obtain senior
20 debt.

21 8. Pursuant to the loan documents, LVDF loaned Front Sight six million three-hundred
22 thousand and seventy-five dollars (\$6,375,000.00). All of that money was immigrant investor funds
23 under the EB-5 program.

24 9. By September 2018, LVDF believed that Front Sight had materially failed to comply
25 with its obligations under the Loan Agreement, including, but not limited to never submitting any
26 government approved plans (CLA Section 3.2), running behind on construction (CLA Section 5.1),
27 failing to obtain senior debt (CLA Section 5.27), failing to provide monthly project costs (CLA Section
28 3.2), and failing to provide documentation required for the EB-5 program (CLA Section 5.10).

1 10. LVDF then issued a Notice of Breach and Default and Election to Sell Under Deed of
2 Trust which was recorded on September 11, 2018, as Document No. 899115, in the Official Records,
3 Nye County, Nevada.

4 11. A second Notice of Breach, Default, and Election to Sell Under Deed of Trust was
5 recorded by LVDF on January 18, 2019, as Document No. 905512, in the Official Records, Nye County,
6 Nevada.

7 12. Front Sight commenced the Foreclosure Action on September 14, 2018, filing, upon
8 other things, fraud claims against the Lender Parties and claiming that Front Sight was fraudulently
9 induced into entering into a Construction Loan Agreement in October 2016.

10 13. Front Sight's Complaint was filed after LVDF had sent, and recorded, the above
11 referenced Notices of Default regarding Front Sight's various failures to comply with its obligations
12 under the Construction Loan Agreement. In addition, Front Sight's Complaint was filed after Ignatius
13 Piazza, on behalf of Front Sight, threatened to sue and financially ruin LVDF if LVDF intended to
14 proceed upon its Notices of Default.

15 14. Shortly after Front Sight filed its Complaint, the Court granted a Temporary
16 Restraining Order, precluding LVDF from foreclosing on its security under the Construction Loan
17 Agreement (the Front Sight "Property"). The Temporary Restraining Order was secured by a nominal
18 bond of \$100 by Front Sight.

19 15. The Court subsequently commenced, but never completed, a hearing on Front Sight's
20 Motion for Preliminary Injunction, for an order enjoining LVDF from foreclosing on the Property.

21 16. Consequently, LVDF remained under the Temporary Restraining Order until Front
22 Sight failed to repay the loan upon maturity ("Maturity Date"), as addressed below.

23 **ISSUES DISCOVERED THROUGH LITIGATION AND COUNTERSUITS**

24 17. On April 23, 2019, the Lender Parties countersued Front Sight, Ignatius Piazza,
25 Jennifer Piazza, the VNV Dynasty Trust I and the VNV Dynasty Trust II for Front Sight's various
26 failures to comply with its obligations under the Construction Loan Agreement, judicial foreclosure,
27 conversion, waste, and for civil conspiracy.
28

1 18. Through discovery, the Lender Parties received Front Sight's financial records,
2 including tax returns and bank statements, which demonstrated that the Piazzas, either individually or
3 through the VNV Dynasty Trusts, were paying themselves millions of dollars a year from Front
4 Sight's bank accounts. In addition, the Front Sight bank statements and tax returns also revealed that
5 the Piazzas were using the Front Sight bank accounts to purchase luxury automobiles for themselves
6 because the luxury automobiles were never listed on Front Sight's tax returns but were listed on
7 Ignatius Piazza's personal financial statements.
8

9 19. Jeffrey Porter, a forensic accountant with JDP, issued an expert opinion on May 27,
10 2021 summarizing and detailing the evidence of Front Sight's insolvency and the millions of dollars
11 the Piazzas took out of Front Sight's bank accounts from 2016-2019. Mr. Porter's expert opinion has
12 not been rebutted by Front Sight nor has Front Sight provided any testimony, in the Foreclosure
13 Action, to refute Mr. Porter's conclusions.

14 20. One of Front Sight's various failures to comply with its obligations under the
15 Construction Loan Agreement was Front Sight's failure to obtain senior debt for the Front Sight
16 Project, as required by the Construction Loan Agreement.

17 21. Prior to LVDF issuing its Notice of Default, Front Sight had claimed that it had
18 obtained senior debt from Efrain Rene Morales-Moreno and his entities (Morales Construction, Inc.,
19 All American Concrete 7 Masonry Inc., and Top Rank Builders, Inc.) through a Construction Line of
20 Credit.

21 22. However, Mr. Morales-Moreno testified in deposition that he had a separate, oral
22 agreement with Ignatius Piazza that Front Sight would not use the Morales Construction Line of
23 Credit for anything other than fronting the money that was to be loaned from LVDF. In other words,
24 Mr. Morales-Moreno and Mr. Piazza had a secret, side-agreement by which they agreed the Morales
25 Construction Line of Credit would never be utilized as Senior Debt, as defined by the Construction
26 Loan Agreement.
27

28 23. As a result, in June 2020, the Lender Parties amended their Counterclaim to add the
Morales Parties as Counterdefendants and to assert additional counterclaims against Front Sight, the

1 Morales Parties, Michael Meacher, and Ignatius Piazza for fraud, civil conspiracy, and intentional
2 interference with contractual relation.

3 **FRONT SIGHT’S FAILURE TO REPAY AND FORECLOSURE**

4 24. Pursuant to the unambiguous terms of the loan documents, Front Sight was to make
5 full repayment of all amounts due and owing under the loan documents on or by October 4, 2021 (the
6 “Maturity Date”).

7
8 25. The Initial Maturity Date, as defined in the Loan Agreement, is “the date sixty (60)
9 months after the first disbursement of funds by Lender to Borrower under this Agreement.”

10 26. The first disbursement occurred on October 4, 2016, making October 4, 2021 the Initial
11 Maturity Date.

12 27. The Initial Maturity Date was never extended.

13 28. It is undisputable that Front Sight failed to pay back the money owed pursuant to the
14 loan documents on the Maturity Date or at any time thereafter.

15 29. Front Sight had been making monthly interest payments on the Loan until September
16 3, 2021, but no money has been paid by Front Sight to LVDF since September 3, 2021.

17 30. Following Front Sight’s failure to make payments pursuant to the loan documents,
18 LVDF made demand upon Front Sight. Despite that demand, no additional payments have been
19 received to date.

20 31. As of the most recent loan statement dated May 25, 2022 from JTC Americas, the loan
21 processor, the total amount due on the loan, including interest, late fees, principal, fees, and costs, is
22 \$11,233,878.47.¹

23
24 32. On January 12, 2022, in light of Front Sight’s failure to repay the money owed to LVDF
25 pursuant to the Construction Loan Agreement on the Maturity Date or any time thereafter, the Eighth
26 Judicial District Court ordered that to secure the Temporary Restraining Order, Front Sight would
27 need to post a bond of \$9,741,657.57 no later than April 22, 2022.

28

¹ This includes attorneys’ fees and costs, which pursuant to the loan agreements, become part of the secured indebtedness and incur interest.

1 33. The Court’s April 7, 2022 Findings of Fact and Conclusions of Law and Order Granting
2 in Part and Denying in Part Las Vegas Development Fund LLC’s Motion to Dissolve Temporary
3 Restraining Order, attached hereto as **Exhibit 1**, further ordered that if Front Sight failed to post the
4 bond by April 22, 2022, the TRO shall be automatically dissolved and rendered null and void, at
5 which time, LVDF could immediately proceed with a non-judicial foreclosure of the collateral.
6

7 34. Front Sight did not post the bond (or any portion of the bond) on April 22, 2022.

8 35. As a result, on May 18, 2022, a Notice of Breach and Election to Sell Under Deed of
9 Trust was recorded, as Document No. 985063, in the Official Records, Nye County, Nevada.

10 **FRONT SIGHT AND RELATED PARTIES’ LITIGATION ABUSES**

11 36. On April 25, 26, 27, and May 16, 2022, respectively, Jennifer Piazza, Ignatius Piazza,
12 Front Sight’s 30(b)(6) witness, the Trustee(s) of the VNV Dynasty Trust I, and the Trustee(s) of the
13 VNV Dynasty Trust II willfully and knowingly failed to appear for their duly noticed depositions and
14 allowed non-appearances to be taken.

15 37. As a result of the Front Sight Parties’ failures to attend depositions and in light of a
16 newsletter Ignatius Piazza sent to his Front Sight members on April 24, 2022, promising “BIG and
17 POSITIVE”—but secret—news, on April 29, 2022, LVDF filed an Application for a Temporary
18 Restraining Order and Motion for Preliminary Injunction to Prevent Transfer, Waste, and Destruction
19 of LVDF’s Security and Collateral.

20 38. The Eighth Judicial District Court granted LVDF’s request for a Temporary
21 Restraining Order on May 13, 2022, and entered an Order on May 18, 2022, attached hereto as **Exhibit**
22 **2**, enjoining the Front Sight, Ignatius Piazza, Jennifer Piazza, the VNV Dynasty Trust I, and the VNV
23 Dynasty Trust II from: (a) using any of Front Sight’s assets for any purpose other than the continuation
24 of Front Sight’s business at its current location, (b) selling or otherwise disposing of or encumbering
25 any stock, bond, account, business venture, personal and real property item (including vehicles, boats
26 and yachts, Costa Rican beach front property, Alaska fishing resorts, San Francisco Giants sideline
27 box seats, residential estate at Tiburon on the San Francisco Bay etc. purchase by Ignatius Piazza with
28

1 Front Sight's funds), or real property or any sort that may serve as assets for a potential deficiency
2 judgment absent permission of the Court.

3 39. The Eighth Judicial District Court further ordered that LVDF was to post a bond in the
4 amount of \$500 to secure the Temporary Restraining Order and LVDF in fact posted that bond on
5 May 18, 2022.

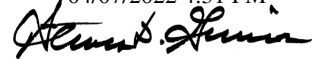
6 40. The hearing on LVDF's Motion for Preliminary Injunction was scheduled to be heard
7 on May 26, 2022 at 9:30 a.m. However, in light of Front Sight filing bankruptcy, the Eighth Judicial
8 District Court has vacated that hearing and noted that the Temporary Restraining Order remains in
9 place.

10 41. In light of the Front Sight Parties' failure to appear for duly noticed depositions, on
11 May 12, 2022, the Lender Parties filed a Motion for Case Dispositive Sanctions, requesting the Eighth
12 Judicial District Court: (a) strike Front Sight's Complaint, and (b) strike the Answers and affirmative
13 defenses of Front Sight, Jennifer Piazza, Ignatius Piazza, the VNV Dynasty Trust I, and the VNV
14 Dynasty Trust II.

15 42. The Eighth Judicial District Court heard argument on the Motion for Case Dispositive
16 Sanctions on May 25, 2022 and granted that motion in its entirety as it relates to Jennifer Piazza,
17 Ignatius Piazza, the VNV Dynasty Trust I, and the VNV Dynasty Trust II.

18 43. Because Front Sight filed bankruptcy the night before the hearing on the Motion for
19 Case Dispositive Sanctions, the Eighth Judicial district Court did not consider the Motion for Case
20 Dispositive Sanctions as it relates to Front Sight. However, because the Motion for Case Dispositive
21 Sanctions was brought on the same basis as to Front Sight as the other parties, and because Front
22 Sight's arguments in opposition to the Motion were identical to the arguments presented in defense
23 of Jennifer Piazza, Ignatius Piazza, and the VNV Dynasty Trusts, I expect the Eighth Judicial District
24 Court will grant the motion in its entirety as it relates to Front Sight once the stay is lifted as to Front
25 Sight.
26
27
28

EXHIBIT 1



CLERK OF THE COURT

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18 *Fund, LLC, EB5 Impact Capital Regional*
19 *Center, LLC, EB5 Impact Advisors, LLC,*
20 *Robert W. Dziubla, Jon Fleming and Linda Stanwood*

DISTRICT COURT

CLARK COUNTY, NEVADA

19 FRONT SIGHT MANAGEMENT LLC, a
20 Nevada Limited Liability Company,

CASE NO.: A-18-781084-B
DEPT NO.: XVI

21 Plaintiff,
22 vs.

**FINDINGS OF FACT AND CONCLUSIONS
OF LAW AND ORDER GRANTING IN
PART AND DENYING IN PART LAS
VEGAS DEVELOPMENT FUND LLC'S
MOTION TO DISSOLVE TEMPORARY
RESTRAINING ORDER**

23 LAS VEGAS DEVELOPMENT FUND LLC,
24 a Nevada Limited Liability Company; et al.,

25 Defendants.

26 AND ALL RELATED COUNTERCLAIMS

27 This matter initially came before the Court on January 12, 2022 at 9:00 a.m. on Las Vegas
28 Development Fund LLC's ("LVD Fund") Motion to Dissolve Temporary Restraining Order on

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1 Application for Order Shortening Time (the “Motion”) and Plaintiffs’ Countermotion to Re-Calendar
2 the Evidentiary Hearing (the “Countermotion”), with John P. Aldrich, Esq. appearing on behalf of
3 Plaintiff/Counterdefendant Front Sight Management, LLC (“Borrower”) and Nicole E. Lovelock,
4 Esq., Andrea M. Champion, Esq., appearing on behalf of Defendants/Counterclaimants Las Vegas
5 Development Fund, LLC (“Lender” or “LVD Fund”), EB5 Impact Capital Regional Center, LLC,
6 EB5 Impact Advisors, LLC, Robert W. Dziubla, Jon Fleming, and Linda Stanwood (collectively,
7 “Lender Parties”). Following the January 12, 2022 hearing, on February 4, 2022, the Court entered
8 an initial Findings of Fact and Conclusions of Law and Order Granting in Part and Denying in Party
9 the Motion, granting Lender’s request to increase the bond and requesting supplemental briefing
10 regarding the appropriate amount of the bond.

11 On January 26, 2022, Lender filed its Supplemental Brief in Support of its Motion (“Lender’s
12 Supplement”). On February 7, 2022, Borrower filed its Supplemental Opposition to the Motion.

13 This matter came before the Court again on February 10, 2022 on the Motion, with John P.
14 Aldrich, Esq. appearing on behalf of Borrower and Nicole E. Lovelock, Esq. and Andrea M.
15 Champion, Esq. appearing on behalf of the Lender Parties. Having considered the pleadings on file
16 herein, the supplemental briefs, having heard oral argument by the parties, and for good cause
17 appearing therefor, the Court makes the following Findings of Fact and Conclusions of Law. These
18 Findings of Fact and Conclusions of Law are meant to supplement the Findings of Fact and
19 Conclusions of Law from the February 4, 2022 Order (“the February 4, 2022 Order”) and are meant
20 to be the final disposition of the Motion.

21 Insofar as any conclusions of law are deemed to have been or include a finding of fact, such
22 a finding of fact is hereby included as a factual finding. Insofar as any finding of fact is deemed to
23 have been or to include a conclusion of law, such is included as a conclusion of law herein.

24 **FINDINGS OF FACT**

- 25 1. The Findings of Fact and Conclusions of Law from the February 4, 2022 Order stand.
26 2. Specifically, on October 4, 2016, Borrower executed and delivered a Construction
27 Loan Agreement (“Original Loan Agreement”) and a Promissory Note dated October 6, 2016
28

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1 (“Original Note”). The Original Note Loan Agreement and Original Note evidence a loan (“Loan”)
2 made from Lender to Borrower.

3 3. The Original Note was secured by a Construction Deed of Trust, Security Agreement,
4 Assignment of Rents and Leases, and Fixture Filing (“Original Deed of Trust”) dated October 6,
5 2016, and recorded October 13, 2016, as Document No. 860867, in the Official Records, Nye County,
6 Nevada encumbering certain real property located in Nye County, Nevada (the “Property”).

7 4. On July 1, 2017, Borrower executed and delivered a First Amendment to the Loan
8 Agreement (“First Amended Loan Agreement”) whereby the Original Loan Agreement was amended
9 to reduce the maximum loan amount from seventy-fix million dollars (\$75,000,000) to fifty-million
10 dollars (\$50,000,000), among other things. An Amended and Restated Promissory Note (“Amended
11 Note”) and First Amended to Construction Deed of Trust, Security Agreement, and Fixture Filing
12 (“Amended Deed of Trust”) were executed to modify the rights and obligations of the parties. The
13 Amended Deed of Trust was recorded January 12, 2018, as Document No. 886510, in the Official
14 Records, Nye County, Nevada encumbering the Property.

15 5. On February 28, 2018, Borrower executed and delivered a Second Amendment to the
16 Loan Agreement (“Second Amended Loan Agreement”) to allow time for Borrower to obtain senior
17 debt.¹

18 6. Pursuant to the Loan Documents, Lender loaned Borrower six million three-hundred
19 thousand and seventy-five dollars (\$6,375,000.00).

20 7. Pursuant to the unambiguous terms of the Loan Documents, Borrower was to make
21 full repayment of all amounts due and owing under the Loan Documents on or by October 4, 2021
22 (“Maturity Date”).

23 8. The Initial Maturity Date, as defined in the Loan Agreement, is “the date sixty (60)
24 months after the first disbursement of funds by Lender to Borrower under this Agreement.”

25
26
27
28 ¹ The Original Loan Agreement, First Amended Loan Agreement, and the Second Amended Loan Agreement shall
hereinafter be referred to collectively as the “Loan Agreement”).

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1 9. The first disbursement occurred on October 4, 2016, making October 4, 2021 the
2 Initial Maturity Date.

3 10. The Initial Maturity Date was never extended, thus, making the Initial Maturity Date
4 the Maturity Date.

5 11. Borrower failed to pay back the money owed pursuant to the Loan Documents on the
6 Maturity Date or at any time thereafter.

7 12. Borrower had been making monthly interest payments on the Loan until September
8 3, 2021, but no money had been paid by Borrower to Lender since the payment of \$36,604.17 on
9 September 3, 2021. The parties dispute whether said interest payments satisfy the amount of interest
10 payments that were due and owing pursuant to the Loan Documents.

11 13. Following Borrower's failure to repay the loan in its entirety upon the Maturity Date
12 set forth in the Loan Documents, Lender made demand upon Borrower.

13 14. Despite the demand, Borrower has not made any additional payment and Borrower's
14 counsel confirmed during the hearing on the Motion that Borrower did not intend to make any
15 additional payments until final judgment is rendered in this case.

16 15. Section 6.1 of the Loan Agreement defines an "Event of Default" as follows:

17 (a) Borrower shall default in any payment of principal or interest due according to
18 the terms hereof or of the Note, and such default shall remain uncured for a period
19 of five (5) days after the payment became due, provided, however, there is no cure
20 period for payments due on the Maturity Date.

21 16. Upon an Event of Default, Section 6.2 provides the following remedies for
22 Lender:

23 (e) exercise any or all remedies specified herein and in the other Loan Documents,
24 including (without limiting the generality of the foregoing) the right to foreclose
25 the Deed of Trust, and/or any other remedies which it may have therefor at law, in
26 equity or under statute;

27 17. The Deed of Trust also provides that Borrower's failure to repay the amounts due and
28 owing on the Maturity Date is "Event of Default" and allows the Lender to foreclose on the Property.

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1 18. The Court’s November 5, 2019 Order Granting in Part and Denying in Part Plaintiff’s
2 Second Motion for Temporary Restraining Order and Setting Preliminary Injunction Hearing
3 (“TRO”) prevents Borrower from conducting a non-judicial foreclosure sale.

4 19. In filing the Motion, Lender requested that the Court dissolve the TRO and allow the
5 Lender to proceed with a non-judicial foreclosure of the Property. Alternatively, Lender requested
6 that the Court set a bond amount for the payment of such costs and damages as may be incurred or
7 suffered by Lender if found to have been wrongfully enjoined or restrained.

8 20. Borrower opposed Lender’s Motion and countermoved to continue the evidentiary
9 hearing on Borrower’s pending Motion for Permanent Injunction.

10 21. After finding that Borrower’s failure to pay any payments under the Loan
11 Agreements, and the passage of the Maturity Date, constitute a significant change in the facts
12 warranting an increase in the bond to secure the TRO, the Parties submitted supplemental briefing,
13 at the Court’s request, regarding the appropriate amount of the bond.

14 22. There is no dispute in this case that Lender loaned Borrower the principal amount of
15 six million three-hundred thousand and seventy-five dollars (\$6,375,000.00) and no amount of
16 principal has been repaid.

17 23. Pursuant to the Loan Documents, interest accrues on the loan at 6% during the Initial
18 Term for all advances made prior to July 1, 2017, and accrues at 7% during the Initial Term for all
19 advances made after July 1, 2017.

20 24. If Borrower defaults under the Loan Documents, then the default interest rate applies
21 at five percent (5%) per annum “in excess of the Loan Rate or the maximum lawful rate of interest
22 which may be charged, if any.” In another words, 11% during the Initial Term for advances made
23 prior to July 1, 2017 and 12% during the Initial Term for advances made after July 1, 2017.

24 25. Lender declared Borrower in default on July 31, 2018. As a result, the default interest
25 rate has applied since July 31, 2018.

26 26. The Loan Documents also provide that in the event Borrower fails to make any
27 required payment of principal or interest payments on the Note, then Borrower shall also pay to
28

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1 Lender, “in addition to interest at the Loan Rate, a late payment charge equal to three percent (3%)
2 of the amount of the overdue payment.”

3 27. Attorneys’ fees and costs advance against the Loan and become part of the secured
4 indebtedness and incur interest pursuant to Section 4.7 of the Construction Deed of Trust, Security
5 Agreement, Assignment of Leases and Rents, and Fixture Filing.

6 28. Lender has submitted documentation to the Court that demonstrates that the interest
7 currently due and owing and past due on the Loan is \$1,584,225.18.

8 29. Lender has submitted documentation to the Court that demonstrates that the late fees
9 currently due and owing on the Loan is \$806,314.42.

10 30. Lender has submitted documentation to the Court that demonstrates that Lender has
11 incurred \$1,586,967.49 in attorneys’ fees and \$121,756.15 in litigation costs.

12 **CONCLUSIONS OF LAW**

13 1. As addressed in the February 4, 2022 Order, the Court previously DENIED Lender’s
14 request to dissolve the TRO. Specifically, while the Court does not make any findings about
15 Borrower’s likelihood of success on the merits of Borrower’s claim, in light of Borrower’s pending
16 fraudulent inducement claims, the Court finds that the TRO should stay in place.

17 2. The Court does, however, GRANT Lender’s request to increase the bond.

18 3. Pursuant to NRCP 65, “The court may issue a preliminary injunction or a temporary
19 restraining order only if the movant gives security in an amount that the court considers proper to
20 pay the costs and damages sustained by any party found to have been wrongfully enjoined or
21 restrained.” NRCP 65(c). “The expressed purpose of posting a security bond is to protect a party
22 from damages incurred as a result of a wrongful injunction.” *American Bonding Co. v. Roggen*
23 *Enterprises*, 109 Nev. 588, 591, 854 P.2d 868, 870 (1993).

24 4. Courts should err on the high side when setting bond. *See Manpower, Inc. v. Mason*,
25 405 F. Supp. 2d 959, 976 (E.D. Wis. 2005) (“Because the damages caused by an erroneous
26 preliminary injunction cannot exceed the amount of the bond posted as security, and because an error
27 in setting the bond too high is not serious, district courts should err on the high side when setting
28 bond.”) (internal citation omitted); *see also Guzzetta v. Serv. Corp. of Westover Hills*, 7 A.3d 467,

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1 469 (Del. 2010) (stating that district courts should set a bond “at a level likely to meet or exceed a
2 reasonable estimate of potential damages” to the enjoined party). A wrongfully enjoined party is
3 “entitled to recover the actual expense and loss occasioned by the writ of injunction[,] [which] would
4 include the costs of the original proceeding, the reasonable counsel fee paid for setting aside the
5 injunction, and such other damage as the *natural and proximate consequence of the issuance and*
6 *enforcement of the writ, and no more.” American Bonding Co. v. Roggen Enterprises, 109 Nev. 588,*
7 *591, 854 P.2d 868, 870 (1993) (quotation marks and citations omitted) (emphasis in original).*

8 5. The Court shall set the bond consistent at “the actual expense and loss occasioned by
9 the writ of injunction[,] which [] include[s] the cost of the original proceeding, the reasonable
10 counsel fee paid for setting aside the injunction, and such other damage as the natural and proximate
11 consequence of the issuance and enforcement of the writ.” *See e.g., Megino v. Linear Financial, No.*
12 *2:09-CV-00370, 2011 U.S. Dist. LEXIS 1872, 2011 WL 53086 at *5 (D. Nev. Jan. 6, 2011); see also*
13 *Renteria v. United States, 452 F. Supp. 2d 910, 922-23 (D. Ariz. 2006).*

14 6. While the bond securing the TRO is currently set at the nominal amount of one-
15 hundred dollars (\$100), there is a significant change in facts warranting an increase in that bond
16 amount; namely, borrower’s failure to pay any payments under the Loan Agreements and the passage
17 of the Maturity Date, both of which constitute a significant change in the facts and circumstances
18 relating to the adequacy of the bond amount.

19 7. The TRO shall now be secured at a bond amount of \$9,741,657.57.

20 8. The bond amount is calculated as follows:

- 21 a. Principle sum pursuant to the Loan Documents: \$6,375,000.00
- 22 b. Interest: \$1,484,225.18
- 23 c. Late Fees: \$806,314.42
- 24 d. Litigation Costs: \$121,756.15
- 25 e. Attorneys’ Fees: \$854,361.82.

26 9. “The granting of a temporary restraining order without a proper bond is a nullity.”
27 *State ex rel. Hersh v. First Judicial Dist. Court In and For Ormsby County, 86 Nev. 73, 77, 464 P.2d*
28 *783, 785 (1970).*

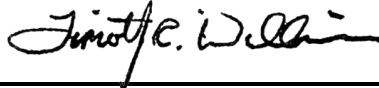
10. The bond shall be posted no later than April 22, 2022.

11. If Borrower fails to post the bond by April 22, 2022, the TRO shall be automatically dissolved and rendered null and void, at which time, Lender may immediately proceed with a non-judicial foreclosure of the collateral.

12. The parties will appear for a status check on April 25, 2022 at 9:30 a.m. to discuss the status of the bond and, if the bond is not posted by Borrower, what additional discovery is needed.

IT IS SO ORDERED.

Dated this 7th day of April, 2022



MH

**1D9 309 E6A5 1521
Timothy C. Williams
District Court Judge**

Respectfully submitted by:

JONES LOVELOCK

/s/ Andrea M. Champion, Esq.
Nicole E. Lovelock, Esq.
Nevada State Bar No. 11187
Sue Trazig Cavaco, Esq.
Nevada State Bar No. 6150
Andrea M. Champion, Esq.
Nevada State Bar No. 13461
6600 Amelia Earhart Court, Suite C
Las Vegas, Nevada 89119

Attorneys for Defendants/Counterclaimant

Approved as to form and content:

ALDRICH LAW FIRM, LTD.

/s/ Competing Order Being Submitted
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Las Vegas, Nevada 89117

Attorneys for Plaintiff/Counterdefendants

JONES LOVELOCK
6600 Amelia Earhart Ct., Suite C
Las Vegas, Nevada 89119

1 **CSERV**

2
3 DISTRICT COURT
4 CLARK COUNTY, NEVADA

5
6 Front Sight Management LLC,
7 Plaintiff(s)

CASE NO: A-18-781084-B

8 vs.

DEPT. NO. Department 16

9 Las Vegas Development Fund
10 LLC, Defendant(s)

11 **AUTOMATED CERTIFICATE OF SERVICE**

12
13 This automated certificate of service was generated by the Eighth Judicial District
14 Court. The foregoing Order was served via the court's electronic eFile system to all
recipients registered for e-Service on the above entitled case as listed below:

15 Service Date: 4/7/2022

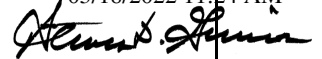
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Andrea Champion	achampion@joneslovelock.com

EXHIBIT 2



CLERK OF THE COURT

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ORDR
John P. Aldrich, Esq.
Nevada Bar No. 6877
Catherine Hernandez, Esq.
Nevada Bar No. 8410
ALDRICH LAW FIRM, LTD.
7866 West Sahara Avenue
Las Vegas, NV 89117
Telephone: (702) 853-5490
Facsimile: (702) 227-1975
Attorneys for Plaintiff/Counterdefendants

EIGHTH JUDICIAL DISTRICT COURT
CLARK COUNTY, NEVADA

FRONT SIGHT MANAGEMENT LLC, a
Nevada Limited Liability Company,

Plaintiff,

vs.

LAS VEGAS DEVELOPMENT FUND LLC, a
Nevada Limited Liability Company; et al.,

Defendants.

AND ALL RELATED COUNTERCLAIMS.

CASE NO.: A-18-781084-B
DEPT NO.: 16

**ORDER GRANTING LAS VEGAS
DEVELOPMENT FUND LLC'S
APPLICATION FOR A
TEMPORARY RESTRAINING
ORDER AND MOTION FOR
PRELIMINARY INJUNCTION TO
PREVENT TRANSFER, WASTE,
AND DESTRUCTION OF LAS
VEGAS DEVELOPMENT FUND,
LLC'S SECURITY AND
COLLATERAL**

This matter having come before the Court on May 13, 2022, on Defendant/Counterclaimant Las Vegas Development Fund, LLC's Application for a Temporary Restraining Order and Motion for Preliminary Injunction to Prevent Transfer, Waste, and Destruction of Las Vegas Development fund, LLC's Security and Collateral (the "Motion"), with Andrea M. Champion, Esq., appearing on behalf of Defendants/Counterclaimants Las Vegas Development Fund, LLC ("LVD Fund"), EB5 Impact Capital Regional Center LLC, EB5 Impact Advisors LLC, Robert Dziubla, Jon

1 Fleming, and Linda Stanwood (collectively, the “EB5 Parties”) and John P. Aldrich, Esq.
2 appearing on behalf of Plaintiff/Counterdefendants Front Sight Management LLC (“Front Sight”),
3 Ignatius Piazza, Jennifer Piazza, the VNV Dynasty Trust I and the VNV Dynasty Trust II
4 (collectively, the “Front Sight Parties”), the Court having considered the pleadings on file herein,
5 having heard oral argument by the parties, and for good cause appearing therefor,

6 **THE COURT HEREBY FINDS** that based upon the Front Sight Parties’ failure to appear
7 at depositions, as set forth in the EB5 Parties’ Motion, there is good cause to preserve the status
8 quo and to restrain the Front Sight Parties from: (a) using any of Front Sight’s assets for any
9 purpose other than the continuation of Front Sight’s business at its current location or (b) selling or
10 otherwise disposing of or encumbering any stock, bond, account, business venture, personal and real
11 property item (including vehicles, boats and yachts, Costa Rican beach front property, Alaska fishing
12 resorts, San Francisco Giants sideline box seats, residential estate at Tiburon on the San Francisco
13 Bay etc.) purchased by Ignatius Piazza with Front Sight’s funds), or real property of any sort that may
14 serve as assets for a potential deficiency judgment absent permission of this Honorable Court.

15 **IT IS THUS HEREBY ORDERED** that Defendant/Counterclaimant Las Vegas
16 Development Fund, LLC’s Application for a Temporary Restraining Order and Motion for
17 Preliminary Injunction to Prevent Transfer, Waste, and Destruction of Las Vegas Development
18 fund, LLC’s Security and Collateral is **GRANTED** as set forth herein.

19 **IT IS FURTHER ORDERED** that a temporary restraining order is hereby entered
20 enjoining the Front Sight Parties from: (a) using any of Front Sight’s assets for any purpose other
21 than the continuation of Front Sight’s business at its current location or (b) selling or otherwise
22 disposing of or encumbering any stock, bond, account, business venture, personal and real property
23 item (including vehicles, boats and yachts, Costa Rican beach front property, Alaska fishing resorts,
24

1 San Francisco Giants sideline box seats, residential estate at Tiburon on the San Francisco Bay etc.)
2 purchased by Ignatius Piazza with Front Sight's funds), or real property of any sort that may serve as
3 assets for a potential deficiency judgment absent permission of this Honorable Court.

4 **IT IS ALSO ORDERED** Defendant/Counterclaimant Las Vegas Development Fund,
5 LLC shall post a bond in the amount of Five Hundred and no/100 Dollars (\$500.00).

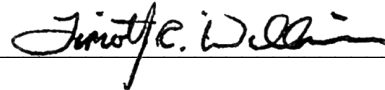
6 **IT IS FURTHER ORDERED** that this temporary restraining order shall commence upon
7 posting of the requisite bond and remain in effect until additional order of this Court.

8 **IT IS FURTHER ORDERED** that the hearing on the EB5 Parties' Motion for Preliminary
9 Injunction is scheduled for May 26, 2022 at 9:30 a.m.

10 **IT IS FINALLY ORDERED** that the Front Sight Parties are to provide all bank
11 statements for Front Sight Management, LLC for the last year forthwith and in advance of the
12 preliminary injunction hearing.

13 **IT IS SO ORDERED.**

14
15 Dated this 18th day of May, 2022

16 

MH

17
18 Respectfully submitted by:

29A 31E 8353 FBB7
Timothy C. Williams
District Court Judge

19 **ALDRICH LAW FIRM, LTD.**

20 /s/ John P. Aldrich
John P. Aldrich, Esq.
Nevada Bar No. 6877
21 Catherine Hernandez, Esq.
Nevada Bar No. 8410
22 7866 West Sahara Avenue
23 Las Vegas, Nevada 89117
Attorneys for Plaintiff/Counterdefendants
24

1 **CSERV**

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3 DISTRICT COURT
4 CLARK COUNTY, NEVADA

5
6 Front Sight Management LLC,
7 Plaintiff(s)

CASE NO: A-18-781084-B

8 vs.

DEPT. NO. Department 16

9 Las Vegas Development Fund
10 LLC, Defendant(s)

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14 Court. The foregoing Order was served via the court's electronic eFile system to all
recipients registered for e-Service on the above entitled case as listed below:

15 Service Date: 5/18/2022

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Georlen Spangler	jspangler@joneslovelock.com
Andrea Champion	achampion@joneslovelock.com

EXHIBIT 3

A-18-781084-B

**DISTRICT COURT
CLARK COUNTY, NEVADA**

Other Business Court Matters

COURT MINUTES

May 25, 2022

A-18-781084-B Front Sight Management LLC, Plaintiff(s)
vs.
Las Vegas Development Fund LLC, Defendant(s)

May 25, 2022 10:30 AM All Pending Motions

HEARD BY: Williams, Timothy C. **COURTROOM:** RJC Courtroom 16C

COURT CLERK: Darling, Christopher

RECORDER: Snow, Grecia

REPORTER:

PARTIES PRESENT:

Andrea M. Champion **Attorney for Counter Claimant, Defendant**
John P. Aldrich **Attorney for Counter Defendant, Plaintiff,
Trustee**

JOURNAL ENTRIES

MOTION FOR CASE DISPOSITIVE SANCTIONS ON OST...RENEWED MOTION FOR SUMMARY JUDGMENT AS TO THE COUNTERCLAIMS AGAINST JENNIFER PIAZZA

Hearing held live and by BlueJeans remote conferencing. Arguments by Ms. Champion and Mr. Aldrich. COURT FINDS, no explanation for non-attendance, appears intentional in nature, and as result halts the adversarial process. Therefore, COURT ORDERED, Motion for Case Dispositive Sanctions GRANTED. Court directed Ms. Champion to prepare the order with findings. Ms. Champion advised remaining matter moot; COURT SO FURTHER ORDERED. Colloquy regarding status of tomorrow's pending matters in light of today's ruling and whether or not non-judicial foreclosure can proceed. COURT ORDERED, tomorrow's Status Check regarding Bond and Preliminary Injunction Hearing VACATED.

Department Guideline: Proposed order(s) to be submitted to DC16Inbox@clarkcountycourts.us.