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8 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
9 **COUNTY OF ORANGE, CENTRAL JUSTICE CENTER**
10

11 RICK S. HOWELL,

12 Plaintiff,

13 vs.

14 M3CP HOLDINGS, LLC, a Delaware limited
liability company; JRS CAPITAL USA, INC.,
15 a California corporation; LOST WINDS
CAPITAL, INC., a California corporation;
16 DANIEL LEIMEL, JR., an individual; JAMES
ROBERT SECHRIST, an individual; and
17 DOES 1 through 25, inclusive,

18 Defendants.
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Case No. 30-2025-01516713-CU-BC-CJC

Assigned for All Purposes: Judge Deborah Servino
Judge:
Dept.:

COMPLAINT FOR:

- 1. **BREACH OF CONTRACT**
- 2. **MONEY HAD AND RECEIVED**
- 3. **MONEY LENT**
- 4. **PROMISSORY ESTOPPEL**

DEMAND FOR JURY TRIAL

Action Filed:
Trial Date:

[Unlimited Jurisdiction]

21 Plaintiff Rick S. Howell alleges the following:

22 **PARTIES**

- 23 1. Plaintiff Rick S. Howell (“Lender” or “Plaintiff”) is an individual.
- 24 2. Defendant M3CP Holdings, LLC (“M3CP” or “Borrower”) is a Delaware limited
25 liability company with its principal place of business in Newport Beach, Orange County, California.
- 26 3. Defendant JRS Capital USA, Inc. (“JRS Capital”) is a California corporation
27 registered to do business in California with its principal place of business in Newport Beach, Orange
28 County, California.

1 4. Defendant Lost Winds Capital, Inc. (“Lost Winds”) is a California corporation
2 registered to do business in California with its principal place of business in Riverside, Riverside
3 County, California.

4 5. Defendant Daniel Leimel, Jr. (“Leimel”) is an individual who, upon information and
5 belief, lives and/or works in Orange County, California.

6 6. Defendant James Robert Sechrist (“Sechrist”) is an individual who, upon information
7 and belief, lives and/or works in Orange County, California.

8 7. Plaintiff is informed and believes, and based thereon alleges, that the fictitiously
9 named defendants sued herein as Does 1 through 25, inclusive, and each of them, are in some manner
10 responsible or legally liable for the actions, events, transactions and circumstances alleged herein.
11 The true names and capacities of such fictitiously named defendants, whether individual, corporate,
12 associate or otherwise, are presently unknown to Plaintiff, and Plaintiff will seek leave of Court to
13 amend this complaint to assert the true names and capacities of such fictitiously-named defendants
14 when the same have been ascertained. For convenience, each reference to a named defendant herein
15 shall also refer to Does 1 through 25, inclusive. All defendants, including Does 1 through 25,
16 inclusive, are sometimes collectively referred to as “Defendants.”

17 8. Plaintiff is informed and believes, and thereupon alleges, that at all times herein
18 mentioned, Defendants, and each of them, were the aiders, participants, abettors, employees, agents,
19 servants, joint venturers, and/or co-conspirators with each of the remaining Defendants. In acting or
20 omitting to act as alleged, they were doing so within the scope of said employment, agency, and/or
21 conspiracy, with the knowledge, permission, consent, and/or approval of Defendants, and each of
22 them. At all times herein mentioned, each of the Defendants acted as the agent, servant, and
23 employee of each of the remaining Defendants and was at all times acting within the purpose and
24 scope of such agency and employment.

25 9. Plaintiff is informed and believes, and thereon alleges, that at all relevant times,
26 Defendants, and each of them, jointly perpetrated the acts herein described with their co-
27 Defendants. They were the successors in interest to, agents, alter egos, principals, partners, joint
28 venturers, and/or co-conspirators of their co-Defendants in committing the acts herein alleged.

1 Furthermore, they were the owners of the business entities, LLCs, and/or corporations, and were
2 acting within the scope of their authority or in furtherance of a common scheme or design. This was
3 done with the knowledge, permission, consent, or ratification of their co-Defendants. Therefore,
4 they are jointly and severally liable for all damages, and other relief or remedies sought by Plaintiff.

5 10. Defendants, and each of them, are sued herein individually as aiders, participants,
6 abettors, employees, agents, servants, joint venturers, and/or co-conspirators in the wrongful
7 activities complained of herein. The liability of each arises from the fact that each, with intent and
8 knowledge, engaged in all or part of the improper acts, plans, schemes, or transactions to participate,
9 induce, or carry out the scheme causing Plaintiff harm. Pursuant to the principles of alter ego liability
10 under California law, these Defendants displayed such unity of interest and ownership that their
11 separate legal personalities no longer exist, and adhering to the fiction of their separate existence
12 would sanction fraud or promote injustice. Consequently, each Defendant acted as alter egos of one
13 another, rendering them jointly and severally liable for the allegations and damages set forth herein.

14 11. On information and belief, Leimel and/or Sechrist are, and at all times herein were,
15 the principal owner(s) and/or held a majority interest in M3CP, JRS Capital, and Lost Winds and
16 DOES 1-25, inclusive. Beyond their ownership interests, Leimel and Sechrist have served, and at
17 all relevant times did serve, as officers, directors, and/or controlling managers of these entities.

18 12. On information and belief, Defendants are all a single enterprise and jointly liable as
19 a single enterprise under alter ego principles.

20 13. On information and belief, there exists, and at all times herein mentioned, a unity of
21 interest and ownership by and among Leimel and Sechrist in M3CP, JRS Capital, Lost Winds and
22 DOES 1-25, inclusive, such that any individuality and separateness between them and these entities
23 have ceased.

24 14. On information and belief, Defendants are all a single enterprise and jointly liable as
25 a single enterprise under alter ego principles, substantiated by the following facts:

- 26 a. The commingling of funds and other assets between their personal accounts and the
27 accounts of the entities;
- 28 b. Their exercise of complete dominion and control over the entities;

- 1 c. Their respective roles as officer, director, and/or manager in these entities, where
2 they were responsible for supervision, management, and were the majority or
3 significant owner(s);
- 4 d. Their use of the entities as shells, instrumentalities, and/or conduits for a singular
5 venture or business, effectively blurring the lines of distinction between the corporate
6 and personal realms;
- 7 e. A blatant disregard for legal formalities and failure to maintain an arm's length
8 relationship between them and the entities;
- 9 f. Their contractual engagements intended to circumvent performance obligations and
10 use the entities as shields against personal liability;
- 11 g. Their public and judicial acknowledgments disregarding any distinctions among
12 them, particularly in contracts binding one or more of them;
- 13 h. Representation by the same legal counsel for them and the entities, further eroding
14 the separation between corporate and individual identities.
- 15 i. Adherence to the fiction of separate existence of these entities, distinct from Lamiel
16 and/ Sechrist, would permit an abuse of the corporate privilege, sanction fraud, and
17 promote injustice. Lamiel's and/or Sechrist's improper use of these entities for illicit
18 and/or prohibited purposes establishes a clear case for alter ego liability.
19 Consequently, Leimel and Sechrist, in their individual capacities, are just as liable
20 for the allegations and causes of action herein as the named entities, and vice versa,
21 underscoring their joint and several liabilities for all damages and other relief sought
22 by Plaintiff.

23 **JURISDICTION AND VENUE**

24 15. This Court has jurisdiction over this action because the matter in controversy exceeds
25 Twenty-Five Thousand Dollars (\$25,000.00), exclusive of costs and interest, the agreements that
26 are the subject matter of the claims in this action were executed and breached within this venue and
27 jurisdiction and Defendants reside in the County of Orange, State of California.

1 **GENERAL ALLEGATIONS APPLICABLE TO ALL CAUSES OF ACTION**

2 16. On or about March 11, 2024, Plaintiff, as lender, and M3CP, as borrower, entered
3 into that certain Secured Promissory Note (“Note”) in the principal amount of \$2,800,000.00
4 (“Loan”). Pursuant to Section 2 of the Note, the “Maturity Date” was the twelve-month anniversary
5 of the Closing Date (*i.e.*, March 11, 2024).

6 17. Section 1 of the Note provides that “Borrower shall use the proceeds of the Loan to
7 purchase 2,353,827.28 units of membership interest (the “Units”) in Pelorus Fund, LLC, a California
8 limited liability company and to make the prepayment of interest on the Loan further described in
9 Section 4.2 hereof.”

10 18. The payment and performance of Borrower’s obligations under the Note are (i)
11 secured by a first priority security interest in Units and other collateral described in that certain
12 Pledge and Security Agreement dated March 11, 2024 entered into by the Lender and Borrower,
13 JRS Capital and Lost Winds (Borrower, JRS Capital and Lost Winds are each a “Borrower Party”),
14 and (ii) guaranteed by that certain Guaranty of Collection dated as of the Closing Date, by Leimel
15 and Sechrist (Sechrist and Leimel are each a “Guarantor Party” and are collectively the
16 “Guarantors”).

17 19. Section 2 of the Note provides for simple and not compounded interest to accrue on
18 the unpaid principal balance of the Loan at a fixed rate of fifteen percent (15%) per annum. Per
19 Section 4.5 of the Note, such computations of interest shall be made on the basis of 365 or 366 days,
20 as the case may be, and the actual number of days elapsed. Section 4.2 of the Note provides for
21 prepaid interest in the total amount of Four Hundred Twenty Thousand and 0/100 Dollars
22 (\$420,000.00) to be retained by Plaintiff for the purpose of prepaying interest on the Note through
23 the Maturity Date.

24 20. Section 2 of the Note provides for two extensions of the Maturity Date in exchange
25 for the payment by Borrower to Lender of a non-refundable extension fee equal to one percent (1%)
26 of the outstanding principal balance of the Loan as calculated as of the time of the extension, payable
27 in cash prior to the expiration of the original Maturity Date. On October 11, 2024, the Lender,
28 Borrower, JRS Capital, Lost Winds, Sechrist, and Leimel entered into a letter agreement which

1 modified the Note as follows: “The ‘First Extension Period’ under the Note would be for a period
2 of six (6) months (as opposed to a period of twelve (12) months).”

3 21. On February 6, 2025, Borrower exercised its first extension option to extend the
4 Maturity Date for six (6) months from March 11, 2025 to September 11, 2025 in exchange for the
5 above-described extension fee.

6 22. Pursuant to Section 6.1 of the Note, one “Event of Default” is as follows:

7 6.1 Failure to Pay. (i) The Borrower fails to pay any principal or interest
8 on the Loan or any other amount payable by the Borrower when due hereunder, (ii)
9 any Borrower Party fails to pay any amount payable under the Security Agreement
when due thereunder, or (iii) any Guarantor Party fails to pay any amount payable
under the Guaranty of Collection when due thereunder.

10 23. Section 7 of the Note provides the following remedies upon the occurrence and
11 during the continuance of an Event of Default under the Note:

12 7. Remedies. Upon the occurrence and during the continuance of an
13 Event of Default under this Note, the Lender may, at its option, by written notice to
14 the Borrower: (i) declare the outstanding principal amount of the Loan, accrued and
unpaid interest thereon, and all other amounts payable hereunder immediately due
15 and payable and thereupon the principal of the Loan, together with all accrued
interest thereon and all other obligations of the Borrower accrued hereunder and
16 under the Security Agreement, shall become due and payable immediately, without
presentment, demand, protest, notice, notice of acceleration, notice of intent to
17 accelerate or other notice of any kind, all of which are hereby waived by the
Borrower, (ii) foreclose any liens and security interests securing payment of the Note
(including any liens and security interests set forth in the Security Agreement), and
18 (iii) exercise any of Lender’s other rights, powers, recourses and remedies under this
Note, the Security Agreement, the Guaranty of Collection, or at law or in equity.

19 24. The Note was due in full on September 11, 2025. Borrower failed to timely pay the
20 Note in full on September 11, 2025, which was an Event of Default under the Note.

21 25. On September 26, 2025, Plaintiff, through his counsel, sent to Borrower an Amended
22 Notice of Default and Demand of Payment that provided that the outstanding principal of the Loan,
23 accrued and unpaid interest, and all other amounts were immediately due and payable in accordance
24 with the terms of the Note and demanded payment of the full amount of the obligation by no later
25 than October 1, 2025, 2025 at 5:00 p.m. (PDT). Borrower did not pay the total payoff amount on or
26 before October 1, 2025 at 5:00 p.m. (PDT).

27 26. As of September 23, 2025, the Secured Note is past due and the total amount due on
28 the Secured Note pursuant to the terms of the Note is \$2,820,638.00 (the “Past Due Amount”). The

1 Past Due Amount is comprised of unpaid principal in the total amount of \$2,800,000.00, interest
2 from September 11, 2025 to September 23, 2025 in the total amount of \$16,800.00, and out of pocket
3 costs, fees and expenses in the total amount of \$3,838.00.

4 **FIRST CAUSE OF ACTION**

5 **(Breach of Written Contract Against All Defendants)**

6 27. Plaintiff realleges here all of paragraphs 1-26 above as if set forth in their entirety.

7 28. Plaintiff and Borrower entered into a valid and enforceable written contract which is
8 the Note.

9 29. Plaintiff has fully performed all obligations under the Note.

10 30. Pursuant to the terms of the Note, Borrower was to pay Plaintiff all monies due and
11 owing, including all principal and interest, by September 11, 2025, but Borrower failed to do so and
12 has failed to pay the full amount due since that time. Borrower's failure to timely pay breached the
13 Note.

14 31. As a direct and proximate result of Borrower's breaches of the Note, Plaintiff has
15 suffered damages in an amount no less than the Past Due Amount, plus ongoing interest, late fees,
16 and penalties. Plaintiff has also incurred attorneys' fees and costs in pursuing this action to collect
17 the amount due and is entitled to recover all such fees and costs.

18 32. All Defendants are jointly liable together as a single enterprise under alter ego
19 liability.

20 **SECOND CAUSE OF ACTION**

21 **(Money Had and Received Against All Defendants)**

22 33. Plaintiff realleges here all of paragraphs 1-32 above as if set forth in their entirety.

23 34. Borrower received Plaintiff's money.

24 35. In equity and good conscience, Borrower should not retain Plaintiff's money.

25 36. Borrower has not returned Plaintiff's money to Plaintiff.

26 37. As a result of Borrower's refusal to return Plaintiff's money to Plaintiff, Plaintiff has
27 been damaged in an amount not less than the Past Due Amount.

1 38. All Defendants are jointly liable together as a single enterprise under alter ego
2 liability.

3 **THIRD CAUSE OF ACTION**

4 **(Money Lent Against All Defendants)**

5 39. Plaintiff realleges here all of paragraphs 1-38 above as if set forth in their entirety.

6 40. Plaintiff lent Borrower \$2,800,000.

7 41. Plaintiff has demanded repayment.

8 42. Borrower has not repaid Plaintiff the full amount required to repay Plaintiff.

9 43. Plaintiff is entitled to an amount not less than the Past Due Amount.

10 44. All Defendants are jointly liable together as a single enterprise under alter ego
11 liability.

12 **FOURTH CAUSE OF ACTION**

13 **(Promissory Estoppel Against All Defendants)**

14 45. Plaintiff realleges here all of paragraphs 1-44 above as if set forth in their entirety.

15 46. Borrower made a clear and unambiguous promise to Plaintiff to repay all monies lent
16 to Borrower, with interest, and plus Plaintiff's out-of-pocket expenses.

17 47. Plaintiff reasonably and foreseeably relied on Borrower's promise and lent Borrower
18 \$2,800,000.

19 48. Plaintiff suffered monetary injury as described above in the amount of no less than
20 the Past Due Amount because of Plaintiff's reasonable and foreseeable reliance on Borrower's
21 promise, which Borrower has not kept.

22 49. Injustice can only be avoided by enforcing Borrower's promise.

23 50. All Defendants are jointly liable together as a single enterprise under alter ego
24 liability.

25 **PRAYER FOR RELIEF**

26 **WHEREFORE**, Plaintiff seeks judgment as follows:

- 27 1. Damages according to proof and in an amount no less than the Past Due Amount.
28 2. Post-judgment interest;

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- 3. Reasonable attorneys' fees and costs of suit; and
- 4. Such other and further relief as the Court deems just and proper.

DEMAND FOR JURY TRIAL

Plaintiff demands a trial by jury.

**SHULMAN BASTIAN
FRIEDMAN BUI & O'DEA LLP**

DATED: October 3, 2025

By: _____
Shane M. Biornstad
Attorneys for Rick S. Howell