THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF VIRGINIA
Richmond Division

WELLS FARGO, N.A.,

Plaintiff,

v.

Case No. 3:24-cv-124

ZHONG XIN HUI TRADE LLC, a Nevada limited liability company,
3605 Melonies Drive Unit 115,
Las Vegas, NV, 89103

SERVE:

Duocheng Jin, Managing Member
3605 Melonies Drive Unit 115,
Las Vegas, NV 89103

and

JOHN JEFFERSON BUTLER JR.,
10300 Tingewood Ter
Henrico, VA 2328

SERVE:

John Jefferson Butler Jr.
10300 Tingewood Ter
Henrico, VA 2328

Defendants.

WELLS FARGO BANK N.A.'S COMPLAINT FOR INTERPLEADER

Plaintiff, Wells Fargo Bank, N.A. ("Wells Fargo"), by and through its attorneys, Fox Rothschild LLP, and pursuant to 28 U.S.C. §§ 1335 and 2361, brings this interpleader action against Defendants, Zhong Xin Hui Trade LLC ("ZXH Trade") and John Jefferson Butler, Jr. ("Mr. Butler") (ZXH Trade and Mr. Butler shall collectively be referred to herein as the "Claimant Defendants"), and in support thereof, states and alleges as follows:

NATURE OF ACTION

1. This interpleader action arises out of a dispute between the Claimant Defendants concerning a $99,950.00 wire transfer sent from Mr. Butler's checking account at Wells Fargo to ZXH Trade's business account at Wells Fargo.

2. The Claimant Defendants are alleging entitlement to and/or refusing to disclaim an interest in the wire proceeds, the remaining portion of which are presently being held and restrained in ZXH Trade's business account at Wells Fargo.

3. Wells Fargo, as a disinterested stakeholder, seeks to interplead the disputed, restrained remaining funds ($69,408.49) into the Court Registry to allow the Claimant Defendants to litigate their respective claims to the restrained funds amongst themselves.

PARTIES

4. Wells Fargo is a national banking association with its main office, as set forth in its Articles of Association, in Sioux Falls, South Dakota. Accordingly, Wells Fargo is a citizen of South Dakota.

5. ZXH Trade is a Nevada limited liability company with its principal place of business in Las Vegas Nevada and, upon information and belief, its sole member (Duocheng Jin) is a resident and citizen of Las Vegas, Nevada. Accordingly, ZXH Trade is a citizen of Nevada.

6. Mr. Butler resides in Henrico County, Virginia and is citizen of Virginia.

JURISDICTION AND VENUE

7. This is an action for interpleader of a sum that exceeds $500.00.

8. This Court has jurisdiction over this action pursuant to 28 U.S.C. §§ 1335, and 2361. 28 U.S.C. § 1335 provides that a district court has original jurisdiction over an interpleader claim, where there are two or more adverse claimants of diverse citizenship as defined under 28

U.S.C. § 1332. Wells Fargo is a citizen of South Dakota, ZXH Trade is a citizen of Nevada, and Mr. Butler is a citizen of Virginia and thus there is diversity as required under 28 U.S.C. § 1335.

9. The amount in controversy is $69,408.49 (which amount may increase over time due to interest), which is in excess of the statutory limit of $500 under 28 U.S.C § 1335.

10. Venue is appropriate in the Eastern District of Virginia pursuant to 28 U.S.C. §1391(b)(2) because a substantial portion of the facts giving rise to the causes of action set forth in this Complaint occurred in this District. More specifically, the wire originator resides in Virginia and the funds at issue were transferred from Mr. Butler's Wells Fargo Premier Checking Account in Virginia.

11. Venue is also appropriate in the Eastern District of Virginia, and this Court has jurisdiction over the parties, pursuant to 28 U.S.C. § 1335 and 2361, which grants district courts authority to issue nationwide service of process in statutory interpleader actions and because at least one of the Claimant Defendants is a citizen of and resides in the state of Virginia.

FACTS COMMON TO ALL CLAIMS

12. At all times material hereto, ZXH Trade maintained a Wells Fargo Initiate Business Checking Account (Account No.: XXXXXX0938; the "ZXH Trade Account").

13. At all times material hereto, Mr. Butler maintained a Wells Fargo Premier Checking Account (Account No.: XXXXXX4322; the "Butler Account").

14. On or about October 13, 2023, the ZXH Trade Account received a $99,950.00 wire transfer (the "Wire") from the Butler Account, a portion of which ZXH Trade used, withdrew and/or transferred.

15. Mr. Butler subsequently requested that Wells Fargo recall the Wire based on fraud.

16. Accordingly, Wells Fargo restrained the ZXH Trade Account, which held (and currently holds) a restrained balance of **$69,408.49** (the "Restrained Proceeds").

17. Despite repeated requests, ZXH Trade has refused to allow Wells Fargo to debit the ZXH Trade Account and return the Restrained Proceeds to Mr. Butler.

18. Accordingly, there is a dispute as to which of the Claimant Defendants are entitled to the Restrained Proceeds.

19. Wells Fargo now seeks to interplead the Restrained Proceeds into the Court Registry to allow the Claimant Defendants to make their respective legal claims to the Restrained Proceeds.

20. The relationships between: (a) Wells Fargo and ZXH Trade relative to the ZXH Trade Account; and (b) Wells Fargo and Mr. Butler relative to the Butler Account are currently governed by the Wells Fargo Deposit Account Agreement, effective July 25, 2023, (the "Account Agreement"), a true and correct copy of which is attached hereto as **Exhibit A.**

21. Wells Fargo has retained the undersigned attorneys to represent it in this action and has agreed to pay them a reasonable fee.

22. Wells Fargo is entitled to recover its reasonable attorneys' fees and costs in this action pursuant to the Account Agreement and applicable law.

23. All conditions precedent to recovery have been performed, waived or have occurred.

COUNT I - INTERPLEADER

24. Wells Fargo repeats, realleges and incorporates all of the allegations made in paragraphs 1 through 23 of this Complaint as if fully set forth herein.

25. At this time there exists rival, adverse and conflicting claims between the Claimant Defendants as to the Restrained Proceeds.

26. Wells Fargo claims no interest in the Restrained Proceeds and has done nothing to create the dispute over entitlement to the Restrained Proceeds.

27. By reason of the conflicting claims to the Restrained Proceeds, Wells Fargo is in doubt as to who is entitled to the Restrained Proceeds, is in danger of being exposed to double or multiple liability and cannot safely remit the Restrained Proceeds without the aid of this Court.

28. Wells Fargo is ready, willing, and able to deposit the Restrained Proceeds into the Court Registry, or to any other custodian or trustee the Court deems proper.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff, Wells Fargo Bank, N.A. respectfully requests the following relief:

A. That this Court take jurisdiction over the parties, and permit Wells Fargo to deposit the Restrained Proceeds with the Registry of the Court;

B. That this Court issue an order requiring the Claimant Defendants to the above-styled cause to interplead as to their rights and settle or litigate amongst themselves their claims and rights to the Restrained Proceeds;

C. That Wells Fargo be discharged from all liability to any of the parties to this action concerning Wells Fargo's obligations related to the Restrained Proceeds, the Wire, the ZXH Trade Account and the Butler Account;

D. That the Claimant Defendants be enjoined and prohibited from instituting any actions against Wells Fargo and/or its agents, affiliates, employees, and servants, regarding the Restrained Proceeds, the Wire, the ZXH Trade Account and the Butler Account;

E. That Wells Fargo, pursuant to the Account Agreement and applicable law, be awarded its costs and reasonable attorneys' fees, to be paid from the Restrained Proceeds, for bringing this action;

F. That Wells Fargo be dismissed as a party to this action; and

G. For such other and further relief as this Court deems just, equitable, and proper.

DATED this 23rd day of February, 2024.

FOX ROTHSCHILD LLP

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