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**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA**

LINLEY INVESTMENTS, an Isle of Man Limited Company;
ORPENDALE, Incorporated in the Republic of Ireland; LYNCH BAGES LIMITED, Incorporated in the Republic of Ireland; WYNATT, Incorporated in the Republic of Ireland; CHELSTON (IRELAND), Incorporated in the Republic of Ireland; and SPRINGCON, Incorporated in the Republic of Ireland,

Petitioners,

v.

JERRY JAMGOTCHIAN, an individual,

Respondent.

Case No. 2:11-cv-00724-JAK-(AFMx)

**ORDER ACCEPTING FINDINGS
AND RECOMMENDATIONS OF
UNITED STATES MAGISTRATE
JUDGE RE PETITIONERS' MOTION
FOR AN ASSIGNMENT ORDER
(DKT. 139)**

Pursuant to 28 U.S.C. § 636, the Court has reviewed the Report and Recommendation of United States Magistrate Judge. Further, the Court has engaged in a *de novo* review of those portions of the Report to which Respondent has objected. Respondent raises two arguments in his objection. Neither has merit.

1 *First*, Respondent contends that the Magistrate Judge erred in denying his
2 request to continue the hearing on the assignment motion. After reviewing the
3 circumstances prior to and during the hearing, the Court concludes that the Magistrate
4 Judge did not abuse his discretion in denying the continuance, particularly where
5 Respondent would not agree to maintain the status quo during the period of any
6 continuance. In any event, through his objection to the Report and Recommendation,
7 Respondent and his recently retained counsel have had a full and fair opportunity to
8 oppose the assignment motion.

9 *Second*, Respondent contends that a “springing pledge” was created when he
10 and Preferred Bank entered into an “Assignment and Security Interest (Distribution
11 Agreement)” on February 1, 2019. In this Agreement, which was effective as of the
12 satisfaction of the judgment in the *Caswell* state court case, Respondent purported to
13 assign to Preferred Bank his rights to receive profit distributions from his ownership
14 of shares in three companies. These are rights and distributions that are also the
15 subject of the assignment order sought by Petitioner here. Relying on *Brown v.*
16 *Superior Court*, 116 Cal. App. 4th 320 (2004), Respondent argues that entry of the
17 assignment order should be delayed until the priority of any interest granted by him
18 in favor of Preferred Bank is resolved. The Court declines to delay entry of the order
19 on this basis. The lawyer in *Brown* actively asserted the priority of his lien. In
20 contrast, Preferred Bank, which has been on notice of these proceedings since at least
21 February 2019, has made no attempt to intervene in this case, assert priority, or
22 otherwise object to entry of the assignment order. In addition, as pointed out by
23 Petitioners, there has been no showing by Preferred Bank that it has perfected an
24 interest in rights to receive distributions from Respondent’s shares in the three
25 companies. Finally, the order in *Brown* was remanded for the trial court to assess
26 whether it “would promote substantial justice” to apply the proceeds of the lawsuit
27 to satisfy the judgment in question, despite the existence of the attorney’s lien. 116
28 Cal. App. 4th at 337. Here, Respondent’s objection fails to show how justice would

1 be promoted by delaying entry of the assignment order. The evidence establishes
2 that Respondent and Preferred Bank entered into their transaction concerning his
3 shares in the three companies only after learning that Petitioners were seeking an
4 order from this Court assigning Respondent's right to receive distributions from those
5 very same shares.

6 Accordingly, the Respondent's objections are overruled, and the Report and
7 Recommendation of the Magistrate Judge is accepted and adopted.

8 * * *

9 IT THEREFORE IS ORDERED that:

10 1. Petitioners' Motion for an Assignment Order is granted. Dkt. 139.

11 2. Respondent's right to receive distributions or dividends from shares in
12 the following six Corporations (whether they are held by Jerry Jamgotchian
13 individually or by the Jerry and Patricia Jamgotchian Revocable Living Trust) are
14 assigned to the Petitioners upon completion of the requirements of the assignment
15 order in the *Caswell* case and until such time as the judgment herein is fully satisfied
16 or this order is amended:

17 (a) Olympic Avenue Ventures, Inc., a California corporation

18 (b) Olympic Avenue Ventures Property, Inc., a California
19 corporation

20 (c) Rialto Pockets Property, Inc.

21 (d) El Segundo Plaza I, Inc., a California corporation

22 (e) El Segundo Plaza II, Inc., a California corporation

23 (f) South Bay Fitness, Inc., a California corporation

24 3. Pursuant to CCP § 704.540, a copy of this Order shall be served upon
25 the registered agent for service of process for each of the six Corporations by certified
26 mail, return receipt requested. Upon receipt of such service and completion of the
27 requirements of the assignment order in the *Caswell* case, each Corporation shall
28 thereafter pay directly to Petitioners or their designee any dividends or distributions

1 otherwise payable to Jerry Jamgotchian individually, or to the Jerry and Patricia
2 Jamgotchian Revocable Living Trust, when such right to payment becomes due.
3 Such payments shall continue and shall be applied to the judgment herein until the
4 judgment is fully satisfied or the Order is amended.

5 4. Pursuant to CCP § 708.520(a), Jerry Jamgotchian and any servant,
6 agent, employee or attorney for Jerry Jamgotchian and any person(s) in active concert
7 and participating with Jerry Jamgotchian are restrained from encumbering,
8 transferring, assigning, hypothecating, pledging, converting, disposing or liquidating
9 the shares of stock in the six Corporations giving right to payment of dividends, or
10 otherwise hindering Jerry Jamgotchian or the Jerry and Patricia Jamgotchian
11 Revocable Living Trust's rights to payment from the six Corporations until the
12 judgment herein is fully satisfied or the Order is amended.

13 5. Petitioners shall personally serve this Order upon Respondent forthwith
14 and file a corresponding proof of service.

15 6. This Assignment Order shall not have any effect on the payments
16 required to be made pursuant to the assignment order in the *Caswell* case.

17 7. As required by CCP § 708.520(d):

18 NOTICE TO JUDGMENT DEBTOR – FAILURE TO
19 COMPLY WITH THIS ORDER MAY SUBJECT THE
20 JUDGMENT DEBTOR TO BEING HELD IN
21 CONTEMPT OF COURT.

22
23 DATED: April 22, 2019

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25 _____
26 JOHN A. KRONSTADT
27 UNITED STATES DISTRICT JUDGE
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