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 7
 8 IN THE UNITED STATES DISTRICT COURT FOR THE
 9 EASTERN DISTRICT OF CALIFORNIA

10
 11 UNITED STATES OF AMERICA,
 12 Plaintiff,

13 v.

14 REAL PROPERTY LOCATED AT 149 G
 15 STREET, LINCOLN, CALIFORNIA,
 16 PLACER COUNTY, APN: 008-266-015-000,
 INCLUDING ALL APPURTENANCES
 AND IMPROVEMENTS THERETO, et al.,

17
 18 Defendants.

2:12-CV-00705-MCE-DAD

STIPULATION TO EXTEND THE
 DEADLINE TO SUBMIT A JOINT
 STATUS REPORT FROM MAY 21,
 2012 TO JULY 10, 2012; ORDER
 THEREON

19
 20 **A. Introduction**

21 On March 20, 2012, the United States filed a civil forfeiture complaint against
 22 the following real properties: 149 G Street, Lincoln, California; 167 G Street, Lincoln,
 23 California; 1199 Pacific Highway, Unit 406, San Diego, California; 10940 Fair Oaks
 24 Blvd., Fair Oaks, California; 2143 Outrigger Drive, El Dorado Hills, California; 8928
 25 Volunteer Lane, Sacramento, California; 833 West Sycamore Street, Willows,
 26 California; 7447 Antelope Road, Citrus Heights, California; 10293 Rockingham Drive,
 27 Rancho Cordova, California; 675 Kulike Road, Haiku, Maui, Hawaii; and 575 Menlo
 28 Drive, Rocklin, California.

1 On March 21, 2012, the Court issued an “Order Requiring Joint Status Report”
2 due within “sixty days of service of the complaint on any party.” That deadline is
3 currently May 21, 2012.

4 On April 17, 2012, the United States file a Notice of Related Cases pursuant to
5 E.D. Local Rule 123, stating that this case was related to Case No. 2:12-CV-00706-
6 MCE-DAD because both civil forfeiture actions arise from the same law enforcement
7 investigation and thus involve substantially the same events, transactions, and
8 parties. Particularly, as described in the United States’ Notice of Related Cases, both
9 cases allege that several individuals conspired to defraud the United Auburn Indian
10 Community out of millions of dollars by submitting inflated and false change order
11 invoices as part of a large commercial construction project. Both cases seek the
12 forfeiture of real properties purchased with fraud proceeds and/or funds involved in the
13 money laundering scheme.

14 On April 23, 2012, the Court issued a Related Case Order.

15 To date, several parties have filed claims and/or answers in the case, including
16 Mechanics Bank, U.S. Bank National Association,¹ and Standard Insurance
17 Company² (hereafter the “Claimants”). The claims and/or answers filed by the above
18 parties were filed within the applicable statutory deadlines governing *in rem* cases.
19 However, several parties, including record owners and lien holders, have requested
20 extensions to the applicable statutory deadline; the United States has granted each
21 request for additional time to file a claim and/or answer.

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25 ¹ The claim was filed by U.S. Bank National Association as Trustee for the
26 Registered Holders of WAMU Commerical Mortgage Securities Trust 207-SL3,
27 Commerical Mortgage Pass-Through Certificates, Series 2007-SL3. ECF No. 13.

28 ² The claim was filed on behalf of five entities related to Standard Insurance
Company. ECF No. 11.

1 **B. Good Cause**

2 There is good cause to extend the deadline to file a joint status report in this
3 case from May 21, 2012 to July 10, 2012.

4 To date, all known potential claimants to the defendant property have been
5 served in a manner consistent with *Dusenbery v. United States*, 534 U.S. 161, 168
6 (2002) and the applicable statutory authority. As detailed above, three parties have
7 filed claims to the various real properties identified in the *in rem* complaint. However,
8 several other potential claimants, including record owners and lien holders, have
9 requested additional time to file claims and answers given the allegations contained in
10 the nearly two-hundred page affidavit. The United States has granted each of parties'
11 requests for extensions of time to review the affidavit and draft their claims and
12 answers.

13 To date, the United States has diligently pursued its forfeiture case against the
14 defendant properties and attempted to notice all known potential claimants as
15 required by the Supplemental Rules governing forfeiture cases. However, given the
16 length and complexity of the affidavit, as well as the number of parties involved and/or
17 potentially asserting an ownership or lien interest in the defendant properties, an
18 extension of time to file claims is warranted. Moreover, there is an ongoing criminal
19 investigation into the fraud and money laundering schemes forming the basis of the *in*
20 *rem* complaint.

21 The extension of time will allow the publication period to run, thus providing
22 additional notice to potential claimants asserting an allegation of ownership. It will
23 further allow the United States and Claimants to contemplate expedited settlement
24 agreements with those meeting the statutory criteria. Additionally, the extension of
25 time will allow all potential claimants to enter the case and jointly participate in
26 drafting the Joint Status Report.

27 Whereas the United States provided notice of the forfeiture complaint to
28 potential claimants but several parties have requested extensions of time to comply

1 with the statutory deadlines. And whereas the extension of time will allow the
2 publication period to run and allow the United States and Claimants to contemplate
3 expedited settlement agreements with those meeting the statutory criteria. And
4 whereas the extension of time will allow all potential claimants to enter the case and
5 jointly participate in drafting the Joint Status Report. There is good cause to extend
6 the deadline to file a joint status report in this case from May 21, 2012 to July 10,
7 2012, or to extend the deadline to file a joint status report to a date the Court deems
8 acceptable.

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1 **C. Stipulation By Claimants**

2 Given their lack of involvement in granting extensions to potential claimants,
3 providing notice to potential claimants, and the criminal investigation, the Claimants
4 join this request only to the extent that they consent to the extension of the deadline to
5 file the joint status report.

6
7 Dated: 5/11/12

BENJAMIN B. WAGNER
United States Attorney

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9 By: /s/ Kevin C. Khasigian
10 KEVIN C. KHASIGIAN
Assistant U.S. Attorney

11
12 Dated: 5/10/12

/s/ John A. Graham
13 JOHN A. GRAHAM
Attorney for Claimant Mechanics Bank
14 (Authorized by email)

15
16 Dated: May 9, 2012

/s/ Trung D. Tu
17 TRUNG D. TU
Attorney for Claimant Standard
Insurance Company, Liberty Life
18 Assurance Company of Boston, Liberty
Mutual Fire Insurance Company, Liberty
19 Mutual Insurance Company and Peerless
Insurance Company

20
21
22 Dated: May 11, 2012

/s/ Wesley Hurst
23 WESLEY HURST
Attorney for Claimant U.S. Bank
National Association, as Trustee for the
24 Registered Holders of WAMU
Commercial Mortgage Securities Trust
25 2007-SL3

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(Signatures retained by attorney)

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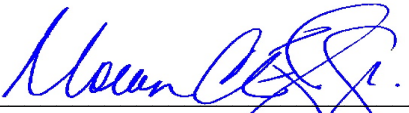
ORDER

Pursuant to the United States' request and good cause appearing, the Court makes the following order:

The deadline to file a joint status report in this case is extended from May 21, 2012 to July 10, 2012.

IT IS SO ORDERED.

Dated: May 23, 2012



MORRISON C. ENGLAND, JR.
UNITED STATES DISTRICT JUDGE