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

10
 11 UNITED STATES OF AMERICA,
 12 Plaintiff,
 13 v.
 14 APPROXIMATELY \$59,240.00 IN U.S.
 CURRENCY, et al.,
 15 Defendants.
 16

2:15-mc-00076-MCE-CKD

CONSENT JUDGMENT OF FORFEITURE

Pursuant to the Stipulation for Consent Judgment of Forfeiture, the Court finds:

18 1. On or about January 26, 2015, agents with the U.S. Immigration and Customs
 19 Enforcement, Homeland Security Investigations (“HSI”) and the California Bureau of Investigation,
 20 Department of Justice (“CAL DOJ”) seized Approximately \$59,240.00 in U.S. Currency from Khachatur
 21 Avdalyan’s (“Avdalyan” or “claimant”) safe deposit box located at Chase Bank in Gold River, California
 22 (the “defendant currency”)¹.

23 2. The U.S. Customs and Border Protection (“CBP”) commenced administrative forfeiture
 24 proceedings, sending direct notice to all known potential claimants and publishing notice to all others.
 25 On or about April 10, 2015, the CBP received a claim from Avdalyan asserting an ownership interest in
 26 the defendant currency.

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 28 ¹ On September 25, 2015, the United States filed a civil forfeiture complaint against the Approximately \$106,918.00 in U.S. Currency that was included in the previously filed Stipulation and Order for Extension of Time to File in this matter.

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2 3. The United States represents that it could show at a forfeiture trial that during the Major
3 League Baseball 2014 World Series, agents from HSI conducted an enforcement operation which
4 targeted vendors of counterfeit MLB merchandise in the San Francisco Bay Area. During the
5 investigation, agents identified Avdalyan as a wholesale distributor of counterfeit merchandise. A joint
6 investigation of Avdalyan's criminal activity was initiated by HSI and CAL DOJ.

7 4. The United States represents that it could also show at a forfeiture trial that HSI received
8 information that Avdalyan was selling counterfeit and unlicensed sports apparel at the Galt Flea Market
9 in Galt, California. In December of 2014, agents conducted surveillance of Avdalyan's booth at the Galt
10 Flea Market. Based on their training and experience, they determined many of the sports items offered
11 for sale at Avdalyan's booth were counterfeit and not licensed sports apparel. In January 2015, agents
12 conducted surveillance at Avdalyan's residence and followed him to a self-storage facility in Rancho
13 Cordova, California. Agents learned that Avdalyan was renting at least seven storage units at this
14 facility.

15 5. The United States represents that it could also show at a forfeiture trial that on January 13,
16 2015, Avdalyan sold counterfeit National Football League clothing for a total of \$1,008.00 to a
17 confidential informant, knowing the clothing to be counterfeit, that is, that the articles of clothing and the
18 trademarks thereon, were not genuine. On January 21, 2015, agents monitored a controlled buy of
19 counterfeit sports logoed hats and beanies between Avdalyan and the confidential informant at one of
20 Avdalyan's units at the storage facility. The confidential informant gave Avdalyan \$620.00 in recorded
21 funds. Avdalyan possessed for sale hundreds of counterfeit T-shirts and other items from professional
22 sports teams.

23 6. The United States represents that it could also show at a forfeiture trial that during the two
24 months agents conducted surveillance, they did not see Avdalyan go to a business or office space and do
25 not know of any legitimate source of income for Avdalyan. The agents only saw Avdalyan travel
26 between his residence, the storage facility, and the Galt Flea Market. On January 26, 2015, during the
27 execution of state search warrants, agents found more than 6,000 counterfeit items at Avdalyan's
28 residence and nine storage units he rented in Rancho Cordova, California. Agents also seized the

1 defendant \$59,240.00 in U.S. Currency from Avdalyan’s safe deposit box number 1821 located at Chase
2 Bank in Gold River, California pursuant to a search warrant.

3 7. The United States could further show at a forfeiture trial that on or about January 26,
4 2015, in in The People of the State of California v. Khachatur Avdalyan, 15-F-00557, Avdalyan was
5 charged with thirteen counts of criminal counterfeiting, all in violation of California Penal Code
6 350(a)(2). On June 3, 2015, Avdalyan pled guilty to one count of counterfeiting.

7 8. The United States could further show at a forfeiture trial that the defendant currency is
8 forfeitable to the United States pursuant to 18 U.S.C § 2323(a)(1)(C).

9 9. Without admitting the truth of the factual assertions contained above, Khachatur Avdalyan
10 and Nvard Avdalyan (“claimants”) specifically denying the same, and for the purpose of reaching an
11 amicable resolution and compromise of this matter, claimants agree that an adequate factual basis exists
12 to support forfeiture of the defendant currency. Claimants acknowledge that they are the sole owners of
13 the defendant currency, and that no other person or entity has any legitimate claim of interest therein.
14 Should any person or entity institute any kind of claim or action against the government with regard to its
15 forfeiture of the defendant currency, claimants shall hold harmless and indemnify the United States, as
16 set forth below.

17 10. This Court has jurisdiction in this matter pursuant to 28 U.S.C. §§ 1345 and 1355, as this
18 is the judicial district in which acts or omissions giving rise to the forfeiture occurred.

19 11. This Court has venue pursuant to 28 U.S.C. § 1395, as this is the judicial district in
20 which the defendant currency was seized.

21 12. The parties herein desire to settle this matter pursuant to the terms of a duly executed
22 Stipulation for Consent Judgment of Forfeiture.

23 Based upon the above findings, and the files and records of the Court, it is hereby ORDERED
24 AND ADJUDGED:

25 13. The Court adopts the Stipulation for Consent Judgment of Forfeiture entered into by and
26 between the parties.

27 14. Upon entry of this Consent Judgment of Forfeiture, \$14,240.00 of the Approximately
28 \$59,240.00 in U.S. Currency, together with any interest that may have accrued on the entire amount

1 seized, shall be forfeited to the United States pursuant to 18 U.S.C § 2323(a)(1)(C), to be disposed of
2 according to law.

3 15. Upon entry of this Consent Judgment of Forfeiture, but no later than 60 days thereafter,
4 \$45,000.00 of the Approximately \$59,240.00 in U.S. Currency shall be returned to potential claimant
5 Khachatur Avdalyan through his attorney Joseph A. Welch.

6 16. The United States of America and its servants, agents, and employees and all other public
7 entities, their servants, agents and employees, are released from any and all liability arising out of or in
8 any way connected with the seizure or forfeiture of the defendant currency. This is a full and final
9 release applying to all unknown and unanticipated injuries, and/or damages arising out of said seizure or
10 forfeiture, as well as to those now known or disclosed. Claimants waived the provisions of California
11 Civil Code § 1542.


12 17. No portion of the stipulated settlement, including statements or admissions made
13 therein, shall be admissible in any criminal action pursuant to Rules 408 and 410(a)(4) of the Federal
14 Rules of Evidence.

15 18. All parties will bear their own costs and attorney's fees.

16 19. Pursuant to the Stipulation for Consent Judgment of Forfeiture filed herein, the Court
17 enters this Certificate of Reasonable Cause pursuant to 28 U.S.C. § 2465, that there was reasonable cause
18 for the seizure of the above-described defendant currency.

19 IT IS SO ORDERED.

20 Dated: October 5, 2015

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23 MORRISON C. ENGLAND, JR., CHIEF JUDGE
24 UNITED STATES DISTRICT COURT
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