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

10  
 11 UNITED STATES OF AMERICA,  
 12 Plaintiff,  
 13 v.

2:18-CV-00747-KJM-CKD

*AMENDED* STIPULATION TO STAY  
 FURTHER PROCEEDINGS AND  
 ORDER

14 REAL PROPERTY LOCATED AT 8911  
 HIGHWAY 49, MOKELUMNE HILL,  
 15 CALIFORNIA, CALAVERAS COUNTY,  
 APN: 018-019-057-000, INCLUDING ALL  
 16 APPURTENANCES AND  
 IMPROVEMENTS THERETO,  
 17  
 18 REAL PROPERTY LOCATED AT 3788  
 DUNN ROAD, VALLEY SPRINGS,  
 CALIFORNIA, CALAVERAS COUNTY,  
 19 APN: 072-033-018-000, INCLUDING ALL  
 APPURTENANCES AND  
 20 IMPROVEMENTS THERETO,  
 21  
 22 REAL PROPERTY LOCATED AT 3650  
 DELIN WAY, VALLEY SPRINGS,  
 CALIFORNIA, CALAVERAS COUNTY,  
 23 APN: 072-027-005-000, INCLUDING ALL  
 APPURTENANCES AND  
 24 IMPROVEMENTS THERETO,  
 25  
 26 REAL PROPERTY LOCATED AT 11635  
 MILTON ROAD, VALLEY SPRINGS,  
 CALIFORNIA, CALAVERAS COUNTY,  
 27 APN: 070-035-037-000, INCLUDING ALL  
 APPURTENANCES AND  
 28 IMPROVEMENTS THERETO,

1 REAL PROPERTY LOCATED AT 6365  
2 HIRONYMOUS WAY, VALLEY  
3 SPRINGS, CALIFORNIA, CALAVERAS  
4 COUNTY, APN: 073-015-002-000,  
5 INCLUDING ALL APPURTENANCES  
6 AND IMPROVEMENTS THERETO,

7 REAL PROPERTY LOCATED AT 8914  
8 GREER WAY, VALLEY SPRINGS,  
9 CALIFORNIA, CALAVERAS COUNTY,  
10 APN: 070-039-018-000, INCLUDING ALL  
11 APPURTENANCES AND  
12 IMPROVEMENTS THERETO,

13 REAL PROPERTY LOCATED AT 8786  
14 GREER WAY, VALLEY SPRINGS,  
15 CALIFORNIA, CALAVERAS COUNTY,  
16 APN: 070-039-014-000, INCLUDING ALL  
17 APPURTENANCES AND  
18 IMPROVEMENTS THERETO,

19 REAL PROPERTY LOCATED AT 8456  
20 BALDWIN STREET, VALLEY SPRINGS,  
21 CALIFORNIA, CALAVERAS COUNTY,  
22 APN: 070-035-014-000, INCLUDING ALL  
23 APPURTENANCES AND  
24 IMPROVEMENTS THERETO,

25 REAL PROPERTY LOCATED AT 6199  
26 HIGHWAY 26, VALLEY SPRINGS,  
27 CALIFORNIA, CALAVERAS COUNTY,  
28 APN: 073-013-005-000, INCLUDING ALL  
APPURTENANCES AND  
IMPROVEMENTS THERETO,

REAL PROPERTY LOCATED AT 6048  
AMOS LANE, VALLEY SPRINGS,  
CALIFORNIA, CALAVERAS COUNTY,  
APN: 048-025-287-000, INCLUDING ALL  
APPURTENANCES AND  
IMPROVEMENTS THERETO,

REAL PROPERTY LOCATED AT 2852  
HOFFMAN DRIVE, VALLEY SPRINGS,  
CALIFORNIA, CALAVERAS COUNTY,  
APN: 072-018-014-000, INCLUDING ALL  
APPURTENANCES AND  
IMPROVEMENTS THERETO, and

REAL PROPERTY LOCATED AT 2838  
HOFFMAN DRIVE, VALLEY SPRINGS,  
CALIFORNIA, CALAVERAS COUNTY,  
APN: 072-018-015-000, INCLUDING ALL

1 APPURTENANCES AND  
2 IMPROVEMENTS THERETO,

3 Defendants.

4  
5 The United States and Claimants Hai Xia Zhang, Yu Ying Cai, Dong Jin Zhang, Fang Li, Feng  
6 Shan Lin, Dong Ju Zheng, Dong Liang Yang, Zhao Hong Li, Meiling Li, Cavalier Asset Group, LLC,  
7 and Signet Management LLC hereby stipulate that a stay is necessary in the above-entitled action and  
8 request that the Court enter an order staying all further proceedings until the resolution of the related  
9 criminal cases, United States v. Leonard Yang, et al., Case 2:16-CR-00189-KJM and United States v. Xiu  
10 Ping Li, et al., Case No. 2:17-CR-00136-KJM.

11 1. This is a forfeiture *in rem* action against twelve properties pursuant to 21 U.S.C. §  
12 881(a)(7) because they were allegedly used to commit or facilitate violations of federal drug laws:

13 a. Real Property located at 8911 Highway 49, Mokelumne Hill, California, the  
14 “*Defendant Highway 49.*” Hai Xia Zhang has filed a claim asserting an ownership interest  
15 in defendant Highway 49. Jadhav Family Trust filed a claim asserting a lienholder interest  
16 in defendant Highway 49. This property was sold resulting in net proceeds of \$519.96 and  
satisfaction of Jadhav Family Trust’s loan.<sup>1</sup> The \$1,557.87 in net proceeds shall be  
substituted for the defendant Highway 49.

17 b. Real Property located at 3788 Dunn Road, Valley Springs, California, the  
18 “*Defendant Dunn Road.*” Yu Ying Cai has filed a claim asserting an ownership interest in  
19 defendant Dunn Road. Cavalier Asset Group, LLC filed a claim asserting a lienholder  
interest in defendant Dunn Road.

20 c. Real Property located at 3650 Delin Way, Valley Springs, California, the  
21 “*Defendant Delin Way.*” Dong Jin Zhang has filed a claim asserting an ownership interest  
22 in defendant Delin Way. Val-Chris Investments, Inc. filed a claim asserting a lienholder  
23 interest in defendant Delin Way. This property was sold resulting in net proceeds of  
\$519.96 and satisfaction of Val-Chris Investments, Inc.’s loan.<sup>2</sup> The \$519.96 in net  
proceeds shall be substituted for the defendant Delin Way.

24 d. Real Property located at 11635 Milton Road, Valley Springs, California, the  
25 “*Defendant Milton Road.*” Fang Li has filed a claim asserting an ownership interest in  
26 defendant Milton Road. This property was sold resulting in net proceeds of \$76,873.69  
and the net proceeds shall be substituted for the defendant Milton Road.

27  
28 <sup>1</sup> Accordingly, Jadhav Family Trust no longer has an interest in Defendant Highway 49 property.

<sup>2</sup> Accordingly, Val-Chris Investment Inc. no longer has an interest in Defendant Delin Way property.

1 e. Real Property located at 6365 Hironymous Way, Valley Springs, California, the  
2 “*Defendant Hironymous Way*.” Feng Shan Lin has filed a claim asserting an ownership  
3 interest in defendant Hironymous Way. This property was sold resulting in net proceeds  
4 of \$20,873.69 and the net proceeds shall be substituted for the defendant Hironymous  
5 Way.

6 f. Real Property located at 8914 Greer Way, Valley Springs, California, the  
7 “*Defendant 8914 Greer Way*.” Xiuzhu Yang has filed a claim asserting an ownership  
8 interest in defendant 8914 Greer Way.

9 g. Real Property located at 8786 Greer Way, Valley Springs, California, the  
10 “*Defendant 8786 Greer Way*.” Dong Ju Zheng has filed a claim asserting an ownership  
11 interest in defendant 8786 Greer Way. This property was sold resulting in net proceeds of  
12 \$44,847.66 and the net proceeds shall be substituted for the defendant 8786 Greer Way.

13 h. Real Property located at 8456 Baldwin Street, Valley Springs, California, the  
14 “*Defendant Baldwin Street*.” Dong Liang Yang has filed a claim asserting an ownership  
15 interest in defendant Baldwin Street.

16 i. Real Property located at 6199 Highway 26, Valley Springs, California, the  
17 “*Defendant Highway 26*.” Xiulan Yang, the owner of the property, did not file a claim  
18 asserting an ownership interest in defendant Highway 26 property and was defaulted on  
19 July 24, 2018. Signet Management, LLC filed a claim asserting a lienholder interest in  
20 defendant Highway 26.

21 j. Real Property located at 6048 Amos Lane, Valley Springs, California, the  
22 “*Defendant Amos Lane*.” Zhao Hong Li has filed a claim asserting an ownership interest  
23 in defendant Amos Lane. Signet Management, LLC filed a claim asserting a lienholder  
24 interest in defendant Amos Lane. This property was sold resulting in net proceeds of  
25 \$11,408.12 and satisfaction of Signet Management, LLC’s loan.<sup>3</sup> The \$11,408.12 in net  
26 proceeds shall be substituted for the defendant Amos Lane.

27 k. Real Property located at 2838 & 2852 Hoffman Drive, Valley Springs, California,  
28 the “*Defendant Hoffman Drive*.” Meiling Li has filed a claim asserting an ownership  
interest in defendant Hoffman Drive. This property was sold resulting in net proceeds of  
\$20,576.00 and the net proceeds shall be substituted for the defendant Hoffman Drive.

2. The stay is requested pursuant to 18 U.S.C. §§ 981(g)(1), 981(g)(2), and 21 U.S.C. §  
881(i). The United States contends that the defendant properties were used and intended to be used to  
commit or facilitate violations of federal drug laws in violation of 21 U.S.C. §§ 841 *et seq.* Claimants  
deny these allegations.

3. To date, several individuals have been charged with federal crimes related to marijuana

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<sup>3</sup> Accordingly, Signet Management, LLC no longer has an interest in Defendant Amos Lane property.

1 manufacturing and distribution in United States v. Leonard Yang, et al., Case 2:16-CR-00189-KJM and  
2 United States v. Xiu Ping Li, et al., Case No. 2:17-CR-00136-KJM. It is the United States' position that  
3 the statute of limitations has not expired on potential criminal charges relating to the drug trafficking  
4 involving the defendant properties. Nevertheless, the United States intends to depose claimants (and  
5 others) regarding their ownership of the defendant properties, as well as their knowledge and  
6 participation in large scale marijuana cultivation, including the marijuana grow at the defendant  
7 properties, as well as the circumstances behind the purchase of the properties. If discovery proceeds at  
8 this time, claimants will be placed in the difficult position of either invoking their Fifth Amendment  
9 rights against self-incrimination and losing the ability to pursue their claims to the defendant properties,  
10 or waiving their Fifth Amendment rights and submitting to a deposition and potentially incriminating  
11 themselves. If they invoke their Fifth Amendment rights, the United States will be deprived of the ability  
12 to explore the factual basis for the claims they filed with this court.

13 4. In addition, claimants intend to depose, among others, the agents involved with this  
14 investigation, including but not limited to, the agents with the Federal Bureau of Investigation ("FBI").  
15 Allowing depositions of the law enforcement officers at this time would adversely impact the federal  
16 prosecution and ongoing investigation.

17 5. The parties recognize that proceeding with these actions at this time has potential adverse  
18 effects on the investigation of the underlying criminal conduct and/or upon the claimant's ability to assert  
19 any defenses to forfeiture. For these reasons, the parties jointly request that these matters be stayed until  
20 the conclusion of the related criminal cases. At that time the parties will advise the court of the status of  
21 the criminal investigation, if any, and will advise the court whether a further stay is necessary.

22 6. If any of the defendant properties go into default, the parties reserve the right to seek all  
23 avenues of redress to preserve the real properties, including filing a motion for interlocutory sale or  
24 seeking a receiver appointment to collect rents and maintain the properties.

25 Dated: 8/1/2018

McGREGOR W. SCOTT  
United States Attorney

27 By: /s/ Kevin C. Khasigian  
28 KEVIN C. KHASIGIAN  
Assistant U.S. Attorney

1 Dated: 7/31/2018

/s/ N. Allen Sawyer  
N. ALLEN SAWYER  
Attorney for Claimants Hai Xia Zhang, Dong Jin  
Zhang, Feng Shan Lin, Zhao Hong Li and Meiling Li

4 Dated: 8/2/2018

/s/ Larissa L. Branes  
LARISSA L. BRANES  
Attorney for Claimant Cavalier Asset Group, LLC

7 Dated: 7/30/2018

/s/ Robert J. Saria  
ROBERT J. SARIA  
Attorney for Claimant Yu Ying Cai

10 Dated: 7/31/2018

/s/ Linda Parisi  
LINDA PARISI  
Attorney for Claimants Fang Li, Xiuzhu Yang,  
and Dong Ju Zheng

13 Dated: 7/31/2018

/s/ Terry R. Hunt  
TERRY R. HUNT  
Attorney for Claimant Dong Liang Yang

16 Dated: 7/30/2018

/s/ Michael J. Gilligan  
MICHAEL J. GILLIGAN  
Attorney for Claimant Signet Management LLC

19 **ORDER**

20 For the reasons set forth above, this matter is stayed under 18 U.S.C. §§ 981(g)(1), 981(g)(2) and  
21 21 U.S.C. § 881(i) until the resolution of companion criminal cases. The parties shall file a joint status  
22 report within 30 days of the conclusion of the parallel criminal cases, or as the court deems appropriate.

23 IT IS SO ORDERED.

24 DATED: August 6, 2018.

  
UNITED STATES DISTRICT JUDGE