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

10
11 UNITED STATES OF AMERICA,

2:18-CV-00748-KJM-CKD

12 Plaintiff,

13 v.

STIPULATION TO STAY FURTHER
PROCEEDINGS AND ORDER

14 REAL PROPERTY LOCATED 6480
MARYSVILLE ROAD, BROWNS
15 VALLEY, CALIFORNIA, YUBA
COUNTY, APN: 044-270-024-000,
16 INCLUDING ALL APPURTENANCES
AND IMPROVEMENTS THERETO,

17 REAL PROPERTY LOCATED 10357
18 BECKLEY WAY, ELK GROVE,
CALIFORNIA, SACRAMENTO
19 COUNTY, APN: 132-1580-060-0000,
INCLUDING ALL APPURTENANCES
20 AND IMPROVEMENTS THERETO, and

21 REAL PROPERTY LOCATED 474
LAURELLEN ROAD, MARYSVILLE,
22 CALIFORNIA, YUBA COUNTY, APN:
018-280-016, INCLUDING ALL
23 APPURTENANCES AND
IMPROVEMENTS THERETO,

24 Defendants.

25
26 The United States and Claimants Dong Mei Xue, Zhong Yan Yang, Gary Abrams, as Trustee of
27 the Gary Abrams Living Trust, and Zinc Financial, Inc. hereby stipulate that a stay is necessary in the
28

1 above-entitled action and request that the Court enter an order staying all further proceedings until the
2 resolution of the related criminal cases, United States v. Leonard Yang, et al., Case 2:16-CR-00189-KJM
3 and United States v. Xiu Ping Li, et al., Case No. 2:17-CR-00136-KJM, and ongoing criminal
4 investigation into marijuana grows at the defendant properties.

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

8
9 a. Real Property located at 6480 Marysville Road, Browns Valley, California, the
10 “*Defendant Marysville Road.*” Zhong Yan Yang has filed a claim asserting an ownership
11 interest in defendant Marysville Road. Gary Abrams, Trustee of the Gary Abrams Living
12 Trust, filed a claim asserting a lienholder interest in defendant Marysville Road.

13 b. Real Property located at 10357 Beckley Way, Elk Grove, California, the
14 “*Defendant Beckley Way.*” Dong Mei Xue has filed a claim asserting an ownership
15 interest in defendant Beckley Way. Socotra Fund, LLC filed a claim asserting a
16 lienholder interest in defendant Beckley Way. This property was sold and the proceeds
17 were used to satisfy Socotra Fund’s loan.¹ The net proceeds from the sale shall be
18 substituted for the defendant Beckley Way.

19 c. Real Property located at 474 Laurellen Road, Marysville, California, the
20 “*Defendant Laurellen Road.*” Only Zinc Financial, Inc., a lienholder, has asserted an
21 interest in defendant Laurellen Road. A clerk’s default has been entered against the owner
22 of record, Yifeng Ren. The defendant Laurellen Road is currently in default and the loan
23 continues to accrue penalties and interest.

24 3. The stay is requested pursuant to 18 U.S.C. §§ 981(g)(1), 981(g)(2), and 21 U.S.C. §
25 881(i). The United States contends that the defendant properties were used and intended to be used to
26 commit or facilitate violations of federal drug laws in violation of 21 U.S.C. §§ 841 *et seq.* Claimants
27 deny these allegations.

28 4. To date, several individuals have been charged with federal crimes related to marijuana
manufacturing and distribution in two related cases, United States v. Leonard Yang, et al., Case 2:16-CR-
00189-KJM and United States v. Xiu Ping Li, et al., Case No. 2:17-CR-00136-KJM. It is the United
States’ position that the statute of limitations has not expired on potential criminal charges relating to the
drug trafficking involving the defendant properties. Nevertheless, the United States intends to depose

¹ Accordingly, Socotra Fund, LLC no longer has an interest in Defendant Beckley Way.

1 claimants (and others) regarding their ownership of the defendant properties, as well as their knowledge
2 and participation in large scale marijuana cultivation, including the marijuana grow at the defendant
3 properties, as well as the circumstances behind the purchase of the properties. If discovery proceeds at
4 this time, claimants will be placed in the difficult position of either invoking their Fifth Amendment
5 rights against self-incrimination and losing the ability to pursue their claims to the defendant properties,
6 or waiving their Fifth Amendment rights and submitting to a deposition and potentially incriminating
7 themselves. If they invoke their Fifth Amendment rights, the United States will be deprived of the ability
8 to explore the factual basis for the claims they filed with this court.

9 5. In addition, claimants intend to depose, among others, the agents involved with this
10 investigation, including but not limited to, the agents with the Drug Enforcement Administration
11 (“DEA”). Allowing depositions of the law enforcement officers at this time would adversely impact the
12 federal prosecution and ongoing investigation.

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

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

21 Dated: 7/26/2018

McGREGOR W. SCOTT
United States Attorney

22
23 By: /s/ Kevin C. Khasigian
KEVIN C. KHASIGIAN
Assistant U.S. Attorney

24
25 Dated: 7/27/18

/s/ J. Patrick McCarthy
J. PATRICK MCCARTHY
Attorney for Claimant Dong Mei Xue
(Authorized by email)

1 Dated: 7/31/18

/s/ Steven K. Vote
STEVEN K. VOTE
Attorney for Claimant Zinc Financial
(Signature retained by attorney)

4 Dated: 7/27/18

/s/ Edward T. Weber
EDWARD T. WEBER
Attorney for Claimant Gary Abrams,
Trustee of the Gary Abrams Living Trust
(Signature retained by attorney)

8 Dated: 7/31/18

/s/ Ernest Chen
ERNEST CHEN
Attorney for Claimant Zhong Yan Yang
(Authorized by email)

12 **ORDER**

13 For the reasons set forth above, this matter is stayed under 18 U.S.C. §§ 981(g)(1), 981(g)(2) and
14 21 U.S.C. § 881(i) until the resolution of companion criminal cases. The parties shall file a joint status
15 report within 30 days of the conclusion of the parallel criminal cases, or as the court deems appropriate.

17 IT IS SO ORDERED.

18 DATED: August 6, 2018.

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20 _____
UNITED STATES DISTRICT JUDGE