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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-00774-KJM-CKD

STIPULATION TO STAY FURTHER
 PROCEEDINGS AND ORDER

14 REAL PROPERTY LOCATED AT 7661
 FEY WAY, ELK GROVE, CALIFORNIA,
 15 SACRAMENTO COUNTY, APN: 132-
 2450-006-0000, INCLUDING ALL
 16 APPURTENANCES AND
 IMPROVEMENTS THERETO,
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 18 REAL PROPERTY LOCATED AT 9268
 TROUT WAY, ELK GROVE,
 CALIFORNIA, SACRAMENTO
 19 COUNTY, APN: 116-1470-018-0000,
 INCLUDING ALL APPURTENANCES
 20 AND IMPROVEMENTS THERETO, and
 21 REAL PROPERTY LOCATED AT 9185
 GRANT LINE ROAD, ELK GROVE,
 22 CALIFORNIA, SACRAMENTO
 COUNTY, APN: 134-0460-004-0000,
 23 INCLUDING ALL APPURTENANCES
 AND IMPROVEMENTS THERETO,
 24
 25 Defendants.

26 The United States and Claimants Rihui Zheng, Yu Ting Zheng, Dennis Guy Wentz and Laura
 27 Jane Wentz, Kenneth A. Forman and Yehuda Ashouri, and PS Funding, Inc., through their respective
 28

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

6 1. This is a forfeiture *in rem* action against three properties pursuant to 18 U.S.C. §§
7 981(a)(1)(A) and 981(a)(1)(C) and 21 U.S.C. §§ 881(a)(6) and 881(a)(7) because they were allegedly
8 used to commit or facilitate violations of federal drug and money laundering laws:

9
10 a. Real Property located at 7661 Fey Way, Elk Grove, California, the “*Defendant Fey*
11 *Way*.” Rihui Zheng has filed a claim asserting an ownership interest in defendant Fey
Way. PS Funding, Inc. filed a claim asserting a lienholder interest in defendant Fey Way.

12 b. Real Property located at 9268 Trout Way, Elk Grove, California, the “*Defendant*
13 *Trout Way*.” Dennis Guy Wentz and Laura Jane Wentz filed a claim asserting a lienholder
14 interest in defendant Trout Way. No other party has filed a claim asserting an interest in
defendant Trout Way.

15 c. Real Property located at 9185 Grant Line Road, Elk Grove, California, the
16 “*Defendant Grant Line Road*”. Yu Ting Zheng has filed a claim asserting an ownership
17 interest in defendant Grant Line Road. Kenneth A. Forman and Yehuda Ashouri filed a
claim asserting a lienholder interest in defendant Grant Line Road.

18 3. The stay is requested pursuant to 18 U.S.C. §§ 981(g)(1), 981(g)(2), and 21 U.S.C. §
19 881(i). The United States contends that the defendant properties were used and intended to be used to
20 commit or facilitate violations of federal drug laws in violation of 21 U.S.C. §§ 841 *et seq.* Claimants
21 deny these allegations.

22 4. To date, several individuals have been charged with federal crimes related to marijuana
23 manufacturing and distribution in two related cases, United States v. Leonard Yang, et al., Case 2:16-CR-
24 00189-KJM and United States v. Xiu Ping Li, et al., Case No. 2:17-CR-00136-KJM. It is the United
25 States’ position that the statute of limitations has not expired on potential criminal charges relating to the
26 drug trafficking involving the defendant properties. Nevertheless, the United States intends to depose
27 claimants (and others) regarding their ownership of the defendant properties, as well as their knowledge
28 and participation in large scale marijuana cultivation, including the marijuana grow at the defendant

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

7 5. In addition, claimants intend to depose, among others, the agents involved with this
8 investigation, including but not limited to, the agents with the Drug Enforcement Administration and the
9 Internal Revenue Service – Criminal Investigation. Allowing depositions of the law enforcement officers
10 at this time would adversely impact the federal prosecution and ongoing investigation.

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

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

19 Dated: 7/27/2018

McGREGOR W. SCOTT
United States Attorney

20
21 By: /s/ Kevin C. Khasigian
KEVIN C. KHASIGIAN
Assistant U.S. Attorney

22
23 Dated: 7/31/18

/s/ Eric R. Olah
ERIC R. OLAH
Attorney for Claimant PS Funding, Inc.
(Authorized by email)

24
25
26 Dated: 7/30/18

/s/ Dennis Doss
DENNIS DOSS
Attorney for Claimants Dennis Guy Wentz and
Laura Jane Wentz
(Authorized by email)

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Dated: 8/1/18

/s/ Larissa A. Branes
LARISSA A. BRANES
Attorney for Claimants Kenneth A. Forman and
Yehuda Ashouri
(Authorized by email)

Dated: 7/31/18

/s/ Linda M. Parisi
LINDA M. PARISI
Attorney for Claimants Rihui Zheng
and Yu Ting Zheng
(Authorized by email)

ORDER

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

IT IS SO ORDERED.

DATED: August 6, 2018.


UNITED STATES DISTRICT JUDGE