

**IN THE UNITED STATES DISTRICT COURT FOR THE
WESTERN DISTRICT OF MISSOURI
WESTERN DIVISION**

UNITED STATES OF AMERICA,)
)
Plaintiff,)
)
v.)
)
REAL PROPERTY LOCATED AT)
1920 4TH AVENUE, #406, SEATTLE,)
WASHINGTON ALONG WITH)
ALL ITS BUILDINGS,)
APPURTENANCES, AND)
IMPROVEMENTS, et al.,)
)
Defendants.)

No. 4:14-CV-01090-DGK

ORDER OF FINAL JUDGMENT OF FORFEITURE

Plaintiff, United States of America, filed a verified complaint for Forfeiture in Rem (Doc. 2) against Defendants-properties. The Complaint alleges defendant properties were involved in a transaction or attempted transaction in violation of 18 U.S.C. §§ 1956(a) and (h), 1957 and 1960, and are properties traceable to property involved in a transaction or attempted transaction in violation of 18 U.S.C. §§ 1956 and 1957. The Complaint also alleged Defendants are subject to forfeiture pursuant to 18 U.S.C. § 981(a)(1)(C) because they constitute any property, real or personal, which constitutes or is derived from proceeds traceable to any offense constituting “specified unlawful activity,” as defined in § 1956(c)(7), or a conspiracy to commit such offense, with such offenses including violations of 18 U.S.C. §§ 1343 (wire fraud), 2318 (trafficking in counterfeit labels, illicit labels, or counterfeit documentation or packaging), and 1029 (access device fraud). The Complaint further alleged that the properties are subject to forfeiture pursuant to 18 U.S.C. § 2323 because they constitute or were derived from proceeds obtained directly or indirectly as a result of the commission of a violation of 18 U.S.C. § 2318.

Process was fully issued in this action and returned according to law. The following known potential claimants were personally served the Notice of Complaint and Complaint for Forfeiture In Rem and have acknowledged service thereof—

- Yang and Schwartz Properties 1, LLC c/o SHK Group, PLLC
- Yang and Schwartz Properties, LLC c/o SHK Group, PLLC
- Perseus Properties 4, LLC c/o SHK Group PLLC
- Restore USA XV, LLC c/o SHK Group, PLLC
- Yang Properties, LLC c/o SHK Group PLLC
- Gabrielle Schwartz
- Jake H. Schwartz
- Yang and Schwartz Properties 1, LLC c/o Jake H. Schwartz
- Yang and Schwartz Properties, LLC c/o Jake H. Schwartz
- Pennystone Properties 6, LLC c/o Jimmy Dainard
- Radiant Investments USA, LLC, c/o Jimmy Dainard
- Infinity on 56th, LLC c/o Will Heaton
- Razor Investments c/o Will Heaton
- Willow Lane 2, LLC c/o Brandon Thorne
- Rex Yang, Jr.
- Yang and Schwartz Properties 1, LLC c/o Rex Yang, Jr.
- Yang and Schwartz Properties, LLC, c/o Rex Yang, Jr.
- Infinity on 56th, LLC c/o Rex Yang, Jr.
- Perseus Properties 4, LLC c/o Rex Yang, Jr.
- Restore USA XV, LLC c/o Rex Yang, Jr.
- Yang Properties, LLC c/o Rex Yang, Jr.

Any and all other potential claimants have been notified of the action and of their rights to assert a claim for Defendants by publication for thirty consecutive days beginning on January 14, 2015, and ending on February 14, 2015, on the official government internet site, www.forfeiture.gov. A copy of the Declaration of Publication is on file with this Court.

Plaintiff and the claimants entered into a settlement (Doc. 183-1), which was approved by the Court on January 17, 2017 (Doc. 188). In the same order, the Court issued a partial judgment of forfeiture for all real property and related assets.

Now before the Court is Plaintiff's motion for a Second Partial Final Judgment of Forfeiture (Doc. 195) for the following defendant properties:

- RBC account number 86615808, up to \$1,161,384.43. Since the date of the Complaint filed in this case, the account was sold to Ameriprise-Financial, account number 86615808, in the name of Jake Schwartz. The United States is seeking funds up to \$1,161,384.43 from this account;
- Community National Bank account number 8223581, up to \$106,335.30. Since the date of the Complaint filed in this case, this account was divided into three separate accounts. IRA account number 8223581, which has a cash value of \$8,906.58, Global-Net-Lease account number 150211711, which has a cash value of \$41,052.00, and ARC NY Recovery REIT account number 150211711, which has an investment value of \$53,978.63 for a total of \$103,937.31. The United States is seeking funds up to \$106,335.30 from these accounts. Therefore, any increases in the account balances at the time the accounts are liquidated should be included up to a total amount of \$106,335.30;
- American Realty Capital Hospitality Trust, Inc. account number 150190099, up to \$51,137.03. Since the date of the Complaint filed in this case, this account was closed and reopened with a new investment company. The new investment company is Hospitality Investor's Trust, account number C0000053473 in the name of Jake Schwartz. The United States is seeking funds up to \$51,137.03 from this account;
- American Realty Capital New York Recovery REIT account number 15010099, up to \$51,010.73. Since the date the Complaint was filed in this case, American Realty Capital New York Recovery REIT changed its name to American Realty Capital New York City REIT. The account number stayed the same. The United States is seeking funds up to \$51,010.73 from this account;
- E*TRADE account number 60575294, up to \$16,206.67;
- Phillip Edison-Arc Shopping Center REIT Inc. account number 20035386, up to \$53,261.09 is more fully described as DLA Piper doing business as Phillip Edison

Arc Shopping Center REIT Inc., account number 20035386 in the name of Jake Schwartz, up to \$53,261.09;

- \$225,000 Investment and Security Interest, Granted By Fairview Eastlake, LLC;
- TD Ameritrade account number 786362974 up to \$4,448.47;
- RBC account number 86617113, up to \$228,868.82. Since the date the Complaint was filed in this case, the United States has determine that this account has only \$741.00, therefore, the United States is not pursuing forfeiture of this account;
- Community National Bank account number 8223589, up to \$108,281.88. Since the date the Complaint was filed in this case, this account has changed its name. The account is more fully described as Community National Bank, Global-Net-Lease, account number 8223589, in the name of Rex Yang, Jr., held at US Bank. In addition, per the requirements on the account, a portion of this account must be liquidated by Rex Yang, Jr. The United States is seeking up to \$108,281.88 from this account;
- American Realty Capital Hospitality Trust, Inc., account number 120185650, up to \$51,157.03. Since the date the Complaint was filed in this case, this account has been closed and reopened with a new investment company. The new account is Hospitality Investor's Trust, account number C0000052345 in the name of Rex Yang, Jr. The United States is seeking funds up to \$51,157.03 from this account;
- American Realty Capital New York Recovery REIT account number 120185650, up to \$102,056.95. Since the date the Complaint was filed in this case, this account has changed names. The new name on the account is American Realty Capital New York City REIT, account number 120185650, in the name of Rex Yang, Jr. The United States is seeking funds up to \$102,056.95 from this account; and
- Phillip Edison-ARC Shopping Center REIT Inc. account number 20035390, up to \$53,261.09. Since the date the Complaint in this case was filed, the name on this account has changed to DLA Piper doing business as Phillip Edison-Arc Shopping Center REIT, Inc., account number 20035390 in the name of Rex Yang, Jr. The United States is seeking to forfeit \$53,261.09 from this account.

No other claims for the above-listed defendant properties have been filed and the time within which such claims must have been filed has expired.

The motion is GRANTED and it is ORDERED that the following defendant properties are hereby forfeited to the United States pursuant to 18 U.S.C. § 981(a)(1)(A), (a)(1)(C), and § 2323 to be disposed of according to law:

(1) The following defendant properties are hereby forfeited to the United States pursuant to 18 U.S.C. § 981(a)(1)(A), 18 U.S.C. § 981(a)(1)(C) and 18 U.S.C. § 2323 to be disposed of according to law:

- Up to \$1,161,384.43 from Ameriprise-Financial, account number 86615808 in the name of Jake Schwartz;
- Up to \$106,335.30 from the following three accounts—IRA account number 8223581, Global-Net-Lease account number 150211711, and ARC NY Recovery REIT account number 150211711;
- Up to \$51,137.03 from Hospitality Investor’s Trust, account number C0000053473 in the name of Jake Schwartz;
- Up to \$51,010.73 from American Realty Capital New York City REIT, account number 15010099;
- Up to \$16,206.67 from E*TRADE account number 60575294;
- Up to \$53,261.09 in DLA Piper doing business as Phillip Edison Arc Shopping Center REIT, Inc., account number 20035386 in the name of Jake Schwartz;
- \$225,000 Investment and Security Interest, Granted By Fairview Eastlake, LLC;
- Up to \$4,448.47 from TD Ameritrade account number 786362974;
- Up to \$108,281.88 from Community National Bank, Global-Net Lease, account number 8223589, in the name of Rex Yang, Jr., held at US Bank;
- Up to \$51,157.03 from Hospitality Investor’s Trust, account number C0000052345 in the name of Rex Yang, Jr.;
- Up to \$102,056.95 from American Realty Capital New York City REIT, account number 120185650, in the name of Rex Yang, Jr.; and
- Up to \$53,261.09 from, DLA Piper doing business as Phillip Edison-Arc Shopping Center REIT, Inc., account number 20035390, in the name of Rex Yang, Jr.

(2) The requested funds from all of the above-listed forfeited investment accounts shall be paid over to Customs and Border Protection upon presentation of this order. The forfeited funds shall be mailed to Homeland Security Investigations/CBP, 1000 2nd Avenue, Suite 2300, Seattle, Washington 98104;

(3) No taxes shall be withheld from any of the above-listed forfeited investment accounts;

(4) Any expenses from the process of liquidating the above-listed forfeited investment accounts will be paid by the account holder;

(5) Claimants in this case shall assist as requested in the release or liquidation of any and all funds;

(6) All persons claiming any right, title, or interest in or to the defendant properties are held in default;

(7) All claims and interests in the defendant properties, except as provided herein are forever foreclosed and barred;

(8) Each party will bear their own costs; and

(9) The Clerk of the Court shall enter a judgment consistent with this order.

IT IS SO ORDERED.

Dated: October 23, 2017

/s/ Greg Kays

GREG KAYS, CHIEF JUDGE
UNITED STATES DISTRICT COURT