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**UNITED STATES FILES CIVIL FORFEITURE ACTION AGAINST
ASSA CORPORATION'S INTEREST IN MANHATTAN OFFICE TOWER**

LEV L. DASSIN, the Acting United States Attorney for the Southern District of New York, MARK J. MERSHON, the Assistant Director-in-Charge of the New York Field Division of the Federal Bureau of Investigation ("FBI"), and PATRICIA J. HAYNES, the Special Agent-in-Charge of the New York Field Office of the Internal Revenue Service ("IRS"), Criminal Investigation Division, announced today the filing of a civil Complaint seeking forfeiture of the 40% interest in 650 Fifth Avenue Company (the owner of the 36-story office tower at 650 Fifth Avenue in Manhattan, New York) which is held by Assa Corporation.

As alleged in the civil forfeiture Complaint filed in Manhattan federal court:

The office tower at 650 Fifth Avenue (the "Building") was constructed in the 1970's by the Pahlavi Foundation, a non-profit organization operated by the Shah of Iran to pursue Iran's charitable interests in the United States. The Building's construction was financed by a substantial loan from Bank Melli Iran ("Bank Melli"), a state-owned bank in Iran.

The Pahlavi Foundation was later renamed the Mostazafan Foundation of New York, and later renamed the Alavi Foundation. In 1989 the Alavi Foundation formed 650 Fifth Avenue Company in partnership with Bank Melli. Bank Melli's ownership interest was, however, disguised. Specifically, the Alavi Foundation transferred 35% of 650 Fifth Avenue Company to Assa Corporation, an entity wholly owned by Assa Company Limited; Assa Company Limited is a Jersey, Channel Islands, United Kingdom, entity, which was and has since been wholly owned by Iranian citizens who represent the interests of Bank Melli. In conjunction with the transfer of the 35% interest in 650 Fifth Avenue to Assa Corp., Bank Melli cancelled its loan on the Building. Today, the Alavi Foundation owns 60% of 650 Fifth Avenue Company, and Bank Melli owns 40% of 650 Fifth Avenue Company, through Assa Corporation and Assa Company Limited.

In 1995, in order to implement a series of executive orders issued pursuant to the International Emergency Economic Powers Act ("IEEPA"), the Department of Treasury promulgated the Iranian Transaction Regulations ("ITRs"), Title 31, United States Code of Federal Regulations, Part 560. In general, the ITRs prohibit any person from exporting or causing to be exported from the United States, to Iran or the Government of Iran, any goods, technology, or services without having first obtained a valid export license from the United States Department of Treasury, Office of Foreign Assets Control ("OFAC").

Following issuance of the ITRs, but without an OFAC license to do so, Assa Corporation and Assa Company Limited continued to provide services to Bank Melli by maintaining Bank Melli's interest in 650 Fifth Avenue Company and transferring income from 650 Fifth Avenue Company to Bank Melli.

In 1999, OFAC identified Bank Melli, and all of its offices worldwide, as entities owned or controlled by the Government of Iran.

In the forfeiture Complaint, the United States seeks to forfeit all right, title and interest of Assa Corporation, Assa Company Limited, and Bank Melli in 650 Fifth Avenue Company, including 650 Fifth Avenue's interest in the Building. The United States also seeks to forfeit funds that were seized, pursuant to federal seizure warrants, from Assa Corporation's bank accounts. The Complaint alleges that the funds in the bank accounts are forfeitable as proceeds of IEEPA violations, and that Assa Corporation's interest in 650 Fifth Avenue Company is forfeitable as property involved in money laundering and a conspiracy to commit money laundering.

Mr. DASSIN praised the investigative work of the FBI, New York City Police Department, and IRS, and thanked OFAC, the Counterterrorism Section of the Department of Justice National Security Division, and the Manhattan District Attorney's Office for their initiation and assistance in this case.

The matter is being handled by the Asset Forfeiture Unit and Terrorism and National Security Unit of the United States Attorney's Office. Assistant United States Attorneys SHARON COHEN LEVIN, ANNA ARREOLA, HARRY CHERNOFF and ERIC SNYDER are in charge of the case.

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