

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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IN RE 650 FIFTH AVENUE AND RELATED :
PROPERTIES :
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: 08 Civ. 10934 (RJH)
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**CONSENT ORDER FOR
APPOINTMENT OF MONITOR
PURSUANT TO 18 U.S.C. § 983(i)**

WHEREAS, on November 12, 2009, the United States filed an amended complaint (the "Complaint"), verified by Special Agent George J. Ennis Jr., of the United States Federal Bureau of Investigation, alleging that the following properties, and others, are subject to seizure and civil forfeiture:

- a. All right, title, and interest of Assa Corporation, Assa Company Limited, Bank Melli Iran, and the Alavi Foundation in 650 Fifth Avenue Company, including but not limited to the real property and appurtenances located at 650 Fifth Avenue, New York, New York, with all improvements and attachments thereon, and all property traceable thereto;
- b. All right, title, and interest in the real property and appurtenances located at 650 Fifth Avenue, New York, New York, with all improvements and attachments thereon, and all property traceable thereto (the "Defendant Real Property-1" or the "Building");
- c. All right, title, and interest in the real property and appurtenances located at 2313 South Voss Road, Houston, Texas 77057, with all improvements and attachments thereon (the "Defendant Real Property-2");
- d. All right, title, and interest in the real property and appurtenances located at 55-11 Queens Boulevard, Queens, New York 11377, Block 1325 Lots 1, 6, 7, and 8, with all improvements and attachments thereon (the "Defendant Real Property-3");

- e. All right, title, and interest in the real property and appurtenances located at 4836 Marconi Avenue, Carmichael, California 95608, with all improvements and attachments thereon (the "Defendant Real Property-4");
- f. All right, title, and interest in the real property and appurtenances located at 4204 Aldie Road, Catharpin, Virginia 20143-1133, with all improvements and attachments thereon (the "Defendant Real Property-5");
- g. All right, title, and interest in the real property and appurtenances located at 4300 Aldie Road, Catharpin, Virginia 20143-1133, with all improvements and attachments thereon (the "Defendant Real Property-6");
- h. All right, title, and interest in the real property and appurtenances located at 7917 Montrose Road, Rockville, Maryland 20854, with all improvements and attachments thereon (the "Defendant Real Property-7");
- i. All right, title, and interest in the real property and appurtenances located at 8100 Jeb Stuart Road, Rockville, Maryland 20854, with all improvements and attachments thereon (the "Defendant Real Property-8");
- j. All funds formerly on deposit in Account Number 78429712, at Citibank, N.A., New York, New York ("Defendant Account-1");
- k. All funds formerly on deposit in Account Number 8881654552, at Citibank, N.A., New York, New York ("Defendant Account-2");
- l. All funds formerly on deposit in Account Number 2724409590, at JPMorgan Chase Bank, N.A., Baton Rouge, Louisiana ("Defendant Account-3");
- m. All funds formerly on deposit in Account Number 725700280, at JPMorgan Chase Bank, N.A., Baton Rouge, Louisiana ("Defendant Account-4");
- n. All funds on deposit at JPMorgan Chase Bank, N.A., in account number 230484468, held in the name of 650 Fifth Avenue Company, and all funds traceable thereto ("Defendant Account-5");
- o. All funds on deposit at JPMorgan Chase Bank, N.A., in account number 230484476, held in the name of 650 Fifth Avenue Company, and all funds traceable thereto ("Defendant Account-6");

- p. All funds on deposit at Sterling National Bank in account number 3802032216, held in the name of Alavi Foundation, and all funds traceable thereto ("Defendant Account-7");
- q. All funds on deposit at Sterling National Bank in account number 3802032201, held in the name of Alavi Foundation, and all funds traceable thereto ("Defendant Account-8"); and
- r. All funds on deposit at Sterling National Bank in account number 3852524414, held in the name of Alavi Foundation, and all funds traceable thereto ("Defendant Account-9");

(collectively, the "Defendant Properties");

WHEREAS, on or about December 17, 2009, the Alavi Foundation filed a verified claim asserting an interest in certain of the Defendant Properties, including 650 Fifth Avenue Company and the Defendant Real Properties;

WHEREAS, on or about December 17, 2009, 650 Fifth Avenue Company filed a verified claim asserting an interest in the Building and Defendant Account-5 and Defendant Account-6;

WHEREAS, on or about July 31, 1989, the Alavi Foundation, formerly the Mostazafan Foundation of New York, entered into a written Partnership Agreement (the "Partnership Agreement") with Assa Corp., which provided for the creation of a partnership, to be called 650 Fifth Avenue Company, whose owners are the Alavi Foundation and Assa Corp.;

WHEREAS, pursuant to the Partnership Agreement, the Alavi Foundation is the managing partner of 650 Fifth Avenue Company and, in general, has "the obligation of administering the day-to-day business and affairs of the Partnership consistent with the provisions" of the Agreement, including the authority to execute instruments on behalf of the

Partnership, the authority to execute leases, the authority to contract with vendors, the authority pay taxes, and the authority to prosecute, defend and resolve disputes by settlement;

WHEREAS, the Complaint alleges, among other things, that the Alavi Foundation is controlled by the Islamic Republic of Iran and has been managing 650 Fifth Avenue Company for the Iranian Government, running a charitable organization for the Iranian Government, and transferring funds from 650 Fifth Avenue Company to Bank Melli through Assa Corp., all in violation of the International Emergency Economic Powers Act ("IEEPA"), codified at 50 U.S.C. § 1701 *et seq.*;

WHEREAS, 650 Fifth Avenue Company is currently being managed by Jones Lang LaSalle ("JLL");

WHEREAS, the Government believes that the appointment of a monitor is necessary in order to preserve the value of 650 Fifth Avenue Company and the Defendant Real Properties;

WHEREAS, Title 18, United States Code, Section 983(j)(1)(A) provides that, "[u]pon application of the United States, the court may enter a restraining order or injunction, require the execution of satisfactory performance bonds, create receiverships, appoint conservators, custodians, appraisers, accountants, or trustees, or take any other action to seize, secure, maintain, or preserve the availability of property subject to civil forfeiture . . . upon the filing of a civil forfeiture complaint alleging that the property with respect to which the order is sought is subject to civil forfeiture";

WHEREAS, the Alavi Foundation and 650 Fifth Avenue Company agree to the

appointment of a monitor; and

WHEREAS, the Government, the Alavi Foundation, and 650 Fifth Avenue Company recommend the appointment of Kathleen A. Roberts as monitor of the Alavi Foundation and 650 Fifth Avenue Company;

NOW, THEREFORE,

I.

IT IS HEREBY ORDERED that: Kathleen A. Roberts is appointed as monitor (the "Monitor") in order to (i) ascertain the financial condition of the Alavi Foundation and 650 Fifth Avenue, (ii) review and approve disbursements, agreements, and other activities of 650 Fifth Avenue Company, in order to preserve the value of 650 Fifth Avenue Company and the Defendant Real Properties for forfeiture, (iii) review and approve any decisions or other actions taken by the Alavi Foundation pursuant to its obligations under the Partnership Agreement, (iv) review and approve disbursements by the Alavi Foundation, (v) monitor the activities of 650 Fifth Avenue Company and the status of the Defendant Real Properties in order to preserve the value of those properties for forfeiture.

To effectuate the foregoing, the Monitor is empowered to:

- (a) Undertake an initial review of the operations and financial health of 650 Fifth Avenue Company and prepare a report for the Court within 45 days from the date of this Order. The Monitor shall set forth in the report how ownership distributions, as provided by the Partnership Agreement, shall be calculated and processed.
- (b) In the event that ownership distributions are made to the Alavi Foundation, the Monitor shall review and approve any disbursements by the Alavi Foundation from said distributions, including but not limited to payroll, taxes, and distributions to tenants of the Defendant Real Properties.

- (c) Review and approve disbursements by 650 Fifth Avenue Company, including but not limited to payroll, broker commissions, lobby renovations, and elevator renovations. The Monitor may seek judicial intervention where necessary.
- (d) Review and approve proposed leases and subleases for the Building and proposed modifications to existing agreements.
- (e) Review and approve any agreements between 650 Fifth Avenue Company and third parties.
- (f) Take such further action as the Court shall deem equitable, just and appropriate under the circumstances upon proper application of the Monitor.
- (g) Report to the Court on a quarterly basis, commencing from the date of the initial report described in paragraph (a), a summary of the actions taken and findings made by the Monitor pursuant to this Order.

The Monitor shall not take any actions to interfere with law enforcement's investigation of the . allegations in the Complaint and any administrative and judicial forfeiture proceedings.

II.

IT IS FURTHER ORDERED that the Court's November 12, 2009 Restraining Order and Order for Appointment of Substitute Custodian for Restrained Accounts is amended as to paragraph 2, and shall now read:

No portion of the Substitute Custodian Property or any interest, dividends or other proceeds thereon, shall be, directly or indirectly, transferred, sold, assigned, pledged, hypothecated, encumbered, disposed of, or attached, in any manner, except expenses incurred in the normal course of the Building's operations, unless authorized by Management Agreement and approved by the Monitor.

III.

IT IS FURTHER ORDERED that the reasonable costs, fees and expenses of the Monitor incurred in connection with the performance of her respective duties described herein taken with respect to the Alavi Foundation shall be paid by the Alavi Foundation, and those taken with respect to 650 Fifth Avenue Company shall be paid by 650 Fifth Avenue Company. These expenses include but are not limited to, the reasonable costs, fees and expenses of all persons who may be engaged or employed by the Monitor to assist her in carrying out her duties and obligations. All applications for costs, fees and expenses of the Monitor and those employed by her shall be made by application to the Court setting forth in reasonable detail the nature of such costs, fees and expenses. The costs, fees, and expenses to be paid by the Alavi Foundation may be paid from 650 Fifth Avenue Company and credited toward any ownership distributions to which the Alavi Foundation may be entitled under the Partnership Agreement.

IV.

IT IS FURTHER ORDERED that no creditor or claimant against the Alavi Foundation or 650 Fifth Avenue Company, or any person acting on behalf of such creditor or claimant, shall take any action to interfere with the duties and responsibilities of the Monitor.

V.


IT IS FURTHER ORDERED that the United States and claimants the Alavi Foundation and 650 Fifth Avenue Company do not waive any arguments or defenses that they may have with respect to the forfeitability of any properties listed in the Complaint. The execution of this Consent Order does not in any way constitute an admission that the allegations in the Complaint are true or that the properties are subject to forfeiture.

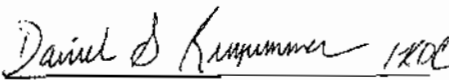
Dated: New York, New York
April 14, 2010

Agreed and consented to:

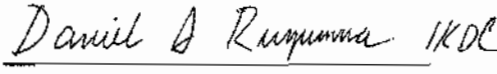
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THE ALAVI FOUNDATION

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SO ORDERED:


HONORABLE RICHARD J. HOLWELL
UNITED STATES DISTRICT JUDGE

4/28/10
DATE