MICHELE BECKWITH
Acting United States Attorney
JEFFREY A. SPIVAK
KEVIN C. KHASIGIAN
Assistant U.S. Attorney
2500 Tulare Street, Suite 4401
Fresno, CA 93721
Telephone: (559) 497-4000

Attorneys for Plaintiff
United States of America

IN THE UNITED STATES DISTRICT COURT

EASTERN DISTRICT OF CALIFORNIA

UNITED STATES OF AMERICA, Plaintiff, v. GURJEET BATH, Defendant.	1:24-CR-00198-JLT-SKO UNITED STATES' MOTION FOR INTERLOCUTORY SALE OF 18670 S. ELM AVENUE, LATON, CALIFORNIA

MOTION FOR INTERLOCUTORY SALE

The United States moves pursuant to Rule 32.2(b)(7) of the Federal Rules of Criminal Procedure, for an order authorizing the immediate interlocutory sale of agricultural land forfeited by the defendant in this criminal case. The basis for this motion is that the property owner, Defendant Gurjeet Bath, pleaded guilty to federal crimes and agreed to forfeit 18670 S. Elm Avenue, Laton, California. Despite the forfeiture acknowledgement and motive to maintain its value to repay victims, Defendant Bath has allowed the property to fall into default with its lender and racked up additional debt by failing to pay property taxes. In the absence of a responsible owner, the property's debt grows each day and lacks a steward to manage a vast piece of rural property. Accordingly, the United States seeks to preserve the status quo and avoid deterioration of the property's condition and equity position, which can be accomplished through this interlocutory sale and converting the property to cash.

FACTUAL BACKGROUND

Defendant Gurjeet Bath waived indictment and agreed to proceed on a Criminal Information charging him with one count of violating 18 U.S.C. § 641, theft of government property. *See* Dkt. 1. The Information alleged the defendant falsified records and misrepresented employee numbers to obtain hundreds of thousands of dollars in Paycheck Protection Program ("PPP") loans from the United States Small Business Administration ("SBA"). *Id.* In August 2024, the defendant signed a written plea agreement with the government, acknowledging his guilt on the Information's sole count and agreeing to forfeit two agricultural properties he purchased with proceeds of crime. *See* Dkt. 2. One of the forfeited properties, 18670 S. Elm Avenue in Laton, California, is now in default and must be sold to salvage any equity for victims.[1]

The S. Elm Avenue property is a 32-acre parcel of rural land purchased by the defendant for $1.8 million in mid-summer 2020.[2] The purchase of S. Elm Avenue was mostly seller-financed, with the defendant investing $300,000 and the sellers holding a $1.5 million promissory note. In 2024, the holders of the note, Terra Dos Sonhos LLC, filed a notice of default in Fresno County. In the default notice, Terra Dos Sonhos represented that its loan has been in default since October 2023 and its debt increased to $1,676,236.61 as of August 27, 2024. *See* Exhibit A. Further, a recent title report for the S. Elm Avenue property showed property taxes are several years in arrears—totaling at least $36,384.91. *See* Exhibit B.

Accordingly, the United States is seeking the approval of the court to convert the S. Elm Avenue property to cash by way of interlocutory sale.

ARGUMENT

Rule 32.2(b)(7) provides as follows:

> At any time before entry of a final forfeiture order, the court, in accordance with Supplemental Rule G(7) of the Federal Rules of Civil Procedure, may order the interlocutory sale of property alleged to be forfeitable.

Pursuant to Supplemental Rule G(7)(b), the Court may order the interlocutory sale of forfeited

---

[1] The second property subject to forfeiture, 2745 S. Peach Ave, Fresno, California, APN: 316-040-34, was recently sold. The United States has deposited the net equity from that sale in a government suspense account until this case concludes.

[2] 18670 S. Elm Avenue consists of two contingent parcels: APNs: 055-310-15 and 055-021-18. The plea agreement's forfeiture provision and this motion cover both APNs.

property subject to if the property is "at risk of deterioration," the "expenses … [are] excessive or disproportionate to its fair market value," if the mortgage or taxes are in default, or for "other good cause." Rule G(7)(b)(i)(A)-(D). The sale must be made by a United States agency that has authority to sell the property, by the agency's contractor, or by any person that the court designates. *Id.* at G(7)(b)(ii).

Upon a successful interlocutory sale, the proceeds will be considered a "substitute res" subject to forfeiture in place of the property that was sold. The proceeds are held in an interest-bearing account maintained by the United States pending the conclusion of the forfeiture action. *See* Rule G(7)(b)(iv). If the court subsequently orders the forfeiture of the sale proceeds, the sales proceeds will be disposed of as provided by law. Rule G(7)(c).

In this case, the S. Elm Avenue property is in payment default—i.e., the defendant borrowed money to purchase the soon-to-be-forfeited property but is not currently paying the debt. Nor is the defendant keeping up with property taxes. The interlocutory sale will permit the United States to sell the property and preserve as much equity as possible for ultimate forfeiture. *See United States v. Real Property located at 4816 Chaffey Lane*, 699 F.3d 956, 961-62 (6th Cir. 2012) (Rule G(7)(b) authorizes interlocutory sale of yacht on which claimant has stopped paying mortgage); *United States v. Real Property Located at 272 Old Montauk Highway*, 2014 WL 726772, *8-10 (E.D.N.Y. Feb. 22, 2014) (interlocutory sale is necessary to protect the equity in real property).

Additionally, the interlocutory sale will allow the United States to maintain the property to avoid any potential accidents on the vast agricultural land, enable the United States to confirm the property is insured, market the property for sale, and avoid falling even more in arrears on the payment of the applicable property taxes.

CONCLUSION

For the above reasons, the motion to sell the S. Elm Avenue property owned by Defendant Gurjeet Bath should be granted.

Dated: March 26, 2025

MICHELE BECKWITH
Acting United States Attorney

/s/ Kevin C. Khasigian
KEVIN C. KHASIGIAN
Assistant U.S. Attorney

EXHIBIT A

WFG National-Default Services

RECORDING REQUESTED BY:
SAME AS BELOW

WHEN RECORDED MAIL TO:
S.B.S. Trust Deed Network
31194 La Baya Drive, Suite 106
Westlake Village, CA 91362
Phone: (818) 991-4600

Fresno County Recorder
Paul Dictos, CPA
2024-0083868
Recorded at the request of:
SIMPLIFILE, PROVO
09/12/2024 02:15 18
Titles: 1 Pages: 3
Fees: $25.00
CA SB2 Fees:$75.00
Taxes: $0.00
Total: $100.00

APN: **055-310-15, 055-021-18**
24535581CAD

SPACE ABOVE THIS LINE FOR RECORDER'S USE

TS No.: **2024-1455**

NOTICE OF DEFAULT AND ELECTION TO SELL UNDER DEED OF TRUST

IMPORTANT NOTICE

IF YOUR PROPERTY IS IN FORECLOSURE BECAUSE YOU ARE BEHIND IN YOUR PAYMENTS IT MAY BE SOLD WITHOUT ANY COURT ACTION, and you may have the legal right to bring your account in good standing by paying all of your past due payments plus permitted costs and expenses within the time permitted by law for reinstatement of your account, which is normally five business days prior to the date set for the sale of your property. No sale date may be set until approximately 90 days from the date this notice of default may be recorded (which date of recordation appears on this notice).

This amount is **$1,676,236.61** as of **8/27/2024**, and will increase until your account becomes current. While your property is in foreclosure, you still must pay other obligations (such as insurance and taxes) required by your note and deed of trust or mortgage. If you fail to make future payments on the loan, pay taxes on the property, provide insurance on the property, or pay other obligations as required in the note and deed of trust or mortgage, the beneficiary or mortgagee may insist that you do so in order to reinstate your account in good standing. In addition, the beneficiary or mortgagee may require as a condition of reinstatement that you provide reliable written evidence that you paid all senior liens, property taxes, and hazard insurance premiums.

Upon your written request, the beneficiary or mortgagee will give you a written itemization of the entire amount you must pay. You may not have to pay the entire unpaid portion of your account, even though full payment was demanded, but you must pay all amounts in default at the time payment is made. However, you and your beneficiary or mortgagee may mutually agree in writing prior to the time the notice of sale is posted (which may not be earlier than three months after this notice of default is recorded) to, among other things. (1) provide additional time in which to cure the default by transfer of the property or otherwise; or (2) establish a schedule of payments in order to cure your default; or both (1) and (2).

Following the expiration of the time period referred to in the first paragraph of this notice, unless the obligation being foreclosed upon or a separate written agreement between you and your creditor permits a longer period, you have only the legal right to stop the sale of your property by paying the entire amount demanded by your creditor. To find out the amount you must pay, or to arrange for payment to stop the foreclosure, or if your property is in foreclosure for any other reason, contact:
TERRA DOS SONHOS, LLC, ET AL
C/O S.B.S. TRUST DEED NETWORK
31194 LA BAYA DRIVE #106
WESTLAKE VILLAGE, CA 91362
Phone: 818-991-4600

TS No.: **2024-1455**

NOTICE OF DEFAULT AND ELECTION TO SELL UNDER DEED OF TRUST

If you have any questions, you should contact a lawyer or the governmental agency which may have insured your loan. Notwithstanding the fact that your property is in foreclosure, you may offer your property for sale provided the sale is concluded prior to the conclusion of the foreclosure.

Remember, YOU MAY LOSE LEGAL RIGHTS IF YOU DO NOT TAKE PROMPT ACTION.

NOTICE IS HEREBY GIVEN: That **S.B.S. TRUST DEED NETWORK, A CALIFORNIA CORPORATION** is either the original trustee, the duly appointed substituted trustee, or acting as agent for the trustee or beneficiary under a Deed of Trust dated **4/24/2020**, executed by **GURJEET SINGH BATH, A MARRIED MAN AS HIS SOLE AND SEPERATE PROPERTY**, as Trustor, to secure certain obligations in favor of **JESSE P. SILVA, JR. AND JOSEPH V. SILVA, SUCCESSOR CO-TRUSTEES OF THE JESSE AND MARY SILVA LIVING TRUST DATED FEBRUARY 12, 1991, SURVIVOR'S TRUST AS TO 31.64% INTEREST; JESSE P. SILVA JR. AND JOSEPH V. SILVA, SUCCESSOR CO-TRUSTEES OF THE JESSE P. SILVA LIVING TRUST DATED FEBRUARY 12, 1991, NON GST EXEMPT MARITAL TRUST, AS TO A 55.86% INTEREST AND HELENA M. SILVA, AS TRUSTEE OF THE HELENA M. SILVA REVOCABLE LIVING TRUST, DATED: JUNE 21, 2013, A 12.5% INTEREST**, as beneficiary, recorded **5/6/2020**, as Instrument No. **2020-0055776**, in Book **XX**, Page **XX**, of Official Records in the Office of the Recorder of **Fresno** County, California describing land therein as: As more fully described on said Deed of Trust

Including **1 NOTE(S) FOR THE ORIGINAL** sum(s) of **$1,500,000.00**, and any extension(s), renewal(s) and/or modification(s) thereof, that the beneficial interest under such Deed of Trust and the obligations secured thereby are presently held by the Beneficiary; that a breach of, and default in, the obligations for which such Deed of Trust is security has occurred as stated below:

THE REMAINING PRINCIPAL BALANCE WHICH BECAME DUE ON 11/9/2023, INCLUDING ALL INTEREST DUE THEREON PLUS LATE CHARGES; ATTORNEY'S FEES INCURRED IN THE PROTECTION OF THE SECURITY HEREIN; AND ANY RECURRING OBLIGATIONS. FAILURE TO PAY DELINQUENT PROPERTY TAXES; ATTORNEY'S FEES INCURRED IN THE PROTECTION OF THE SECURITY HEREIN; AND ANY RECURRING OBLIGATIONS.

That by reason thereof, the present beneficiary under such deed of trust, has executed and delivered to said duly appointed Trustee, a written Declaration of Default and Demand for same, and has deposited with said duly appointed Trustee, such deed of trust and all documents evidencing obligations secured thereby, and has declared and does hereby declare all sums secured thereby immediately due and payable and has elected and does hereby elect to cause the trust property to be sold to satisfy the obligations secured thereby.

Dated: 8/27/2024

S.B.S. TRUST DEED NETWORK, A CALIFORNIA CORPORATION

BY: ______________________________
COLLEEN IRBY, TRUSTEE SALE OFFICER

S.B.S. is a debt collector attempting to collect a debt and any information will be used for that purpose.

Declaration of Mortgage Servicer Pursuant to Civil Code § 2923.5(b)

Borrower(s): Gurjeet Singh Bath
Property Address: Terra dos Sonhos, LLC
apn 055-310-15 055-021-18
T.S. No.: 2024-1455

The undersigned, as an authorized agent or employee of the mortgage servicer named below, declares that:

1. ☐ The mortgage servicer has contacted the borrower pursuant to California Civil Code § 2923.5(a)(2) "to assess the borrower's financial situation and explore options for the borrower to avoid foreclosure". Thirty (30) days, or more, have passed since the initial contact was made.

2. ☐ The mortgage servicer has exercised due diligence to contact the borrower pursuant to California Civil Code § 2923.5(e) or 2923.55(f) to "assess the borrower's financial situation and explore options for the borrower to avoid foreclosure". Thirty (30) days, or more, have passed since these due diligence efforts were satisfied.

3. ☐ No contact was required by the mortgage servicer because the individual(s) did not meet the definition of "borrower" pursuant to subdivision (c) of Section 2920.5.

4. ☒ The requirements of California Civil Code § 2923.5 do not apply because the borrower, mortgage/deed or real property does not meet the criteria described in California Civil Code § 2924.15(a).

5. ☒ The requirements of California Civil Code § 2923.5 do not apply because the loan is not occupied by a tenant that meets the conditions described in California Civil Code § 2924.15 et seq.

6. With respect to California Civil Code §3273.10:

   ☐ The mortgage servicer received a request for a forbearance in connection with COVID-19 from the borrower, and such request was denied. A copy of the written notice is attached; AND forbearance ☐ was or ☐ was not subsequently provided.

I certify that this declaration is accurate, complete and supported by competent and reliable evidence which the mortgage servicer has reviewed to substantiate the borrower's default and the right to foreclose, including the borrower's loan status and loan information.

Dated: 3/21/24

Anna Silva, Manager
By: Terra dos Sonhos, LLC,
a California limited liability company

EXHIBIT B

Auditor-Controller
Treasurer-Tax Collector

Property Tax Payments

Log Out | New Search | Payment List

Search Results

Secured Taxes	Available - Roll Open
Secured Delinquent	Available - Roll Open
Supplemental Taxes	Available - Roll Open
Unsecured Taxes	Available - Roll Open

To make a payment, check the box in the Payment List column.

For Secured and Supplemental Property taxes the first Installment must be paid or on the Payment List before a Second installment can be added.

Select All Clear Selected

You must first pay or add to the Payment List the past due Secured and Supplemental Installments before you may start a Payment Plan.

Secured Property Tax

View	Parcel #	Name	Installment	Due Date	Status	Amount	Payment List
View Tax Info	055-310-15	BLANK PURSUANT TO CA GC7928.205	1st	2024-12-10	Unpaid	$4,874.74	☐
			2nd	2025-04-10	Unpaid	$4,431.59	

Secured Delinquent Property Tax(s)

View	Parcel #	Name	Default #	Default Date	Status	Amount	Payment List
View Options	055-310-15	BLANK PURSUANT TO CA GC7928.205	21-202100679	2022-06-30	Active	$36,384.91	-

Submit