

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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UNITED STATES OF AMERICA, :

Plaintiff, :

- v -

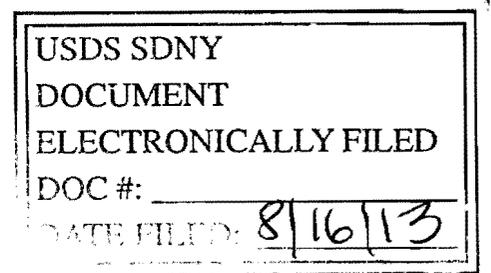
ALL RIGHT, TITLE AND INTEREST IN THE :
REAL PROPERTY AND APPURTENANCES :
THERE TO KNOWN AS 35-37 EAST :
BROADWAY, NEW YORK, NEW YORK 10002 :
LISTED AS BLOCK 280, LOT 42 IN THE :
OFFICE OF THE COUNTY CLERK AND :
REGISTER OF NEW YORK COUNTY, NEW :
YORK, :

Defendant-in-rem. :

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12 Civ. 4034 (HB)

**STIPULATION & ORDER
OF SETTLEMENT**



WHEREAS, on or about May 22, 2012, a verified complaint, 12 Civ. 4034 (HB) (the "Complaint") was filed in the United States District Court for the Southern District of New York seeking the forfeiture of all right, title and interest in the real property and appurtenances thereto located at 35-37 East Broadway, New York, New York 10002 (the "Building"), as property used in an illegal gambling business, pursuant to Title 18, United States Code, Section 1955;

WHEREAS, on or about June 6, 2012, claimant Won & Har Realty Corporation ("Claimant") filed a Verified Claim to the Building;

WHEREAS, on or about June 8, 2012, Claimant filed an Answer to the Verified Complaint, asserting as affirmative defenses, *inter alia*, that Claimant was an innocent owner of

the Building and that forfeiture of the Building would be grossly disproportionate to the gravity of the alleged illegal gambling offense (“the proportionality defense”);

WHEREAS, Claimant interposed a cross-claim against TYT East Corp. (the “Cross-Claim”) which was duly served on TYT East Corp. on or about June 27, 2013, and filed on or about June 28, 2013;

WHEREAS, TYT East Corp. has not filed any response to the Cross-Claim;

WHEREAS, on or about August 6, 2013, the Court granted the Government’s motion for summary judgment as to the forfeitability of the Building, finding that the Building was used for illegal gambling and that Claimant was not an innocent owner;

WHEREAS, a hearing on Claimant’s proportionality defense is currently scheduled for September 26, 2013; and

WHEREAS, the parties have agreed to settle this matter on the terms set forth below;

IT IS HEREBY STIPULATED AND AGREED by and between the United States of America, plaintiff (“the United States”), and Won & Har Realty Corporation (“Claimant”), by and through its counsel, Frank Composto, Esq., that:

1. All right, title and interest in and to the below-described defendant-in-rem property (the “Building”) is hereby forfeited to the United States of America for disposition according to law:

- a. the real property and appurtenances thereto located at 35-37 East Broadway, New York, New York 10002, listed as Block 280, Lot 42 in the Office of the County Clerk and Register of New York County, New York.

2. The Department of Homeland Security and its designees ("DHS") will market and sell the Building for a reasonable market value as soon as practicable.

3. DHS may, in its sole discretion, reject any offer to purchase the Building where it determines that the offer is being made by, or on behalf of, a person involved in the criminal activity.

4. The proceeds from the sale of the Building will first be applied to pay any costs related to the Building which may be incurred by DHS prior to the sale, including but not limited to:

- a. Real estate commissions;
- b. Real estate, property or other taxes;
- c. Insurance costs;
- d. Document recording fees not paid by the buyer;
- e. Title fees;
- f. County transfer fees; and
- g. Any other costs incurred by DHS in connection with the maintenance, repair, marketing, and sale of the Building, including attorney fees.

5. After the payment of all costs set forth in Paragraph 4, the remaining proceeds from the sale of the Building shall be divided between the United States and Claimant, with the United States retaining 65% of the proceeds and Claimant receiving 35%. The United States shall remit Claimant's share of the proceeds by check or wire transfer as directed by Claimant's counsel, Frank Composto, Esq.

6. Claimant shall take all necessary steps and provide all necessary assistance requested by the United States to facilitate the sale of the Building and its maintenance by DHS prior to the sale.

7. Claimant is hereby barred from asserting any claim against the United States or any of its agents and employees (including, without limitation, the Department of Homeland Security and the United States Attorney's Office for the Southern District of New York) in connection with or arising out of the United States' forfeiture, restraint and/or constructive possession of the Building, including, without limitation, any claim that the United States did not have probable cause to restrain and/or forfeit the Building, that the Claimant is a prevailing party or that the Claimant is entitled to attorney's fees.

8. Claimant and the United States hereby waive all rights to appeal or to otherwise challenge or contest the validity of the forfeiture and this Stipulation and Order of Settlement.

9. This Stipulation and Order shall in no way be deemed an admission of culpability, liability, or guilt on behalf of Claimant or of the United States or any of their respective agents, officers or employees, past and present. Further, this Stipulation and Order shall in no way constitute any reflection upon the merits of the claims and defenses asserted respectively by the United States and the Claimant.

10. Each party shall bear its own costs and attorney fees.

11. This Stipulation and Order of Settlement shall supersede the preliminary Post-Mediation Order of Discontinuance entered by Court on August 13, 2013.

12. The signature pages of this Stipulation and Order of Settlement may be executed in one or more counterparts, each of which will be deemed an original but all of which

together will constitute one and the same instrument. Signature pages may be by fax or PDF and such signatures shall be deemed as valid originals.

AGREED AND CONSENTED TO:

PREET BHARARA

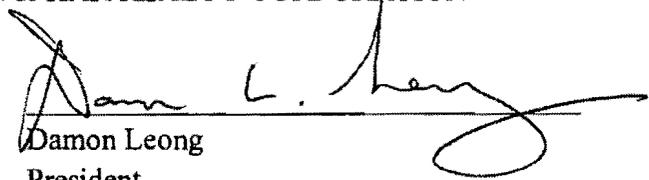
United States Attorney for the
Southern District of New York

By:  _____

Alexander Wilson
Christine Magdo
Assistant United States Attorney
One St. Andrew's Plaza
New York, New York 10007
(212) 637-2453/2297

8/15/2013
Date

WON & HAR REALTY CORPORATION

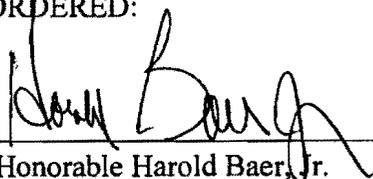
By:  _____
Damon Leong
President

8/15/2013
Date

By:  _____
Frank A. Composto
COMPOSTO & COMPOSTO
142 Joralemon Street
Brooklyn, New York 11201
(718) 875-5199
Counsel for Won & Har Realty Corporation

August 15, 2013

SO ORDERED:

 _____
The Honorable Harold Baer, Jr.
UNITED STATES DISTRICT JUDGE

8/16/13
Date