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Southern District of New York*

**FOR IMMEDIATE RELEASE  
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**PRESIDENT OF ALAVI FOUNDATION ARRESTED  
FOR OBSTRUCTION OF JUSTICE**

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 the arrest of FARSHID JAHEDI, the president of the Alavi Foundation, on a charge of obstruction of justice for allegedly destroying documents required to be produced under a grand jury subpoena concerning the Alavi Foundation's relationship with Bank Melli Iran and the ownership of a Manhattan office building. According to the Complaint and other documents filed in Manhattan federal court:

The Alavi Foundation is the successor organization of the Pahlavi Foundation, a non-profit organization originally operated by the Shah of Iran to pursue Iran's charitable interests in the United States. In the 1970s, the Pahlavi Foundation constructed an office tower at 650 Fifth Avenue, New York, New York (the "Building"). 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 Corporation, 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.

On December 17, 2008, the United States filed a forfeiture Complaint which 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 forfeiture 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.

On the same day that the forfeiture Complaint was filed, JAHEDI was served, as president of the Alavi Foundation, with a grand jury subpoena. The subpoena was directed to the Alavi Foundation and commanded the production to the federal grand jury of financial documents concerning the Alavi Foundation, Assa Corporation, Assa Company Limited and 650 Fifth Avenue Company. JAHEDI was explicitly cautioned by law enforcement agents not to destroy any documents called for by the subpoena.

The next day, FBI personnel observed JAHEDI discarding torn documents into a public trash can. Upon reassembling certain of the torn documents, the FBI determined that the documents referred to Assa Limited, Assa Company, and 650 Fifth Avenue Company, and thus appear to be responsive to the grand jury subpoena.

JAHEDI, 54, was arrested earlier today in New York, New York, and is expected to be presented tomorrow in Magistrate Court in the United States District Court for the Southern District of New York. He currently resides in Ardsley, New York. JAHEDI is charged with one count of obstruction of justice, which carries a maximum penalty of 10 years in prison.

Mr. DASSIN praised the investigative work of the FBI, the IRS, and the New York City Police Department.

Assistant United States Attorneys HARRY CHERNOFF and ERIC SNYDER are in charge of the prosecution.

The charges and allegations contained in the Complaint are merely accusations, and the defendant is presumed innocent unless and until proven guilty.

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