

IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF WISCONSIN

UNITED STATES OF AMERICA,

Plaintiff,

v.

DANIEL E. DANFORD,

Defendant.

ORDER

04-CR-0028-C-01

The United States has moved for an order authorizing it to deliver to a third party seized property, including items received in evidence. The motion is unopposed in large part and will be granted in full.

The property at issue consists of jewelry items seized during the execution of search warrants during the investigation of the criminal proceedings against defendant Daniel E. Danforth. Two entities claim competing interests in the jewelry: Capitol Bank, which has a claimed security interest in the jewelry arising out of a business loan to Danford Jewelers, and Ohio Casualty Insurance Company, an entity to which defendant owes restitution. Capitol and Ohio have agreed that Capitol will take custody of the jewelry, obtain a prompt appraisal and conduct a sale, that Capitol and Ohio will agree between themselves on the

distribution of any net proceeds from the sale and that they will provide copies of the report simultaneously to the United States and to defendant.

Although defendant Daniel Danford does not object to delivery of the seized property to Capitol Bank, he objects to an unspecified sale of the seized property. He wants the court to order the government and Capitol to give him both an opportunity to review the appraisal of the items seized before they are sold and an assurance that the items will not be sold for less than 80% of their “fair market value.” The government is willing to provide defendant a copy of the appraisal before the sale takes place; for good reason, however, it does not want to set a floor for any sale. No such provision is necessary to protect any rights defendant might have in the property. (It is doubtful that he has any. The jewelry in question was not his but the property of a corporate entity.) The government and the interested third parties have negotiated a fair arrangement for carrying out the sale; the third parties have a strong incentive to obtain the highest prices they can in order to reduce their losses; and defendant has shown no reason why he should be able to exercise a veto power over the sale of any item.

ORDER

IT IS ORDERED that

1. Plaintiff United States of America’s motion to deliver to third party Capitol Bank

seized property described in the inventory submitted previously to the court, dkt. #120, exh. #1, is GRANTED;

2. Capitol Bank and Ohio Casualty are to submit to defendant Daniel E. Danford a copy of the appraisal or estimate of value they obtain for the seized property;

3. The manner and method of the sale proposed by Capitol Bank and Ohio Casualty is APPROVED; and

4. Capitol Bank and Ohio Casualty are to file with the court, the United States and defendant Danford a post-sale written report setting forth the bids obtained, the gross sales proceeds, the cost of the estimate of value and sale of the items and the identity of the purchaser.

Entered this 19th day of June, 2007.

BY THE COURT:

/s/

BARBARA B. CRABB
District Judge