

**FILED**  
Superior Court of California  
County of Los Angeles

**NOV 26 2018**

Sherril R. Carter, Executive Officer/Clerk  
By:  Deputy  
Don Brostoff

SUPERIOR COURT OF THE STATE OF CALIFORNIA  
FOR THE COUNTY OF LOS ANGELES

SEDA GALSTIAN AGHAIAN, ANDRANIK  
GLASTIAN, and AIDA GALSTIAN  
NORHADIAN, Individually and as Trustees  
of The Galstian Trust II U/A/D October 26,  
1982, as amended and restated July 1,  
2005,

Plaintiff,

v.

SHAHEN MINASSIAN, and DOES 1-10,  
inclusive,

Defendants.

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SHAHEN MINASSIAN, an individual,

Cross-Complaint,

v.

SEDA GALSTIAN AGHAIAN, an individual;  
ANDRANIK GLASTIAN, and individual; and  
AIDA GALSTIAN NORHADIAN, an  
individual; and DOES 1-10 inclusive,

Cross-Defendants.

Case No. BC 498691

[Hon. William A. MacLaughlin, Dept. 89]

**FINAL STATEMENT OF DECISION**

1 INTRODUCTION

2 This action was tried to the court, sitting without a jury, commencing on September 6, 2017,  
3 and the evidence closed on October 12, 2017. Written closing arguments were  
4 subsequently submitted and oral closing arguments were heard on November 3, 2017.  
5 Thereafter, the court posed written questions to the parties, who filed written responses, and  
6 oral argument thereon took place on December 19, 2017. The matter was submitted at the  
7 conclusion of said arguments but was reopened by the court for briefing and argument on  
8 specified issues which was heard on March 21, 2018, whereupon the matter was  
9 resubmitted for decision. The parties waived the provisions of CCP §632 pertaining to the  
10 procedures leading to a statement of decision and, in lieu thereof, submitted their requests  
11 for the legal and factual issues to be covered and the court thereafter prepared and served  
12 a proposed Statement of Decision. However, because the stipulation entered into did not  
13 clearly state that the parties would be precluded from submitting objections thereto (Bay  
14 World Trading, Inc. v. Nebraska Beef, Inc. (2002) 101 Cal.App.4<sup>th</sup> 135, 139-141), the court  
15 notified the parties of their right to submit objections which were subsequently received.  
16 Having considered all evidence received, all arguments of counsel, oral and written, and the  
17 objections to the tentative Statement of Decision, the Court finds for Plaintiffs Seda Galstian  
18 Aghaian and Aida Galstian Norhadian and against Defendant Shahen Minassian and  
19 awards Plaintiffs damages in the amount of \$34,506,989.

20  
21 GENERAL BACKGROUND

22 Gagik Galstian ("Galstian") was a successful businessman in Iran for many years and,  
23 among other assets, he and his wife, Knarik Galstian, acquired significant real estate  
24 holdings. In approximately September of 1978, during unrest leading to the revolution in  
25 Iran, Galstian and his family moved to Los Angeles where they maintained their residence  
26 for the remainder of their lives. In February, 1994, Galstian entered into a written contract  
27 with Mohammad Reza Meftah Jalinous ("Jalinous"), his attorney in Iran, whereby it was  
28 agreed that (1) Jalinous would defend Galstian's interest in his properties in Iran and

1 undertake to remove restrictions on his ability to enter into transactions involving his  
2 properties; (2) Galstian would execute a power of attorney authorizing Jalinous to transfer  
3 50% of Galstian's interest in reclaimed properties to himself or others; and (3) Galstian  
4 would transfer 50% of any funds received from the sale of his properties to Jalinous. (See  
5 Exhibit 44 for the complete terms of that agreement.) Thereafter, as a result of proceedings  
6 before the Tehran Islamic Revolutionary Court, a judgment was entered on  
7 January 6, 1996, which, in broad terms, permitted Galstian to reclaim family properties  
8 under terms and conditions set forth therein. (Exh. 51) That judgment was then affirmed by  
9 a reviewing court by its order of May 7, 1996. (Exh. 51, p.6) The power of attorney  
10 contemplated by the contract between Jalinous and Galstian was then executed on  
11 May 30, 1996, and duly registered with an official notary public. (Exh. 48)

12 Within this same time frame, Galstian also entered into an agreement with Defendant  
13 Shahen Minassian ("Minassian"), a family friend who had his own business interests in Iran  
14 and traveled there periodically, by which Minassian would act as an agent for Galstian and  
15 Knarik Galstian in all transactions regarding 50% of Gagik's interests in the properties in  
16 Iran in cooperation with Jalinous. To effectuate this agreement, a power of attorney had  
17 been executed by Galstian in May 1996, (Exh. 52) which granted Minassian the authority to  
18 act in Galstian's behalf in reclaiming and selling the properties and, in July 1996, Galstian  
19 and Minassian executed the contract which set forth the parties' agreement. (Exh. 59) Later,  
20 in 2000, Knarik Galstian also executed a power of attorney which clarified that Minassian  
21 was authorized to act on her behalf in reclaiming and selling her properties as well. In 2003,  
22 Jalinous assigned his power of attorney to Nader Izadi ("Izadi") (Exh. 99) resulting in  
23 Minassian and Izadi, between them, having jointly 100% authority to reclaim and sell all of  
24 the Galstian properties in Iran. Jalinous also granted a 40% interest in Izadi's one-half  
25 interest in the Galstian properties to Minassian and a 30% interest therein to Ms. Heshmat  
26 Heshmati (Jalinous' wife).

27 ///  
28 ///

1 Plaintiffs Seda Galstian, Aida Galstian Norhadian and Andranik Galstian are the children of  
2 the marriage of Galstian, who passed away on October 21, 2012, and Knarik Galstian, who  
3 passed away on February 13, 2012. The three children were the successors in interest of  
4 their parents and were the beneficiaries and trustees of a family trust created by the parents  
5 as trustors. Andranik Galstian also passed away in 2016, during the pendency of this  
6 action, and he has been dismissed in his individual capacity. The remaining two plaintiffs  
7 are the sole surviving heirs and the successors in interest of their parents and remain  
8 trustees and beneficiaries of the trust.

9  
10 The foregoing general summary of certain events is intended only as general background  
11 for an understanding of relationships and certain events to be discussed hereafter that are  
12 the basis of the claims made, and the defenses thereto, in this litigation. Further, it should  
13 be noted that there were discrepancies in the evidence as to the true names of a number of  
14 persons involved. As examples, in a number of documents, Galstian's name is recited as  
15 "Ghagigh Ghaloustians", Minassian is referred to as "Shaheen Minassian", "Shahen  
16 Minassian" and "Shahin Minassian" and Jalinous is referred to as "Jalinoos". There are also  
17 some discrepancies in dates of particular events or documents which were not always  
18 explained but any such discrepancies do not affect the issues to be decided. Similarly, the  
19 evidence at trial did not specifically address any discrepancies in the spelling of names but  
20 there was no dispute between the parties during the trial about the person referred to in  
21 documents or other evidence and the spellings of names herein have been adopted by the  
22 court from the briefs and other filings of the parties. In any event, it appears that the identity  
23 of any person set forth in the documentary evidence is sufficiently clear to avoid any  
24 confusion.

## 25 26 THE CLAIMS

27 In their Second Amended Complaint, Plaintiffs alleged seven different causes of action in  
28 response to which Minassian filed a motion for judgment on the pleadings which was heard

1 on October 28, 2016. In its ruling of November 1, 2016, another judge of the court granted  
2 the motion, ruling that the contract underlying the pleading was illegal, but that Plaintiffs  
3 were nevertheless entitled to pursue equitable remedies and granted Plaintiffs the right to  
4 amend to allege such claims. Thereafter, Plaintiffs filed their Third Amended Complaint  
5 which alleged the same causes of action from the Second Amended Complaint but, also,  
6 included equitable causes of action based on claims for restitution/unjust enrichment (the  
7 eighth cause of action), money had and received (the ninth cause of action) and an  
8 accounting. Minassian's demurrer and motion to strike directed thereto were denied as to  
9 the three equitable claims and granted as to the remainder of the causes of action.  
10 Plaintiffs subsequently requested that the cause of action for an accounting be dismissed  
11 and the trial proceeded on the causes of action for money had and received and unjust  
12 enrichment.

13  
14 The claim for unjust enrichment arises from Minassian's alleged use of the powers of  
15 attorney granted by Galstian and his wife for his own benefit and to the detriment of  
16 Plaintiffs. The original contract between Minassian and Galstian expired by its own terms  
17 five years after July 18, 1996, which was the date of signing. Plaintiffs allege, however, that  
18 said contract continued in effect as a result of, at least, the tacit (if not explicit) agreement of  
19 the parties and that, in any event, the power of attorney had no such time limitation. Thus,  
20 Plaintiffs contend that Minassian breached the contract and violated his fiduciary duties  
21 under the powers of attorney to act in the best interests of the Galstians when, after only a  
22 few transactions, he began using it for his own benefit through sales not properly accounted  
23 for and transfers of title to himself.

24  
25 In support of the two equitable causes of action, Plaintiffs contend that Minassian (1) sold  
26 some of the Galstian properties without ever advising the Galstians or paying them their  
27 share of the sale proceeds; (2) sold some properties but misstated the sales prices and,  
28 therefore, did not pay the Galstians their proper share of the sale proceeds; (3) secretly

1 transferred substantially all of the Galstian properties to himself (and Izadi) for little or no  
2 consideration; and (4) is seeking ownership in his own name of certain valuable properties  
3 (“the Club properties”) in a legal proceeding in Iran. Minassian denies the first three such  
4 allegations and contends that he has properly paid all sums that were ever owing from  
5 completed sales of any properties and that the properties held in his and Izadi’s name is for  
6 the purpose of protecting the properties from claims of other persons and/or any  
7 governmental entity in Iran. As to the fourth contention, he contends that his and Izadi’s  
8 attempts to gain title to the Club properties is proper and in accordance with their obligations  
9 to the Galstians. Minassian has also filed a cross-complaint seeking compensation for the  
10 work that he contends was performed that has benefitted the Plaintiffs.

11  
12 **THRESHOLD DEFENSES**

13 Minassian’s defenses to the Plaintiffs’ claims include three that would preclude any recovery  
14 regardless of the substantive merits. One is that the equitable claims made are barred by  
15 CCP §338, the three-year statute of limitation, the second is that the contract between the  
16 parties was *malum in se* and, therefore, cannot be the basis for an award of any type of  
17 damages and the third is that the contract was illegal and cannot be the basis for an award  
18 of damages.

19  
20 As to the first of those issues, Minassian contends that the plaintiffs knew about self-  
21 transfers by Minassian and Izadi no later than October 8, 2009, more than three years  
22 before the filing of this action on January 7, 2013. This contention is based on a statement  
23 in Exh. 223, p. 2, (notes of a meeting on October 8, 2009, attended by Minassian and  
24 Galstian, as well as other Galstian family members) to the effect that “Bagheri has said that  
25 it is not right that these deeds are [illegible] and that they have not been transferred to  
26 Shahen or Izadi”. There is nothing in this statement that could be deemed to be a disclosure  
27 that Minassian had been transferring properties to himself. Minassian also relies on  
28 Exh. 1090, which is a power of attorney and retainer agreement by which Galstian retained

1 the services of attorney Afshar on September 3, 2009, in support of his contention that  
2 Plaintiffs knew of Minassian's activities. This exhibit is essentially unintelligible but Seda  
3 Galstian's deposition testimony was read into the record in which she stated that this  
4 retention was because Galstian was unhappy with Jalinous because of the slow pace of  
5 events relating to the properties. There was no evidence that this was in any way related to  
6 Minassian or that Galstian, or the other Galstians, had any knowledge that Minassian had  
7 transferred title to any property to himself. Jalinous had assigned the power of attorney  
8 received from Galstian to Izadi in 2003 (see Exhibit 99) and there was no evidence that he  
9 had been involved in any transfer of title to Minassian before or after that assignment. As a  
10 result, it is more likely that any investigation to be undertaken of Jalinous was related to  
11 conduct other than self-transfers by Minassian. At trial, both Seda and Aida Galstian  
12 testified that the Galstians first learned of a transfer of title on one property on  
13 January 7, 2010, but accepted Minassian's explanation that it had been necessary to  
14 protect the property from squatters and they took him at his word as he had previously told  
15 them about having a problem with squatters. Later, at meetings on January 25 and May 13  
16 of that year, they learned that other properties had been transferred to Minassian as well  
17 and they then started becoming suspicious of what was occurring. Importantly, Minassian  
18 stated at trial that he never advised any of the Galstians of any of the self-transfers that had  
19 occurred. As the lawsuit was filed on January 7, 2013, anything Plaintiffs learned on  
20 January 7, 2010, or thereafter is within the statute of limitations. Minassian has the burden  
21 of proof on this issue and the court finds that the evidence is insufficient to establish any  
22 knowledge that caused, or reasonably should have caused, Plaintiffs to suspect that  
23 Minassian had violated any of their rights. The court, therefore, finds that the claims herein  
24 are not barred by the three-year statute of limitations. It should also be noted that the statute  
25 of limitation for unjust enrichment may vary depending on the basis of the claim. While the  
26 court believes that the applicable statute herein is more likely to be four years, it is  
27 unnecessary to decide the issue because the three-year statute does not bar this action.

28 ///

1 [On this point, see Federal Deposit Ins. Corp. v. Dintino (2008) 167 Cal.App.4<sup>th</sup> 333 at pp.  
2 346-347.]

3  
4 The second of the threshold defenses is that the contract in question is unenforceable  
5 because it is *malum in se*, as opposed to *malum prohibitum*, as it violates the Iranian  
6 Transactions and Sanctions Regulations (“ITSR” at 31 C.F.R. §560.204) and, therefore,  
7 cannot be the basis for recovery of any damages. (See Defendant’s Opening Argument  
8 Brief, filed on October 23, 2017, at the conclusion of the evidence, p. 27, fn. 15.) The cases  
9 cited, however, do not support his contention. United States v. Mwalumba (N.D. Texas,  
10 2010) 688 F.Supp.2d 565 holds that making false statements in immigration documents  
11 constitutes a crime of moral turpitude and, therefore, is *malum in se*. However, because no  
12 such conduct is involved herein, this case is of no assistance. Khamooshpour v. Holder  
13 (D. Arizona 2011) 781 F.Supp.2d 888, on the other hand, reaches a conclusion at odds with  
14 Defendant’s contention. It held that violating the Iranian embargo demonstrated a lack of  
15 good moral character but also clearly indicates a lack of good moral character is not the  
16 same as the commission of a crime of moral turpitude and expressly declined to find a  
17 violation of the Iran sanctions constitutes a crime of moral turpitude. Accordingly, to the  
18 extent the contract herein violated the ITSR, it is not per se a crime of moral turpitude and,  
19 thus, is not *malum in se*.

20  
21 This issue is more meaningfully discussed in Russell City Energy Co., LLC v. City of  
22 Hayward (2017) 14 Cal.App.5<sup>th</sup> 54 at pp. 70-71. The court therein stated that the difference  
23 between *malum in se* and *malum prohibitum* is that the former are contracts that are  
24 “against good morals” and are in violation of public policy while the latter means a contract  
25 prohibited by statute. Thus, the illegality of a contract that is based on the violation of a  
26 statute, and not of common standards of morality, is one that permits the court to then  
27 consider whether the plaintiff should receive equitable relief. A perfect example of this  
28 difference is the ITSR prohibits trade with Iran as an incentive to encourage different



1 conduct. Perhaps the strongest argument that the contract at issue herein was *malum*  
2 *prohibitum* is that the United States enacted new regulations in 2012 permitting the very  
3 conduct previously barred. (See 31 C.F.R. §560.543.) It thus seems clear that the contract  
4 herein contemplated activity barred by statute rather than an act of moral turpitude.

5  
6 The third threshold defense is that, regardless of whether the contract is *malum in se*, it is  
7 illegal and unenforceable because it violated ITSR, the law of the United States regarding  
8 Iranian sanctions. Another judge of the court has previously found, in his ruling on the  
9 motion for judgment on the pleadings directed at the Second Amended Complaint, that the  
10 underlying contract of the parties did, in fact, violate said law and, therefore, was void and  
11 unenforceable but that claims for equitable remedies were, nevertheless, permissible.  
12 Plaintiffs thereafter amended the complaint to set forth causes of action for equitable relief  
13 and Minassian's demurrer thereto was overruled. The court agrees with the prior rulings  
14 and finds there is an entitlement to pursue the equitable claims.

15  
16 The ITSR in effect prior to 2012 was based on Executive Order 12959 and is more fully set  
17 forth in 31 C.F.R. §560.204. It prohibited "the exportation from the United States to Iran, the  
18 Government of Iran, or to any entity owned or controlled by the Government of Iran, or the  
19 financing of such exportation, of any goods, technology...or services." The federal  
20 regulation was promulgated by the Office of Foreign Asset Control ("OFAC") in order to  
21 implement the executive order. It provided that, except as otherwise authorized, "the  
22 exportation, re-exportation, sale, or supply, directly or indirectly, from the United States, or  
23 by a United States person, wherever located, of any goods, technology, or services to Iran  
24 or the Government of Iran is prohibited." The Court of Appeal has previously provided a  
25 detailed history of the ITSR in Kashani v. Tsann Kuen China Enterprise Co., Ltd. (2004)  
26 118 Cal.App.4<sup>th</sup> 531 in which it upheld the granting of summary judgment by the trial court  
27 on a claim based on a contract which provided for the provision of goods, technology and  
28 services in Iran. In so doing, it did not explicitly define what constitutes a "service" as it is

1 used in the ITSR nor did the court in Bassidji v. Goe (9<sup>th</sup> Cir. 2005) 413 F.3d 928 in which a  
2 loan guarantee agreement with an Iranian company was held to be unenforceable under the  
3 ITSR as it represented an investment in the Iranian government. Nevertheless, it is a term  
4 of common understanding which reasonably can be defined as an “act of doing something  
5 useful for a person or company for a fee”. [See, for example, U.S. v. All Funds on Deposit  
6 in United Bank of Switzerland (S.D.N.Y. 2003) 2003 WL 56999 and the reference therein to  
7 Black’s Law Dictionary.] In the instant case, Minassian contends that the agreement by  
8 which he, a U.S. citizen, was to travel to Iran and reclaim and sell properties on Galstian’s  
9 behalf for a fee would qualify as a service and is, therefore forbidden by ITSR. The court  
10 agrees. Further, such service would result in a benefit to Iran as it would necessarily  
11 include incidental services by residents of Iran in connection with Minassian’s activities as  
12 well as payment for services necessary to validate the authority of Minassian, the reclaiming  
13 process itself and persons rendering services related thereto. The conclusion that the  
14 services to be provided in this action were prohibited during the time period involved is  
15 supported by the enactment of the new regulation in 2012 (see 31 C.F.R. §560.543) which  
16 provides that “Individuals who are U.S. persons are authorized to engage in transactions  
17 necessary and ordinarily incident to the sale of real property in Iran and to transfer the  
18 proceeds to the United States...Authorized transactions include, but are not limited to,  
19 engaging the services of any persons in Iran necessary for the sale, such as an attorney,  
20 funds agent, and/or real estate broker.” Such change is persuasive evidence that such  
21 conduct is properly characterized as prohibited rather than *malum in se*.

22  
23 There was a narrow exception to the prohibition which permitted a general license to be  
24 issued setting forth terms and conditions of certain transactions otherwise barred by the  
25 ITSR. [31 C.F.R. §501.801(a).] General License No. 10 authorized “all transactions...with  
26 respect to the importation of goods and services necessary to the initiation and conduct of  
27 legal proceedings” including legal proceedings in Iran. (Federal Register, Volume 60, Issue  
28 154 p. 40887.) However, in the prior ruling on the motion for judgment on the pleadings, the

1 court ruled that the agreements herein did not come within the General License No. 10  
2 exception because, while the parties' agreement did call for the initiation of legal  
3 proceedings, it also contemplated reclaiming title to, and selling, the properties. Such  
4 activity was not within the permitted activity under the general license nor was the benefit to  
5 Minassian of receiving a commission for those sales. The court further held that the  
6 permitted activity of reclaiming could not reasonably be severed from the prohibited activity  
7 of sales and commissions and, as a result, the agreements between the Plaintiffs and  
8 Minassian were not authorized by the general license exception to the ITSR. The court  
9 agrees and, again, considers the later issuance of 31 C.F.R. § 560.543 in 2012, permitting  
10 retaining persons in Iran for the purpose of sale of properties in Iran and transferring the  
11 proceeds of sale to the United States, as confirmation that such activity was prohibited at  
12 the time of the agreements in this case.

13  
14 As an alternative to a general license, persons who sought to engage in a transaction  
15 barred by the ITSR, and not covered by a general license, could apply for a specific license  
16 permitting a specific transaction. [31 C.F.R. §501.801(b).] This issue was also addressed  
17 in the court's prior ruling on the motion for judgment on the pleadings in which it held that for  
18 a transaction to be valid, it is a prerequisite that the specific license be obtained before the  
19 agreement is entered into and that a failure to so obtain the license cannot be cured after  
20 the fact to make the transaction legal. This ruling was based on language in the Kashani  
21 case that "the issuance of a specific license is a prerequisite to engaging in any prohibited  
22 transaction, including entering into a contract concerning a prohibited transaction." (Kashani  
23 at p. 550) However, it should be noted that the court in Kashani also stated that "a license  
24 may be obtained after the agreement was entered into and that it is theoretically possible  
25 that the transaction effected prior to the issuance of the license can be validated." (Kashani  
26 at p. 551.) Regardless of when an application for a specific license must be made, the court  
27 agrees with the prior ruling that the involved contract was illegal and that the failure to obtain  
28 a specific license meant that there was no exception that would permit the activity

1 contemplated. The issue that arises, then, is whether plaintiffs have satisfied the criteria  
2 necessary to recover on equitable claims despite the illegality of the agreement.

### 4 EQUITABLE RELIEF

5 Minassian contends that, because the underlying contract was illegal and unenforceable,  
6 Plaintiffs are not entitled to any recovery on an equitable claim for several different reasons.  
7 One is that the criteria enumerated for granting an equitable exception to the rule of no  
8 recovery on an illegal contract, embodied in Norwood v. Judd (1949) 93 Cal.App.2d 276,  
9 have not been met. Minassian also argues that any equitable claim is barred by the doctrine  
10 of unclean hands and that the damages sought are precluded because they are benefit-of-  
11 the bargain damages. He also argues that any damages based on a claim of a conspiracy  
12 among Minassian and others are not equitable in nature and, therefore, are not recoverable.  
13 On the surface, there does seem to be some confusion, at least in the wording used, in the  
14 substantial body of law discussing the type of relief available to a party after a contract has  
15 been deemed illegal. One law review article stated that “[t]he illegality of contracts  
16 constitutes a vast, confusing and rather mysterious area of the law.” The article goes on to  
17 say that “[o]ne of the reasons for the apparent confusion is the fact that illegality may appear  
18 in many forms and in varying degrees...Another source of confusion seems to be the  
19 tendency of some courts to speak in terms of absolute rules, and others in terms of  
20 numerous exceptions. Unfortunately, there appear to be several conflicting and competing  
21 ‘absolute’ rules. On the other hand, a monotonous and patterned recital of exceptions is apt  
22 to obscure the actual rule of decision.” [See R.M. Sherman Co. v. W.R. Thomason, Inc.  
23 (1987) 191 Cal.App.3d 559, 564.] Some of the confusion may arise from the fact that courts  
24 frequently, after finding a contract to be void and unenforceable, then refer to enforcing the  
25 contract, notwithstanding its illegality, in order to provide restitution. In fact, what they are  
26 saying is that because the contract is unenforceable, to avoid injustice, the court will enforce  
27 the contract to the extent it provides a plaintiff with restitution of what the other party has  
28 unjustly received. Whether providing restitution for an unjust enrichment is enforcing a

1 contract may depend on the facts of the case but, more importantly, it makes no difference  
2 as the equitable remedy for unjust enrichment is commonly recognized and granted. "In  
3 each case, the extent of enforceability and the kind of remedy granted depend upon a  
4 variety of factors, including the policy of the transgressed law, the kind of illegality and the  
5 particular facts." [Asdourian v. Araj (1985) 38 Cal.3d 276, 292, quoting South Taow Gas Co.  
6 v. Hofmann Land Improvement Co. (1972) 25 Cal.App.3d 750,759.]

7  
8 The opinion in Norwood, cited *supra*, stated that a court should not refuse enforcement in  
9 every instance where illegality appears somewhere in the transaction and that, while the  
10 fundamental purpose of the rule denying enforcement must always be kept in mind, the  
11 realities of the situation in each case should be considered. It also stated that, in doing so,  
12 the court should consider that "[W]here, by applying the rule, [1] the public cannot be  
13 protected because the transaction has been completed, where [2] no serious moral  
14 turpitude is involved, where [3] the defendant is the one guilty of the greatest moral fault,  
15 and where [4] to apply the rule will be to permit the defendant to be unjustly enriched at the  
16 expense of the plaintiff, the rule should not be applied." (Norwood, cited *supra*, at p. 289)

17  
18 Accordingly, for the analysis herein, the first factor is whether the transaction is complete.  
19 Relief for the plaintiffs is only appropriate where the public cannot be protected because the  
20 transaction has already been completed or, in other words, any harm has already been  
21 done. Defendant argues that the public is not protected by allowing ITSR violations, which  
22 are intended to protect the public by discouraging/preventing terrorism, and that the  
23 transactions are not complete. In so arguing, Minassian has conveniently overlooked that it  
24 is his own activity that has continued as Plaintiffs canceled the power of attorney in 2010.  
25 Ordering him to repay Plaintiffs the value of the properties taken would not harm the public  
26 because it would not result in any further enrichment to Iran. Similarly, denying relief to  
27 Plaintiffs would not protect the public because the harm of unjust enrichment has already  
28 occurred. Minassian should not be able to prevent an equitable recovery because he, alone,

1 has continued his activity. In short, this Norwood factor is not a reason to deny relief to the  
2 Plaintiffs.

3  
4 The second factor to consider is whether the agreement by which Minassian would reclaim  
5 and sell Plaintiffs' properties is a transgression of moral turpitude. This issue has already  
6 been addressed in the discussion regarding whether a violation of the ITSR is *malum in se*  
7 or *malum prohibitum* and, because it is the latter, this factor should not result in a denial of  
8 damages.

9  
10 The third factor to be considered is whether Minassian is guilty of the greater moral fault.  
11 This necessarily addresses the issue of unclean hands, one of the bases upon which  
12 Minassian has relied in contesting the entitlement to damages. It is also one of the elements  
13 to be considered in any instance when an equitable remedy is sought. Minassian contends  
14 that Galstian has unclean hands, or fault, because he did not obtain a specific license to  
15 permit the activity that was the subject of his agreement with Minassian. Minassian argues  
16 that, as a result, the parties are equally at fault morally for violating the ITSR. The court  
17 agrees that, as to that one fact, the fault is essentially equal but disagrees that, overall, their  
18 relative fault under all the circumstances was equal. Overall, the evidence supports the  
19 conclusion that it was Misassian's obligation to obtain a specific license. The power of  
20 attorney enumerated numerous powers and duties including that he "was to carry out all  
21 relevant legal formalities pertaining to the subject of this power of attorney. (Exh. 52, p.2,  
22 commencing on the 4<sup>th</sup> line from the top.) A reading of the entire power of attorney confirms  
23 that extensive powers were granted to accomplish the objectives and there is no mention in  
24 any of the documents that Galstian would undertake any actions in connection with the  
25 reclaiming and sale of his properties. Galstian hired Minassian due, in part, to his  
26 knowledge that Minassian maintained a residence in Tehran, understood how to work within  
27 the Iranian legal system because of his prior experience and agreed, pursuant to the power  
28 of attorney to "complete all legal requirements" which indicates that Galstian expected

1 Minassian to act legally in fulfilling the goals of their agreement. Defendant's experience,  
2 skill and reputation would have implicitly reassured Galstian that Defendant was, in fact,  
3 capable of, and would, act legally. Most importantly, it should also be noted that in  
4 accepting the power of attorney, Minassian undertook a fiduciary obligation to Galstian.  
5 [Probate Code §4230(c); Bonfigli v. Strachon (2011) 192 Cal.App.4<sup>th</sup> 1302, 1308-09; Warren  
6 v. Merrill (2006) 143 Cal.App.4<sup>th</sup> 96, 115.] As between the two parties, Minassian's  
7 experience with conducting business in Iran, his relationship with Galstian and the fiduciary  
8 duty he undertook strongly supports that he was considerably more at fault than Galstian  
9 and that the doctrine of unclean hands does not bar Plaintiffs' claims.

10  
11 As to the last factor, relief is only appropriate when denying relief would unjustly enrich the  
12 defendant. Galstian had accumulated substantial properties in Iran but was increasingly  
13 infirm and in declining health. His friend agreed, for a commission, to undertake reclaiming  
14 those properties and selling them for their mutual benefit. Minassian did so but eventually,  
15 having sold only a few properties, he sold additional properties without accounting for the  
16 proceeds of the sale and used the authority granted to him to transfer the great majority of  
17 the properties to himself. If no properties were sold or transferred, and title remained in, or  
18 was returned to, Galstian's name, it could be fair to take no action and leave the parties  
19 where they were. Minassian, however, used his authority (with the exception of a few sales)  
20 to, in effect, acquire the great majority of the properties for his own benefit and then defend  
21 his actions by saying their agreement was illegal and unenforceable. His explanation that he  
22 took title to the many properties to protect both title and possession may have had that  
23 effect in some instance but nevertheless rings hollow because his transactions reveal his  
24 true motivation was his own financial gain. If that was not so, he would have told Galstian of  
25 his sales and other transactions, would have accounted to, and paid the moneys received  
26 to, Galstian. He also would not have executed a Solh Nameh that he now contends  
27 prevents him from returning unsold properties to the Galstians. Instead, he took Plaintiffs'

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1 assets and now, having been caught, defends his actions on the ground that what he has  
2 done is illegal, but he should have the benefit thereof.

3  
4 In summary, the court concludes as follows:

- 5 1. The contract and power of attorney between Galstian and Minassian, were  
6 subject to the ITSR, as it existed at the time, and it required a license, general  
7 or specific, for validation;
- 8 2. No general license applied, and no specific license was obtained, resulting in  
9 the contract and power of attorney being illegal, void and unenforceable; and
- 10 3. Notwithstanding any such illegality, in the interest of justice, and to avoid  
11 Defendant's unjust enrichment, it is proper to permit equitable relief to  
12 Plaintiffs if Minassian is shown to have breached a duty to Plaintiffs that has  
13 caused them harm.

14  
15 **BREACH OF DUTY**

16 Galstian and Jalinous entered into an agreement dated October 23, 1994, which recited  
17 that, as of that time, Galstian owned real properties in Iran that were not in his possession  
18 and he was forbidden from assuming title or entering into any transactions regarding those  
19 assets. To represent his interest, Galstian was to execute a power of attorney regarding  
20 50% of his interest in the assets that would authorize Jalinous to act in his behalf in  
21 protecting Galstian's interests, to prove his right to those assets and to seek to remove the  
22 prohibition from entering into transactions regarding the properties. When that was  
23 accomplished, Jalinous could then transfer 50% of Galstian's interest in the properties to  
24 anyone, including himself, and Galstian would transfer 50% of any funds received from  
25 sales to be distributed based on a prior agreement. (Exh. 44) There was no evidence  
26 presented at trial explaining why Jalinous was granted the right to transfer 50% of the  
27 entirety of Galstian's properties to himself although there was evidence that Jalinous and  
28 Galstian had at least a business relationship before these events.



1 Thereafter, on January 6, 1996, there were proceedings in the Tehran Islamic Revolutionary  
2 Court which resulted in a judgment essentially restoring the rights of ownership to Galstian  
3 (and his family) and directing certain further steps that needed to be taken to perfect those  
4 rights. (Exh. 51) This judgment was then reviewed and affirmed through a review process  
5 on May 7, 1996. On May 30, 1996, Galstian executed the power of attorney granting  
6 Jalinous the authority to act in his behalf as had been contemplated by the 1994 agreement  
7 and it was duly registered with an official notary public in Tehran. (Exh. 48) Also, on  
8 May 30, 1996, Galstian granted Minassian a power of attorney to act on behalf of Galstian  
9 in connection with the other 50% interest in his assets and properties in Iran with certain  
10 restrictions to be discussed hereafter. (Exh. 52) On July 18, 1996, a contract was entered  
11 into by Minassian and Galstian which granted Minassian various powers in connection with  
12 the other 50% interest in Galstian's properties with certain restrictions also to be discussed  
13 hereafter. Neither the power of attorney nor the contract recited a right of Minassian to  
14 transfer any property to himself nor required Galstian to share any sales proceeds beyond  
15 specified remuneration for Minassian. (Exh. 59) This contract also provided, in Par. 7, that it  
16 would become null and void five years after its execution unless the parties agreed and  
17 approved its extension. The conduct of the parties, including Minassian, after the expiration  
18 date in the contract indicates that there was at least a tacit agreement for the indefinite  
19 extension of the contract as they continued meeting regarding the properties for more than  
20 ten years and, even though Minassian was misleading and often outright untruthful, he  
21 continued to advise the Galstians of the status of the properties and, in a few instances,  
22 made payments to Galstian from sales of properties in conformity with the contract,  
23 including one instance while this lawsuit was pending. (A payment was made on  
24 May 1, 2013, from a sale of Parcels 439 and 444 discussed hereafter.) There was no direct  
25 evidence of any explicit agreement to extend the term of the contract and, in the end, the  
26 continued existence of the contract is unnecessary to establish Minassian's breach of duty  
27 for two reasons. One is that, whether extended or not, the original contract is ample  
28 evidence of the intent of the parties in the grant and acceptance of the power of attorney. It

1 is quite evident that it was for the purpose of reclaiming, management and disposition of  
2 Galstian's properties. All actions subsequently taken by Minassian in the disposition of the  
3 properties were by his authority as their agent, supposedly acting in their behalf, pursuant to  
4 the power of attorney. Thus, this is the other reason that regardless of the continued  
5 existence of the contract, Minassian owed fiduciary duties arising from the power of  
6 attorney. While the contract was entered into in California, the power of attorney was  
7 entered into in Iran but, regardless of the place of execution, the obligations arising  
8 thereunder are essentially the same under either jurisdiction. Each side called an expert on  
9 Iranian law and they agreed that the agent had fiduciary duties to the principal under Iranian  
10 law which include the duties of loyalty, to act in the best interests of the principal,  
11 accountability and of full disclosure. Unlike the contract, the power of attorney did not have  
12 a term limitation and, therefore, continued in existence until terminated by Galstian in  
13 August 2010. (Exh.243) The very usage by Minassian confirms its continued existence as  
14 well as his continuing fiduciary duty to act in the best interest of Galstian. Upon termination,  
15 the respective experts also agreed that under Iranian law (consistent with California law)  
16 Minassian had the obligation to stop acting on behalf of his principal, to report all of his  
17 activities, and account for and return all documents, assets and properties to Galstian.  
18 Minassian did not do so and continued to use the power of attorney.

19  
20 Minassian denies any wrongdoing based, essentially, on his contentions that: (1) a Solh  
21 Nameh he entered into conclusively establishes his right to do what he did; (2) the duties  
22 under the power of attorney ceased when the Solh Nameh was executed; (3) the Eghrar  
23 Nameh is conclusive evidence of his protection of the interests of Galstian; and (4) he was  
24 required to do what Izadi directed and, therefore, any harm to Galstian was caused by Izadi.

25  
26 As to the first two of these contentions, Minassian and Izadi entered into a Solh Nameh,  
27 which is a document recognized in Iranian law that creates a right of a person to title to a  
28 property, on March 5, 2008. At that time, they used the respective powers of attorney from

1 Galstian to act in his behalf in transferring all his rights to his properties arising from the  
2 1996 judgment of the Islamic Revolutionary Court to Minassian and Izadi. It is generally  
3 correct that the Solh Nameh entitled them to engage in subsequent sales of Galstian's  
4 properties. It is also probably generally correct that, as testified by defendant's expert on  
5 Iranian law, Amirhassan Boozari ("Boozari"), the duties under the power of attorney ceased  
6 when the Solh Nameh was executed. Boozari also testified that both Minassian and Izadi  
7 had the authority to enter into the Solh Nameh but this is questionable as to Minassian.  
8 Both powers of attorney had been executed by Galstian on May 30, 1996, but only the one  
9 granted to Jalinous (later assigned to Izadi) permitted a self-transfer of property.  
10 Minassian's did not and it is, therefore, reasonable to conclude that his power of attorney  
11 should be interpreted to preclude such act. This conclusion is supported by the testimony of  
12 Mansour Jafarian, Plaintiffs' expert on Iranian law, who testified that Minassian had no right  
13 to sign the Solh Nameh on behalf of Galstian. Boozari's testimony that the execution of the  
14 Solh Nameh superseded the power of attorney is also questionable to the extent that there  
15 is no reason why the fiduciary duties, as opposed to the authority to act, would be negated.  
16 However, there is an even more important point.. It is the execution of the Solh Nameh in  
17 the first place that violated Minassian's fiduciary duties. He had undertaken to represent the  
18 best interests of Galstian and he did not do so when he executed the Solh Nameh that  
19 eliminated his sole authority to act regarding the 50% of Galstian's properties that were  
20 subject to his power of attorney. He cannot excuse his breach of duty by voluntarily signing  
21 a document that then precludes him from doing what he otherwise was required to do. It  
22 should also be noted that even if it is correct that the Solh Namen superseded the power of  
23 attorney, the vast majority of the property transactions occurred before the execution of the  
24 Solh Nameh while the fiduciary duties were unquestionably still in existence. Of all the  
25 transactions addressed hereafter in Paragraph 4 of the Damages section, only those  
26 relating to Parcels 422, 439, 444 and 458 would be potentially affected in part because of  
27 the Solh Nameh.

28 ///

1 As to Minassian's third contention, that the execution of an Eghrar Nameh conclusively  
2 establishes that he protected Galstian's interests, is also without merit. An Eghrar Nameh is  
3 an instrument recognized in Iranian law that establishes a person's economic interest in a  
4 given property as opposed to title or ownership. It is not the equivalent of ownership as it  
5 does not confer title to property from which other rights of ownership flow such as the right  
6 to occupy, lease, sell or devise by will. It only grants a financial interest and there is no  
7 reason to believe that the Galstians would ever even know of a sale of a property or be in a  
8 position to enforce it as many of the properties at issue herein are in remote locations and  
9 the Galstians are in a distant location. This concern is borne out by the history of  
10 Minassian's dealings with the properties to date in which he has failed in almost every  
11 instance to honor the Galstians financial interest. He consistently failed to consult with  
12 Galstian regarding a potential sale, advise Galstian of a sale, or pay Galstian his proper  
13 share or, in most instances, pay anything at all. He has not done that in the past when he  
14 has had the obligation to do so and it seems highly unlikely that he will do so in the future.

15  
16 Minassian's also contends that he has no responsibility for any harm that may have  
17 occurred because he was compelled to do what Izadi directed. This is also without merit as  
18 can be seen from a review of the following key documents.

19  
20 Exh. 44. This is the contract entered into between Galstian and Jalinous  
21 which provided that Jalinous was to prove Galstian's right to his properties and  
22 remove any limitations on his right pf ownership. Thereafter, Jalinous "may proceed  
23 to officially transfer fifty percent of entirety of (Galstian's) properties...to himself or to  
24 any other persons".

25 Exh. 48. This is the power of attorney granted by Galstian to Jalinous to carry  
26 out all transactions regarding Galstian's properties "only in relation to fifty percent of  
27 the entirety of one hundred percent of the properties owned" by Galstian.

28 ///

1           Exh. 99. This is a "Delegation of Power of Attorney" executed by Jalinous on  
2 July 26, 2003, delegating all rights and powers granted to Izadi by virtue of the power  
3 of attorney from Galstian. Note that what Izadi received was only what had been  
4 granted to Jalinous by the power of attorney from Galstian. That power of attorney  
5 granted authority only as to 50% of Galstian's properties and did not purport to grant  
6 any power or authority to compel or prohibit any action by Minassian.

7           Exh. 52. This is the power of attorney granted by Galstian to Minassian to  
8 carry out transactions regarding Galstian's properties "only in relation to fifty percent  
9 of the entirety..." and, prior to taking any action relating to the 50%, Minassian "has  
10 the duty to obtain prior agreement and consent" of Jalinous.

11           Exh. 59. This is the contract between Galstian and Minassian stating that  
12 Minassian must "maintain constant cooperation with Jalinous regarding properties"  
13 and that, prior to any sale, Minassian must obtain prior consent of Galstian regarding  
14 the sales price."  
15

16 Note that Minassian was restricted to transactions involving the 50% interest over  
17 which he had been granted authority and was required by his power of attorney to  
18 obtain Jalinous' consent to any transaction and pursuant to the contract was to  
19 cooperate with Jalinous and obtain Galstian's consent to any sales price. Thus, he  
20 could not sell any property without Galstian's agreement on the price and without  
21 Jalinous' consent. Galstian could refuse to approve a sales price and Jalinous could  
22 refuse to agree to a sale or other transaction but there is nothing in either of these  
23 documents that gave anyone the authority to compel Minassian to enter into any sale  
24 or other transaction. It should also be noted that, because the requirement for  
25 Jalinous' approval was only in Minassian's power of attorney, the assignment of the  
26 Jalinous power of attorney to Izadi did not grant him that authority and there was no  
27 evidence of the assignment of that authority to Izadi by any other document or  
28 means. However, even if it had otherwise been assigned to Izadi, he would have only

1 received the authority to refuse consent to a sale or other transaction, a prohibitory  
2 power, but could not compel it. The question then arises whether there was some  
3 source other than the contracts and powers of attorney granting Izadi the authority to  
4 compel Minassian to do anything.

5  
6 On December 21, 2003, less than six months after Jalinous had assigned his power of  
7 attorney to Izadi, the latter assigned that power of attorney to Minassian. (Exh. 110) In  
8 other words, at that point in time it was Minassian who had full authority for transactions  
9 involving 100% of the Galstian properties. This indicates that it was Minassian, and not  
10 Izadi, who had the power to compel a transaction. While the Jalinous power of attorney  
11 permitted self-transfers of property, that authority was limited to the 50% interest subject to  
12 that power of attorney.

13  
14 The bottom line of this discussion is that, as a result of the powers of attorneys and the  
15 contracts, no one ever held the power to compel Minassian to do anything with the 50%  
16 interest in the properties subject to his power of attorney. Such authority also doesn't arise  
17 from the Solh Nameh as it requires the parties thereto to agree to a transaction but there  
18 was no evidence that either Izadi or Minassian had the power thereunder to compel the  
19 other to do anything. Thus, not only was Minassian's entering into the Solh Nameh a  
20 breach of his fiduciary duties, as previously discussed, but there is no basis for Minassian's  
21 claim that he was required to do what Izadi directed him to do. All of Minassian's arguments  
22 about his right to do what he did or, in the alternative, that he was compelled to do what he  
23 did, appear to simply be attempts to justify the breach of his fiduciary duties of loyalty and  
24 service in the best interests of Galstian and to mask his true intent to enrich himself at the  
25 expense of his longtime friend.

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CAUSATION

Minassian’s breaches of duty have resulted in his receipt and retention of funds and properties rightfully belonging to Plaintiffs. Such findings establish the causation necessary for Plaintiffs to recover on their claims for unjust enrichment and money had and received.

DAMAGES

1. Unjust Enrichment and Money Had and Received

As stated previously, Plaintiffs contend that Minassian has (1) sold certain Plaintiffs’ properties and failed to pay them the full amount they were due; (2) sold certain of their properties and failed to pay them any amount; and (3) transferred their properties to himself. To recover damages for the foregoing, they have alleged a cause of action for unjust enrichment/restitution and a cause of action for money had and received.

A claim for money had and received is a common count which alleges in substance that the defendant is indebted to the plaintiff in a certain amount for money had and received by defendant for the use of the plaintiff. Such a claim is one of the causes of action herein and, if proven, would apply to the claims that Minassian sold Plaintiffs’ properties for which he either did not pay them anything or paid less than the amount that should have been paid. [Schultz v. Harney (1994) 27 Cal.App.4<sup>th</sup> 1611, 1623.] In all such instances, moneys received are subject to the claim of money had and received.

The elements of a claim for unjust enrichment are “receipt of a benefit and unjust retention of the benefit at the expense of another.” [Lectrodryer v. SeoulBank (2000) 77 Cal.App.4<sup>th</sup> 723, 726.] “An individual is required to make restitution if he or she is unjustly enriched at the expense of another. [Citations.] A person is enriched if the person receives a benefit at another’s expense. [Citation.] Benefit means any type of advantage. [Citations.]” [First Nationwide Savings v. Perry (1992) 11 Cal.App.4<sup>th</sup> 1647, 1662.] Such a claim is appropriate not only in any instance in which Minassian kept money that was rightfully Plaintiffs but also

1 where he has taken and retains their properties. There is no justification for Minassian to be  
2 enriched by his own deceit and self-dealing in taking Galstian's properties, and money  
3 received from their sale, for himself. Thus, the remedies sought by Plaintiffs are appropriate  
4 remedies if the claims are proven.

5  
6 2. Discovery Sanctions Imposed

7 It should also be noted, for purposes of the discussion to follow, that another judge of the  
8 court has previously ordered evidentiary sanctions, on August 19, 2016, against Minassian  
9 for discovery abuse arising from his failure to produce documents. The sanctions imposed  
10 were that:

- 11 a. The jury would be instructed that Defendant failed to comply (in whole or in  
12 part) with the Court's order to produce certain documents and information  
13 and the jury "may consider the fact that if the Defendant had complied it  
14 would have revealed that Defendant has misrepresented the true sales  
15 prices of Plaintiffs' properties;"
- 16 b. The jury would be instructed that the Defendant failed to comply (in whole  
17 or in part) with the Court's order to produce certain documents and  
18 information and that "the jury may consider the fact that if Defendant had  
19 complied it would have been revealed that the Defendant sold or leased  
20 Plaintiff's properties for their fair market value at the time of said sale or  
21 lease;"
- 22 c. "Defendant is precluded from presenting evidence of the sales or lease  
23 prices of Plaintiffs' properties which have not been corroborated by  
24 documents which have been timely produced in discovery;" and
- 25 d. "Defendant is precluded from presenting evidence or asserting any claims  
26 regarding any costs or expenses he incurred in redeeming, selling, or  
27 leasing Plaintiffs' properties which have not been corroborated by  
28 documents which have been timely produced in discovery."



1           3.       Calculation of Damages

2   The court, in the exercise of its equitable powers, has determined certain guidelines to be  
3   used in the calculation of the amount of restitution for money had and received and/or for  
4   the unjust enrichment of Minassian as follows:

- 5           a.   Where it is determined that Minassian advised Plaintiffs of the sales price  
6           of a property that is substantially inconsistent with the fair market value  
7           thereof, the court will assume that the actual price was the fair market  
8           value unless other evidence supports a finding that the reported price was  
9           true and fair under the circumstances. This is based on the first discovery  
10          sanction imposed by the court but provides a possible exception that, in  
11          equity, should be considered.
- 12          b.   Where it is determined that Minassian sold a property without any evidence  
13          of the sales price, it will be assumed that it was sold for the fair market  
14          value thereof unless other evidence provides a reasonable basis for  
15          determining a different value. This is consistent with the second discovery  
16          sanction.
- 17          c.   Plaintiffs presented expert testimony on the value of each property in  
18          question (with one exception). While Minassian contests both the  
19          expertise and the method of valuation by the expert, he did not present any  
20          expert testimony on value nor did he express any opinion of his own. He is  
21          experienced in real estate and has handled property transactions in Iran for  
22          years and, as the owner of the properties, he is permitted to express an  
23          opinion as to value. [See Evidence Code §813(a)(2).] His failure to do so  
24          as to any property tends to support the validity of Plaintiffs' expert's  
25          opinions.
- 26          d.   The fair market value of any property will be established by the testimony  
27          of value presented by Plaintiffs' expert witness, Rahimi, unless there is  
28          credible evidence indicating a different value.

1 e. The damages awarded will be based on Galstian's proportionate  
2 ownership interest in the properties and not on the value of other interests,  
3 if any. A claim for unjust enrichment, as well as for money had and  
4 received, requires proof of receipt of something of value that belongs to  
5 another and is unjust to permit the recipient to retain. Plaintiffs argue that  
6 Minassian and Izadi, the successor to the Jalinous interest, were joint  
7 tortfeasors and that joint and several liability should be imposed to  
8 compensate Plaintiffs for the full value of the properties taken. However,  
9 many of the properties were jointly owned by Galstian and his brother,  
10 Rooben (his name appears in the documents with varying spellings),  
11 whose heirs are not parties to this action. Plaintiffs are not entitled to  
12 compensation for the taking of any interest not possessed by Galstian.  
13 Further, Izadi had a different standing in this situation. The power of  
14 attorney granted by Galstian to Jalinous was accompanied by a contract  
15 which preceded it in date but was part of the agreement which resulted in  
16 the granting of a power of attorney. That contract provided that, among  
17 other powers, Jalinous could transfer 50% of Galstian's interest in any  
18 property to himself without any time limitation. (Exh.44, Par.3) It also  
19 provided that Galstian would pay 50% of any sums received from prior  
20 sales of any of the properties to Jalinous. (Exh. 44, Par. 4) In effect,  
21 Galstian transferred a 50% interest in his share of the properties to  
22 Jalinous. Jalinous subsequently assigned his power of attorney to Izadi in  
23 2003, with an assignment of a financial interest in the properties to others,  
24 including Minassian, but without any change or limitation on the right to  
25 transfer properties to himself. As a result, at all times relevant to this  
26 dispute, Jalinous and his successor in interest, Izadi, had the right to make  
27 such transfers and the court finds that it would not be equitable to hold  
28 Minassian responsible for that which Izadi was entitled to receive at any

1 time of his choosing. Plaintiffs were not harmed by Izadi receiving a  
2 benefit to which he was entitled.

3  
4 Plaintiffs also contend that joint and several liability may be imposed on the  
5 Defendant as a co-conspirator (with Izadi). The elements of proof of a civil  
6 conspiracy are (1) formation and operation of the conspiracy, (2) damage  
7 resulting to the plaintiff, and (3) from a wrongful act done in furtherance of  
8 the common design. [Rusheen v. Cohen (2006) 37 Cal.4<sup>th</sup> 1048, 1062.]

9 Plaintiffs have cited only one case in support of their claim that a  
10 conspiracy may be found to occur in the context of unjust enrichment. In  
11 County of San Bernardino v. Walsh (2007) 158 Cal.App.4<sup>th</sup> 533, a public  
12 official, a former public official and a private contractor had been convicted  
13 of a bribery scheme whereby they had arranged improper city contracts.  
14 Thereafter, this civil action alleging causes of action for fraud, breach of  
15 fiduciary duty, unfair competition and unjust enrichment was brought for  
16 damages. The County prevailed and was awarded damages which were  
17 based broadly on an unjust enrichment analysis and not on actual damage  
18 to the County. On appeal, the judgment in the trial court was upheld but  
19 the case does not stand for the proposition that co-conspirator joint liability  
20 applies to equitable claims. Rather, the court held that the basis for  
21 awarding damages was appropriate under the facts of the case in which  
22 the defendants were found liable on a number of claims including a tort.

23  
24 By contrast to the County of San Bernardino case, cited *supra*, in LA  
25 Sound USA, Inc. v. St. Paul Fire & Marine Ins. Co. (2007) 156 Cal.App.4<sup>th</sup>  
26 1259, it was held that where an insurance policy was rescinded because of  
27 misrepresentations made in the application for the policy, the insurer was  
28 entitled to damages for the unjust enrichment of the insureds in the amount

1 of the expenses incurred in defending the insureds in a previous action.  
2 However, the Court of Appeal reversed the trial court's order that the  
3 defendants were jointly and severally liable for those damages on the  
4 ground that each defendant was liable for damages arising from unjust  
5 enrichment but only to the extent that each defendant had been enriched  
6 and not all damages incurred. In so holding, the Court stated that the right  
7 of reimbursement exists against any person who benefits from the unjust  
8 enrichment but only to the extent that such person actually benefitted. In  
9 citing this case, the court acknowledges that this case was decided in the  
10 context of the action for rescission of an insurance policy but the appellate  
11 court did state the purpose of rescission was to adjust the equities and that  
12 it would be inequitable to require any defendant to reimburse benefits  
13 beyond that which actually benefitted that person.

14  
15 This is not to suggest that joint and several liability could never be imposed  
16 for damages awarded for unjust enrichment but only that, even if such joint  
17 liability may be imposed, the court has broad discretion, when sitting in  
18 equity, to determine the remedy that best adjusts the equities between the  
19 parties. While the evidence has substantially established that Minassian  
20 has unjustly enriched himself through a breach of the duties he undertook,  
21 the damages awarded in this instance should be limited to the extent of  
22 that enrichment at Plaintiffs' expense.

- 23  
24 f. There will not be any reduction in damages awarded to Plaintiffs because  
25 of any costs or expenses incurred by Minassian in reclaiming or selling the  
26 properties because there was no evidence of such expenses which had  
27 been precluded by the fourth discovery sanction. It did permit such  
28 expenses to be claimed if they were corroborated by documents timely

1 produced in discovery but there was no such evidence of any actual  
2 amounts incurred. There will also not be any reduction of damages based  
3 on any commissions to which Minassian may have otherwise been entitled  
4 because of his breach of his fiduciary duties arising from the power of  
5 attorney he was granted. However, as an alternative to their argument that  
6 the damages awarded should not be reduced by the half interest in the  
7 properties granted by Galstian to Jalinous and, in turn, granted by him to  
8 Izadi, which the court has rejected, Plaintiffs also argue that Minassian  
9 should not receive the 20% interest in the properties granted to him by  
10 Jalinous at the time of his assignment of his power of attorney to Izadi. It is  
11 understandable that Plaintiffs seek to prevent Minassian from receiving any  
12 benefit from the properties but their claims are for money had and received  
13 and unjust enrichment. Galstian gave Jalinous a one-half interest in these  
14 properties and any enrichment of Minassian would occur at the expense of  
15 the Jalinous interest and not that of the Plaintiffs. As a result, the damages  
16 to Plaintiffs will not be increased by any amount that Minassian may  
17 receive from a different interest.

18  
19 g. Plaintiffs' economic expert, Randi Rosen, presented two different scenarios  
20 for calculating damages. One was based on the fair market value of a  
21 property on the date of its transfer by Minassian to himself with  
22 prejudgment interest thereon from the date of the initial transfer. In the  
23 second scenario, properties that Minassian had transferred to himself and  
24 then sold or otherwise transferred to another were valued at their then  
25 current fair market value at the time of transfer with interest thereon up to  
26 the date of trial. Both scenarios have merit and the supporting  
27 documentation of each scenario (Exhs. 613 and 614) is quite useful in  
28 providing a summary of the properties, their values and results of the

1 calculations. Nevertheless, the multiple transactions by Minassian are so  
2 varied in their facts that they may not all necessarily fit neatly into either of  
3 the scenarios as the appropriate method to calculate the damages  
4 resulting from Minassian's acts. Thus, it is necessary to evaluate each  
5 transaction on its specific facts to determine the equitable method of  
6 calculating the value of the harm incurred. All such evaluations, however,  
7 involve a determination of when the harm occurred and when prejudgment  
8 interest should commence. Because the objective is to achieve equity,  
9 each instance must be evaluated on its own merits.

10  
11 The harm caused, or the unjust enrichment, is capable of calculation by  
12 ascertainment of the fair market value at an appropriate point in time based  
13 on the expert testimony presented in the trial. However, in recognition that  
14 fair market value is not necessarily a single specific number, the court will  
15 accept a sale as reasonable in an instance when it was an acceptable  
16 difference from the testimony of fair market value.

17  
18 The court, as the trier of fact, has the discretion to award prejudgment  
19 interest, to determine the type thereof, whether it is to be simple or  
20 compound, the rate and when it commences. (Bullis v. Security Pac. Nat.  
21 Bank (1978) 21 Cal.3d 801, 814; Michelson v. Hamada (1994) 29  
22 Cal.App.4<sup>th</sup> 1566.) The court has determined that, under the facts of this  
23 case, prejudgment simple interest at the rate of 7% should be awarded as  
24 has been requested by Plaintiffs. The commencement date in each  
25 instance will be determined based on the facts relating to that property.  
26 In general terms, in instances when Minassian transferred a property to  
27 himself and there is no evidence of any subsequent sale or other  
28 disposition of the property, the property will be valued as of the date of

1 transfer and prejudgment interest will commence on that date. In those  
2 instances when Minassian transferred a property to himself, subsequently  
3 sold or otherwise disposed of it but failed to pay Galstian his full share of  
4 the proceeds, the property will be valued as of the time of the sale and  
5 prejudgment interest will commence on that date as well. All damages  
6 found by the court are awarded because of its determination that it would  
7 be unjust and unfair for Minassian to retain any benefit from his breach of  
8 the fiduciary duties arising from the power of attorney granted by Gagik.  
9

10 h. Minassian contends, without any explanation or meaningful argument, that  
11 the court's calculation of the damages recoverable is improper because it  
12 results in "benefit-of-the-bargain" damages. To the extent that Minassian  
13 received money or other consideration that rightfully should have gone to  
14 Galstian, monetary damages are the remedy provided by law and are not  
15 prohibited because they restore to Galstian what was rightfully his even if  
16 they represent what he would have received if Minassian had properly  
17 executed his duties.  
18

19 Minassian also contends that the calculation of damages is improper  
20 because it would hold him jointly and severally liable, at least in part, for  
21 harm caused by Izadi. This contention lacks merit because the damages  
22 have been limited to those arising from Minassian's conduct relating to the  
23 50% interest he represented. To the extent that this contention refers to  
24 his defense that he had to do what Izadi directed him to do, that issue has  
25 already been addressed herein.

26 4. The Damages Sustained.

27 a. The Club Properties  
28

///

1 These properties consist of 13 lots in central Tehran which were part of, or  
2 contiguous to, a country club substantially developed by Galstian and are  
3 very valuable by anyone's estimate. They were apparently sold by the  
4 Iranian government to a bank in Iran and Minassian has filed litigation in  
5 Iran to have that sale set aside which, if successful, will give him the  
6 opportunity to obtain title thereto. Minassian testified that the matter is still  
7 pending, and he does not know the present status of the litigation. That is  
8 questionable, but no evidence was presented at trial that the case has  
9 been decided, the outcome of the litigation or that Minassian has  
10 succeeded in obtaining title. As a result, there is no evidence that he has  
11 ever had, or presently has, an ownership interest in the properties.  
12 Plaintiffs' expert on Iranian law testified that he believes that Minassian will  
13 succeed in the litigation and Plaintiffs ask that the court assume that he will  
14 succeed and will be unjustly enriched. Minassian's expert on Iranian law  
15 expressed the opinion that Minassian will not prevail in the Iranian  
16 litigation. While the court believes, based on the evidence received, that  
17 Minassian should prevail on the merits, the matter is before an Iranian  
18 court and the potential of conflicting decisions should be avoided. In any  
19 event, on the basis of the lack of evidence, it is simply too speculative to  
20 determine what law and facts will be persuasive to the Iranian court, how  
21 that court will apply the law to the parties before it, what evidence has been  
22 presented including the rights of the bank which held title to the property  
23 and what terms and conditions, if any, may be imposed on the prevailing  
24 party. Even with the entire record of the Iranian proceeding, none of which  
25 was before the court, it would be perilous to predict the outcome in that  
26 forum. Thus, the court finds that this claim is premature and makes no  
27 finding for or against any party.

28 ///



1 b. Parcel Nos. 168 and 169

2 These two parcels, owned by Galstian, were purportedly sold on May 23,  
3 2003, by Minassian and Izadi to Hossain Ghalamkar Moazaam  
4 (“Ghalamkar”) for 8.5 billion Rial (Exh. 92) and the parties agree that this  
5 sale was reported to Galstian and that he received the bill of sale, an  
6 accounting and the equivalent of \$371,406 in payment of his share of the  
7 sales price after deductions for costs and commissions. After the sale, on  
8 June 19, 2003, Galstian executed an addendum to Minassian’s power of  
9 attorney to authorize him to delegate his power of attorney to others only  
10 as to Parcels 168 and 169. (Exh. 97) No explanation was provided as to  
11 why, if the properties had already been sold, any delegation regarding  
12 these properties was necessary or even beneficial. Nevertheless,  
13 Minassian subsequently delegated his power of attorney to Ghalamkar on  
14 October 27, 2003, who should have had no use for Minassian’s power of  
15 attorney as Ghalamkar was supposedly then the owner.

16  
17 Thereafter, on April 8, 2006, Ghalamkar entered into an agreement in  
18 Galstian’s name for the sale of the properties to the City of Tehran for the  
19 price of 23.4 billion Rial for Parcel no. 169 and 21.38 billion Rial for Parcel  
20 no. 168. Thus, the total sales price for the two parcels was more than 5  
21 times greater than the earlier sale reported to Galstian. Minassian testified  
22 that Ghalamkar had done some work on the land and had addressed title  
23 and other issues as an explanation of the increase in value. This  
24 explanation is unlikely as Galstian already had clear title (Exhs. 94 and 95),  
25 Ghalamkar had already verified in August, 2003, that said properties were  
26 designated to be used for City parks (Exh. 1040) and Minassian presented  
27 no evidence, or any explanation, of what work was done that increased the  
28 value of the property fivefold. While there was no direct evidence that

1 Minassian received anything from this second sale, absent any evidence of  
2 a change in actual condition of the property or other factors that would  
3 account for the great disparity between the amount of the first purported  
4 sale and the second, it appears that the purported sale to Ghalamkar was  
5 a sham which is strongly supported by the facts that he never recorded title  
6 to the properties in his name after his alleged purchase and that the sale  
7 agreements to the City were in Galstian's name. Based on the foregoing, it  
8 is more likely than not that Minassian's purported sale to Ghalamkar was to  
9 mask the real objective of an eventual sale to the City at a far greater price  
10 than had been reported to Galstian. Not many other buyers would be  
11 interested in property zoned for City parks. Others may have been  
12 complicit, but he should be held accountable for his role in the loss of these  
13 properties to the extent of Galstian's interest.

14  
15 The total sales price of 44,788,150,000 Rial, when converted to dollars  
16 using the conversion rate as of April 8, 2006, of 0.00010, equals  
17 \$4,478,815. That amount must then be reduced by 50%, representing the  
18 Jalinous interest, resulting in a sum of \$2,239,407. Subtracting \$371,406,  
19 the amount Galstian previously received, results in a net amount of  
20 \$1,868,001. Plaintiffs are entitled to interest thereon at the simple interest  
21 rate of 7% from April 8, 2006, to May 24, 2018, in the amount of  
22 \$1,585,748. When added to the value of the property, the damages for the  
23 loss of these properties are \$3,453,749 with interest continuing at the rate  
24 of \$10,896 per month until entry of judgment.

25  
26 c. Parcel No. 195

27 This property was owned 75% by Knarik and 25% by Seda. On  
28 November 11, 2009, Minassian, using a power of attorney executed by

1 Knarik (Exh. 72), and Izadi transferred it to themselves (Exh. 226) without  
2 permission and without any payment to Knarik and Seda. Minassian  
3 denies this property is currently held in his name but has not produced any  
4 documentation of a sale or transfer of title to another. As a result, the state  
5 of the evidence is that title to this property is in the names of Minassian and  
6 Izadi after their self-transfer of title. Minassian contends that there is a  
7 sequestration order applicable to this property which indicates that there is  
8 an internal investigation by the Iranian government. There was no  
9 evidence of the outcome of that investigation nor of any specific limitations  
10 that the existence of such an order may place on the property. There was  
11 also no evidence that Minassian and Izadi no longer hold title and  
12 Minassian therefore remains an owner and is responsible for the taking of  
13 title to the property.

14  
15 The fair market value as of November 11, 2009, was 38,419,000,000 Rial  
16 which, when converted to dollars using the exchange rate as of that date of  
17 0.00010, equals \$3,841,900. Interest thereon, calculated at the simple  
18 interest rate of 7%, from the date of transfer to May 24, 2018, is  
19 \$2,295,498. The total damages for the loss of this property are \$6,137,398  
20 with interest at the rate of \$22,411 per month from May 24, 2018, until  
21 entry of judgment.

22  
23 d. Parcel Nos. 207 and 208

24 These two parcels were owned by Galstian. Parcel 207 was confiscated as  
25 a result of a default judgment against Galstian and, while plaintiffs contend  
26 the Minassian was at fault for permitting the default judgment to occur or  
27 for failing to have it set aside, the claim made herein is for unjust  
28 enrichment/restitution only and he was not enriched in any way by such

1 occurrence. Thus, no damages will be awarded for that loss. Parcel 208  
2 was transferred by Minassian and Izadi to themselves on July 10, 2007  
3 and remains in their names. Minassian contends the Plaintiffs' interest in  
4 the property is secured by an Eghrar Nameh and, thus, Plaintiffs have  
5 suffered no harm. The court considers the interest created thereby to be of  
6 essentially no value, as previously stated, because Minassian and Izadi  
7 have held title to this property for 11 years during which time Plaintiffs have  
8 been deprived of the rights of ownership with no ability to use, rent, sell or  
9 convey title by will and with no certainty that the property will ever be sold  
10 or, if it is, that they will be informed of the sale or have any means of  
11 enforcing the right to payment. The Eghrar Nameh, which was created by  
12 Minassian, confirms an economic interest in the property but does not  
13 purport to return ownership to Plaintiffs. Minassian again, as with other  
14 properties, contends that he cannot take any action regarding this property  
15 without Izadi's consent which, as previously stated, misses the point. In  
16 accepting the power of attorney, he accepted the fiduciary duty to serve the  
17 best interests of Galstian and he cannot evade that responsibility by having  
18 entered into a Solh Nameh that precludes him from performing the  
19 obligation he undertook. His claim that it is inequitable for him to suffer the  
20 consequences of Izadi's failure to authorize a reconveyance of title to  
21 Galstian but he, again, misses the point. His violation of his fiduciary  
22 duties, in entering into a transaction which precludes his action, is the basis  
23 for his responsibility for the loss of this property. Minassian also contends  
24 that the court's finding of fault and the resultant harm to Galstian ignores  
25 the effect of the Eghrar Nameh. To the contrary, the court isn't ignoring it  
26 but, rather, finds that it is not a substitute for the rights of ownership and  
27 that it is highly unlikely to ever result in any benefit to the Galstians.

28 ///

1 Galstian was the sole owner of Parcel No. 208. Its fair market value as of  
2 July 10, 2007, was 37,584,000,000 Rial which, when converted to dollars  
3 at the rate of 0.00011 as of that date, was equal to \$4,134,240. Reducing  
4 said amount by the 50% Jalinous interest, results in a value of Galstian's  
5 interest in the amount \$2,067,120. Interest thereon, calculated at 7%  
6 simple interest from July 10, 2007, to May 24, 2018, is \$1,573,110 and,  
7 therefore, the total damages as of that date are in the amount of  
8 \$3,640,230 with interest continuing from May 24, 2018, at the rate of  
9 \$12,058 per month until entry of judgment.

10  
11 e. Parcel Nos. 711 and 712

12 These properties were originally owned by Tastih Construction Company,  
13 which was an LLC owned 50/50 by Galstian and Rooben. On March 13,  
14 2006, Minassian and Izadi transferred Parcel No. 711 to themselves and  
15 Mohammed Bagheri ("Bagheri"), who held a power of attorney from  
16 Rooben. (Exh. 457) In so doing, they represented that Tastih had been  
17 liquidated (see first paragraph, p. 1 of Exh. 457) "and the liquidating  
18 directors declared completion of the liquidation process in 1994" citing a  
19 judgment establishing such fact. (See 2<sup>nd</sup> paragraph, p.2 of Exhibit 457.)  
20 Upon dissolution, Gagik and Rooben would have become the owners of  
21 any asset. Minassian is bound by such admission and is judicially  
22 estopped from contending that Plaintiffs are not proper claimants for the  
23 loss of this property on the ground that it was owned by Tastih.

24  
25 On August 17, 2006, Minassian, Izadi and Bagheri delegated their powers  
26 of attorney for Galstian's and Rooben's interests in this parcel (and Parcel  
27 No. 412) to Majdi Abassi ("Abassi"). (Exh. 145) There is also an undated  
28 bill of sale (Exh. 144) by Minassian, Izadi and Bagheri of both parcels to

1 Abassi but Minassian testified that no money changed hands. However,  
2 there was an accounting signed by Minassian and Izadi that refers to a  
3 meeting of October 29, 2008, and purports to represent the disposition of  
4 proceeds of sale of Parcels 711 and 712 but does not indicate the buyer or  
5 any sales prices. On December 25, 2008, Abbasi used the power of  
6 attorney he had received to purportedly sell Parcel 711 to his son (3 years  
7 of age) for 131,200,000 Rial, the equivalent of \$13,120 (Exh. 212) for a  
8 property with a fair market value of \$903,890.

9  
10 On March 12, 2006, Minassian and Izadi transferred Parcel 712 from  
11 Tastih to themselves. (Exhs. Nos. 441 and 442) On October 28, 2008,  
12 Minassian and Izadi sold Parcel No. 712 to certain buyers for  
13 10,010,000,000 Rial, (Exh. 333), the equivalent, at the then existing  
14 conversion rate of 0.00010, of \$1,001,000. From the foregoing, the court  
15 concludes that Parcel 711 was conveyed to Assadi without consideration  
16 based on Minassian's testimony that Assadi made no payment and  
17 Assadi's later ability to "sell" that parcel to his 3-year-old son. An actual  
18 sale of Parcel 712 occurred at the price previously mentioned. The  
19 purported sale of Parcel 711 was unexplained by Minassian and remains  
20 unexplained by Exh. 211 which purports to be an accounting of the sales of  
21 both Parcels 711 and 712 but it simply cannot be. The sale of Parcel 712  
22 alone was for 10,120,000,000 Rial while the total value of the alleged sales  
23 in the accounting was 3,717,000,000 Rial for both parcels. Accepting that  
24 the sale of Parcel 712 actually occurred, there is no record of receipt of any  
25 amount for Parcel 711 and Minassian is liable for either the gift of that  
26 property to Abassi or some other disposition that is not reported or  
27 documented. Damages will therefore be awarded to Plaintiffs for its loss.

28 ///

1 Parcel 711 had a fair market value of 9,038,900,000 Rial which, at the then  
2 existing conversion rate of 0.00010, was equal to \$903,890. That amount  
3 must be reduced for Rooben's 50% interest and that number, in turn, must  
4 be reduced by half because of the Jalinous interest. As a result, Galstian's  
5 share was \$225,972. The accounting (Exh.211) and Galstian's bank record  
6 (Exh. 73) reflect that a total of \$133,151 was paid to Galstian but there was  
7 no evidence whether it was paid from the proceeds of sale of Parcel 712 or  
8 from some undisclosed transaction involving Parcel 711. However,  
9 because the sale of Parcel 712 is the only sale of which there was  
10 evidence, the court must assume that the payment to Galstian was from  
11 the sale of Parcel 712 and, therefore, no credit for any part of the payments  
12 made from the sale proceeds will be deducted from the value of Galstian's  
13 share of Parcel 711. The interest on Galstian's share from March 13, 2006,  
14 the date of Minassian's transfer of the property to himself, to May 24, 2018,  
15 is \$192,929. Therefore, the total damages for the loss of Parcel 711 are  
16 \$418,901 with interest continuing at the rate of \$1318 per month from May  
17 24, 2018, until entry of judgment.

18  
19 The sale of Parcel 712 for 10,010,000,000 Rial was not only less than its  
20 the fair market value of 13,379,000,000 Rial as of the date of Minassian's  
21 self-transfer in March, 2006, two and a half years earlier (Exh. 613) but  
22 was considerably less than its fair market value as of the date of sale on  
23 October 28, 2008, of 33,722,950,000 Rial. In this instance, Minassian  
24 made a payment of \$133,151 which is so substantially less than what  
25 Galstian's share should have been, the court concludes that the amount of  
26 the reported sale was untrue and, therefore, the damages awarded for  
27 unjust enrichment will be based on the fair market value as of the time of  
28 the sale. The fair market value at that time was in the amount of

1 33,722,950,000 Rial which, at the then existing conversion rate of 0.00010,  
2 was equal to \$3,372,295. When that amount is reduced for the Rooben  
3 and Jalinous interests, Galstian's share was \$843,074 (25%). After  
4 deducting the payment made of \$133,151, the damages awarded to  
5 Galstian for the sale of this property are \$709,923. Simple interest thereon  
6 at the rate of 7% from October 28, 2008, to May 24, 2018, is \$508,169 and  
7 the total damages are, therefore, \$1,218,092 with interest thereon  
8 continuing at the rate of \$4141 per month until the date of entry of  
9 judgment.

10  
11 f. Parcel No. 429

12 Galstian was the sole owner of this parcel which Minassian arranged to be  
13 sold through an attorney to the City of Tehran for density rights in the  
14 amount of 5.43 billion Rial on May 27, 2007, (Exh. 164) and title was  
15 transferred on July 15, 2007. (Exh. 170) The density rights could be used  
16 as credit against permit or other fees that would be charged by the City for  
17 the right to build on other properties. Minassian has never accounted for  
18 this sale nor has ever paid anything to Galstian. Plaintiffs claim that this  
19 property was worth approximately 6.1 billion Rial at the time of the sale and  
20 that they should be awarded damages in the full amount because  
21 Minassian failed to act in Galstian's best interests in this transaction. On  
22 the other hand, Minassian claims that the density rights were never used  
23 and, in effect, he has not been enriched. Neither argument is persuasive as  
24 the value received is reasonably close to the fair market value and the  
25 rights have a significant value that Minassian received which should have  
26 belonged to Galstian.

27 ///

28 ///



1 The damages to be awarded are based on the value of the density rights in  
2 the amount of 5.43 billion Rial which, when converted to dollars using the  
3 exchange rate of 0.00011 as of May 27, 2007, equals \$597,300. That  
4 amount must be reduced by half to \$298,650 because of the Jalinous  
5 interest. Simple interest thereon at 7% per year from May 27, 2007, to  
6 May 24, 2018, is \$229,783. The total damages to date are \$528,433 with  
7 interest continuing at the rate of \$1,742 per month from May 24, 2018, until  
8 entry of judgment.

9  
10 g. Parcel No. 828

11 This property was owned by Knarik Galstian. Minassian used a forged  
12 power of attorney (Exh. 123) to transfer title to the property to himself and  
13 Izadi on October 11, 2006. (Exh. 150) Minassian never informed the  
14 Galstians of this transfer and never accounted to them or paid for the  
15 property.

16  
17 The property's fair market value was 738,720,000 Rial which, when  
18 converted to dollars at the exchange rate as of the date of transfer of  
19 0.00010, is \$73,872. Simple interest thereon at 7% per annum from  
20 October 11, 2006 to May 24, 2018, is \$60,082. The total damages for the  
21 loss of this property are \$133,954 with interest continuing from  
22 May 24, 2018, at the rate of \$431 per month until entry of judgment.

23  
24 h. Parcel No. 400

25 This parcel consists of 31 lots which were owned by Galstian and Rooben.  
26 Minassian, Izadi and Bagheri transferred title to all lots to themselves by a  
27 Sohl Nameh which was not produced in evidence. However, an Eghrar  
28 Nameh, dated August 5, 2008, shows that the properties had been

1 transferred to them. (Exhs. 137, 148) On February 12, 2008, Minassian,  
2 Izadi and Bagheri sold two lots, minor parcel nos. 10987 and 10988, for  
3 1.35 billion Rial (Exh. 184) and, on February 18, 2008, they sold 16 lots,  
4 minor parcel nos. 10979 through 10986 and 10989 through 10996, for 6  
5 billion Rial. (Exh. 183) Minassian contends that Galstian was owed  
6 \$142,000 as his share of these sales and that he sent an accounting (Exh.  
7 189) and made subsequent payments of \$136,000. Aida Galstian,  
8 however, testified that Minassian represented at a meeting in May, 2010,  
9 that the Parcel 400 properties had not been released by the Iranian  
10 authorities and never mentioned the sales. She also testified that they  
11 never received any accounting from Minassian regarding these properties  
12 and never received any payment. Minassian contends that certain  
13 payments were received by Galstian in March and August 2008, but  
14 Plaintiffs contend that the payments referred to were attributable to a  
15 property not at issue in this case and, in one instance, a deposit in  
16 Galstian's bank account that was unrelated to the Galstian properties. On  
17 balance, the court finds Aida Galstian to be a more credible witness on this  
18 subject and, consequently, her testimony that Minassian never disclosed  
19 the sales of these lots and never made any payments thereon is more  
20 persuasive.

21  
22 In addition, as an extra dimension, the court also finds that the two sales,  
23 reflected in Exhs. 183 and 184, were only a part of transactions that were  
24 not disclosed by Minassian. The sale price of 1.35 billion Real for the two  
25 lots represents only about 16% of their collective fair market value of  
26 approximately 8,362,500,000 Rial as of the date of sale. The sale of the 16  
27 lots for 6 billion Rial represents only about 23% of their collective fair  
28 market value of approximately 26 billion Rial. In the purported sale of the

1 two lots, an individual named Abdolhossein Hasan Zadeh was the  
2 purported buyer. In the sale of the 16 lots, he was listed as the managing  
3 director of the purchaser water company. Minassian has provided no  
4 explanation of why he, Izadi and Bagheri would sell these properties to  
5 Zadeh in his personal and representative capacities for approximately 21%  
6 of the fair market value. In the absence of any such explanation, it is  
7 reasonable to conclude the bills of sale do not accurately state the actual  
8 prices and Minassian is liable for the fair market value of 34,412,000,000  
9 Rial. As a result, Minassian has been unjustly enriched by receipt of funds  
10 that rightly belonged to Galstian and should be required to make restitution.

11  
12 After conversion, at the rate of 0.00010, the fair market value sales price  
13 was \$3,441,200. This must be reduced by 50% to account for Rooben's  
14 interest and that number also must then be reduced by 50% to account for  
15 the Jalinous interest. The net value of Galstian's share is, therefore,  
16 \$860,300. Simple interest thereon at the rate of 7% per annum from  
17 February 18, 2008, to May 24, 2018, is \$618,269. The total damage for the  
18 loss of these 18 lots is \$1,478,569 with interest continuing at the rate of  
19 \$5018 per month until entry of judgment.

20  
21 The remaining 13 lots in Parcel 400 have been kept by Minassian and he  
22 has been unjustly enriched thereby. They had a collective fair market value  
23 as of August 5, 2006, when they were transferred by Minassian, Izadi and  
24 Bagheri to themselves, of 77,124,000,000 Rial which, when converted to  
25 dollars at the then existing exchange rate of 0.00010, equals \$7,712,400.  
26 That number must be reduced 50% for Rooben's interest and that number,  
27 in turn, must be reduced 50% for the Jalinous interest resulting in a value  
28 of \$1,928,100 for Galstian's interest. Simple interest thereon at the rate of

1 7% from August 5, 2006, to May 24, 2018, is \$1,592,885. The total  
2 damages resulting from the loss of these 13 lots through May 24, 2018, are  
3 \$3,520,985 with interest thereon continuing at the rate of \$11,247 per  
4 month until entry of judgment.

5  
6 The total damages to May 24, 2018, for the loss of all lots in this parcel are  
7 \$4,999,554 with interest continuing thereon from May 24, 2018, to the date  
8 of entry of judgment at the rate of \$16,265 per month until judgment is  
9 entered.

10  
11 i. Parcel No. 402

12 This parcel consists of 11 lots that were owned jointly by Galstian and  
13 Rooben. There was evidence produced that 4 of the lots (nos. 1, 2, 3 and  
14 8) were transferred by Minassian, Izadi and Bagheri to themselves on  
15 August 15, 2006, (Exh. Nos. 138, 139) Minassian testified that nothing  
16 was paid to Galstian for any of these 4 lots and that he never told Galstian  
17 of the transfers in title. While there were no documents introduced into  
18 evidence that showed that the other 7 lots in this parcel were transferred to  
19 Minassian, he testified that they were. (Reporter's transcript, Sept. 8, 2017,  
20 p.38, lines 5-15.) There was no evidence that any of them have been sold  
21 so it is appropriate to assume that title to all the lots remains in the names  
22 of Minassian, Izadi and Bagheri. There was also no evidence that any  
23 payment was ever made by them to Galstian for any of these lots and,  
24 therefore, Minassian has been unjustly enriched and is liable for Galstian's  
25 share of the estimated value of the 11 lots. There was an Eghrar Nameh  
26 (Exh. 137) applicable to this parcel which set forth a distribution that would  
27 be made to Galstian, and others, upon the sale of the parcel but, as the  
28 court has previously addressed, it considers an Eghrar Nameh to be of

1 essentially no value because it does not restore Galstian's ownership  
2 interest nor any of the rights of ownership. Further, it is highly questionable  
3 that Plaintiffs would ever be aware of a sale or have any effective means of  
4 enforcing the right to payment.

5  
6 Collectively, as of August 15, 2006, the 11 lots had a fair market value of  
7 56,789,100,000 Rial. When converted to dollars, using the conversion  
8 rate of 0.00010 as of that date, the collective value of these 11 lots was  
9 \$5,678,910. This must be reduced by 50% for Rooben's interest and that  
10 number, in turn, must be reduced by 50% for the Jalinous interest for a net  
11 Plaintiffs' value of \$1,419,727. Simple interest thereon at 7% from  
12 August 15, 2006, to May 24, 2018, is \$1,170,159. The total damages for  
13 Parcel 402 are \$2,589,886 to May 24, 2018, with interest continuing from  
14 said date at the rate of \$8281 per month until entry of judgment.

15  
16 j. Parcel No. 412

17 This parcel consists of 28 lots that were owned jointly by Galstian and  
18 Rooben. There was a stipulation between the parties that Minassian  
19 transferred Galstian's 50% interest to Minassian, Izadi and Baheri (either  
20 by the deeds subject to the stipulation or by other means), that Minassian  
21 had not obtained specific prior consent from Galstian, that none of the lots  
22 have been sold and that nothing was paid to Galstian as a result of these  
23 transfers. (Reporter's Transcript, Sept. 8, p.60:25-61.23) As a result,  
24 Minassian has been unjustly enriched and is liable for Galstian's share of  
25 the estimated value of these lots.

26  
27 The total fair market value of the 28 lots, as of August 5, 2006 (the date of  
28 transfer on the deeds) was 67,951,800,000 Rial which, when converted to

1 dollars at the then conversion rate of 0.00010, was \$6,795,180. Said figure  
2 must be reduced by 50% for Rooben's interest and that number, in turn,  
3 must be reduced by 50% for Jalinous's interest. The Galstian interest was,  
4 therefore, in the amount of \$1,698,795. Simple interest at 7% from  
5 August 5, 2006, to May 24, 2018 is \$1,403,436. The total damages to said  
6 date for Parcel No. 412 are \$3,102,231 with interest continuing from  
7 May 24, 2018, at the rate of \$9909 per month until entry of judgment.  
8

9 k. Parcel No. 413

10 This parcel consists of 50 lots owned jointly by Galstian and Rooben. In  
11 April 2004, Minassian sold 70 hectares of land owned by Galstian (Exh.  
12 147, p. 5, Par. F) to a water company for 14.9 billion Rial. (Exh. 147, P.4,  
13 Par. B) On May 1, 2006, Minassian and Izadi entered into an agreement  
14 with the water company to take back the 70 hectares in exchange for 32  
15 lots (later reduced to 31, Exh. 147, P.1, Par. A) within Parcel 413 for an  
16 agreed price of 5.632 billion Rial (Exh. 147, P.4. Pars. A and B) with the  
17 remaining balance of the purchase price of the 70 hectares, 9.268 billion  
18 Rial, to be paid to the water company in cash installments. (Exh. 147, P.4,  
19 Par. B) Minassian made those payments from a joint bank account of  
20 Minassian and Galstian. (Exh. 147, P. 1, Par. B) Minassian had never told  
21 Galstian of the sale of the 70 hectares, had never made any payment to  
22 Galstian of any share of the original purchase price received, never told  
23 Galstian of the rescission of the sale, never told Galstian of the sale of the  
24 31 lots in this parcel, never accounted for the money paid from the joint  
25 account and never paid any portion of the purchase price of the 31 lots to  
26 Galstian. Minassian and Izadi later sold Lot 13 for 700 million Rial  
27 (Exh.179) and Lot 24 to another buyer. The bill of sale for this latter sale  
28 (Exh. 180) does not state the price but Minassian testified that it was the

1 same as for Lot 13. Minassian and Izadi also transferred the remaining 17  
2 lots to themselves and Bagheri in August, 2006, and Galstian never  
3 received any remuneration from the sale of the two lots or the transfer of  
4 title to the 17 remaining lots. Minassian has been unjustly enriched  
5 through the failure to pay Galstian his share of the proceeds of the sale of  
6 33 lots and Galstian's share of the fair market value of the 17 lots  
7 transferred to Minassian, Izadi and Bagheri. It should also be noted that  
8 Minassian has never accounted for the 70 hectares that have been  
9 returned to him or any of Galstian's share of the money taken from the joint  
10 bank account for the refund of the purchase price originally paid by the  
11 water company. Minassian contends that there was no evidence that  
12 Galstian owned the 70 hectares but the agreement, signed by Minassian,  
13 rescinding the sale to the water company clearly states that the 70  
14 hectares was being returned to Galstian, "the prior owner". (Exh. 147,  
15 Par. 5, Par. F.)

16  
17 Lots 13 and 24 sold for a total of 1,400,000,000 Rial which, when  
18 converted at the rate of 0.00010, equals \$140,000. Said number must be  
19 reduced by 50% to account for Rooben's interest and that number must  
20 also be reduced by 50% to account for the Jalinous interest. As a result,  
21 the Galstian interest was worth \$35,000. Simple interest thereon at 7% per  
22 annum from December 17, 2007 (the date of sale in Exh. 180), to  
23 May 24, 2018, is \$25,567. The total damages for these two lots are  
24 \$60,567 to May 24, 2018, with interest continuing thereon at the rate of  
25 \$204 per month until entry of judgment.

26  
27 The 31 lots were transferred to the water company for 5,632,000,000 Rial  
28 as a credit against the purchase price of the 70 hectares of 14.9 billion

1 Rial received by Minassian and Izadi which was considerably less than the  
2 fair market value of the 31 lots of 14,550,000,000 Rial. In other words,  
3 Minassian and Izade kept the purchase price and made a partial refund of  
4 property not owned by them. Under those circumstances, Minassian and  
5 Izadi should be held responsible for the fair market value of the property  
6 value given away. That sum, 14,550,000,000, when converted to dollars at  
7 the conversion rate of 0.00011 as of May 1, 2006, equals \$1,600,500.  
8 That number must be reduced by 50% for Rooben's interest and that  
9 number, in turn, must be reduced by 50% for the Jalinous interest.  
10 Galstian's share, therefore, was \$400,125. Simple interest thereon at the  
11 rate of 7% equals \$337,894 from May 1, 2006, to May 24, 2018. The  
12 damages for Galstian's share of these lots to May 24, 2018, are \$738,019  
13 with interest continuing thereon at the rate of \$2,334 per month until  
14 judgment is entered.

15  
16 17 lots were transferred by Minassian, Izadi and Bagheri to themselves.  
17 There was no evidence of the exact date but it was before August 26,  
18 2006, the date of an Eghrar Nameh which recites their ownership of the  
19 property. (Exh. 148). Those lots are nos. 2, 11, 13, 14, 15, 15, 16, 16, 17,  
20 18, 18, 20, 21, 21, 22, 22 and 23. (The duplication of lot numbers in some  
21 instances is because there are two lots bearing such numbers. The court  
22 is unable to account for this but the duplications describe different lots. In  
23 at least one instance, lot 13, there are two lots bearing the same number  
24 and the court has verified by the minor parcel numbers which one was  
25 sold, and which one was kept by Minassian.) The total fair market value of  
26 the 17 lots, as of August 26, 2006, was 14,931,000,000 Rial which, when  
27 converted by the then existing conversion rate of 0.00010, equals  
28 \$1,493,100. That number must be reduced by 50% for Rooben's interest



1 and, in turn, that number reduced by 50% for the Jalinous interest.  
2 Galstian's interest, therefore, was worth \$373,275. Simple interest of 7%  
3 from August 26, 2006, to May 24, 2018, is \$306,869. The total damages to  
4 be awarded for these 17 lots are \$680,144 plus interest at the rate of  
5 \$2177 per month from May 24, 2018, until judgment is entered.  
6

7 There was no evidence of what amount from the joint bank account was  
8 used to repay the water company upon the return of the 70 hectares  
9 belonging to Galstian but, when the sale was rescinded, the agreement of  
10 the parties recited that the title to the property was being returned to  
11 Galstian. (Exh.147, p.5) As there was no evidence of any subsequent  
12 transaction by Minassian, it must now be owned by Minassian and Izadi  
13 who took title to all of Galstian's properties pursuant to the execution of the  
14 Solh Nameh executed on March 5, 2008. (Exh. 187) There was no specific  
15 evidence of the fair market value of the property but Minassian and Izadi  
16 received 14.9 billion Rial from the water company for the original sale. As  
17 no part of that sum was ever paid to Galstian, Minassian and Izadi were  
18 unjustly enriched by receipt of the sale price, Galstian is entitled to  
19 damages in said amount. In so stating, the court is aware that the only  
20 portion of any repayment of the purchase price that was potentially paid by  
21 Minassian was his funds, if any, in the common bank account. However,  
22 he presented no evidence of the amount of any such funds and the court,  
23 therefore, finds him liable for the full amount of the sale price. The 14.9  
24 billion Rial, when converted at the then existing conversion rate of 0.00011,  
25 was \$1,639,000. After reduction for the Jalinous share, Galstian is entitled  
26 to \$819,000. The interest thereon from March 5, 2008, to May 24, 2018, is  
27 \$586,238, for total damages of \$1,405,238, with interest continuing thereon  
28 at the rate of \$4,780 per month until entry of judgment.

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The total damages awarded for the loss of the 50 lots in this parcel and the 70 hectares are \$2,883,968 as of May 24, 2018, with interest continuing thereon in the amount of \$9,495 per month until judgment is entered.

I. Parcel No. 422

This parcel consists of 47 lots which were wholly owned by Galstian. On March 7, 2007, Minassian and Izadi transferred a 50% interest in this parcel to Izadi (Exh. 209) and on March 17, 2007, Minassian and Izadi transferred a 50% interest to Minassian. (Exh. 161) These transfers were not disclosed, and no payment was made to Galstian. In early 2010, the exact date unknown, Minassian and Izadi sold this parcel to Hossain Esmailie, for an unknown price, and Esmailie paid only a portion (8.98 billion Rial) of the purchase price. (Exh. 235) The sale was not disclosed to Galstian and nothing was paid to him. As a result of only partial payment, the transaction was revised to provide that Esmailie gave up any interest in this parcel and, in return for the partial payment that had been made, Minassian and Izadi gave Esmailie a power of attorney over 28 pieces of property in this parcel. (Exh. 235) On May 22, 2012, Esmailie, Izadi and Minassian agreed to terminate their agreement entirely and that Izadi and Minassian would repay Esmailie the 8.98 billion Rial he had paid plus an additional amount of just over 1 billion Rial in return for Esamilie giving up any rights to the property. (Exh. 262)

The foregoing appears to be the result of an intervening transaction on July 2, 2011, when Minassian and Izadi sold the parcel to Mammut Industrial Group for 19.6 billion Rial through Abas Bakhityari. (Exh. 250) Minassian and Izadi had sold the property to Bakhityari for 14 billion Rial

1 (Exh. 251) but this appears to be a formality to permit him to sell the  
2 property to Mammut as he paid nothing, and title hadn't been transferred to  
3 Bakhityari. The sale to Mammut called for the down payment to be paid in  
4 differing amounts to Izadi, Minnassian and Bakhityari with 10 billion Rial to  
5 be paid on July 11, 2011, and 2.1 billion Rial to be paid after satisfaction of  
6 certain contingencies. While Minassian contended that the sale to  
7 Bakhityari was a legitimate sale, it is much more likely that such sale was  
8 only to permit the sale to be by him for purposes that were not clear from  
9 the evidence. It may have been that he was the one who had obtained the  
10 buyer, but it may also have been an attempt to prevent Plaintiffs from  
11 discovering the true sale price. In any event, the transfer deed went  
12 directly from Minassian and Izadi to Mammut (Exh. 253) and Minassian  
13 has, in effect, admitted that the sale to Bakhtiyari was not really a true sale.  
14 Thus, (1) there was no true sale to Bakhtiyari; (2) no accounting has ever  
15 been made to the Galstians for the sale to Mammut; and (3) they have  
16 never received any payment of any kind. Minassian claims that this  
17 transaction is still incomplete and, therefore, no accounting can be made.  
18 As this sale occurred almost 7 years ago, this explanation seems highly  
19 unlikely and Minassian has not provided any documents or explanation of  
20 the issues or problems that have caused this transaction to be incomplete  
21 after such passage of time. As a result, the court finds this testimony is not  
22 credible and, as a result, Minassian is liable for restitution to Plaintiffs for  
23 money had and received.

24  
25 The sale to Mammut was for 19,600,000,000 which, at the existing  
26 conversion rate of 0.00010 on the date of sale, was the equivalent of  
27 \$1,960,000. After reduction by 50% because of the Jalinous interest,  
28 Galstian's share was \$980,000. At 7% simple interest from July 11, 2011,

1 to May 24, 2018, the interest on Galstian's share is \$471,213. The total  
2 damages are \$1,451,213 to May 24, 2018, with interest continuing at the  
3 rate of \$5,717 per month from May 24, 2018, until judgment is entered.  
4

5 The court has considered whether there are any additional damages, or an  
6 adjustment of damages owing, because of the Esmailie transaction.

7 Minassian and Izadi agreed to pay 10 billion Rial to Esmailie which  
8 represented the purchase price of 8.9 billion Rial as well as the difference  
9 in the value of the property during the time from the original purchase by  
10 Esmailie and May 22, 2012, the date of their agreement. (Exh. 262). This  
11 was paid by three checks, totaling 6.75 Rial (Exh. 269), and the transfer of  
12 4 lots from Parcel 458 which were valued at the difference between the  
13 money paid and the 10 billion Rial. (Exh. 264) It should be noted that there  
14 is a discrepancy of .15 billion Rial between the checks purportedly paid  
15 (Exh.269) and the amount recited in the final settlement agreement (Exh.  
16 264) but it does appear that the agreed 10 billion Rial was paid. The issue  
17 presented is whether the difference between the 8.9 billion purchase price  
18 and the 10 billion paid in settlement should be a credit against the amount  
19 owed by Minassian. The court has determined that no credit should be  
20 given as the difference arose from Minassian and Izadi's dealings in the  
21 entire transaction in which they never reported either the first or second  
22 sale and were acting for their own benefit and not that of the Plaintiffs.  
23 Lastly, no damages are awarded for the check payments to Esmailie as the  
24 evidence was not sufficient for the court to determine whether any of such  
25 funds were Galstian's or, if so, what amount.

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1 The total damages, therefore, for the taking of this parcel are \$1,451,213  
2 with interest continuing at the rate of \$5717 per month from May 24, 2018,  
3 until judgment is entered.  
4

5 m. Parcel Nos. 439 and 444

6 Parcel No. 439 consists of 35 lots and Parcel 444 consists of 27 lots which  
7 were owned jointly by Galstian and Rooben. No later than August 26,  
8 2006, Minassian, Izadi and Bagheri transferred these properties to  
9 themselves. (Exh. 148) The Iranian Ministry of Education occupied 45 of  
10 the 62 lots in these parcels and, as a result, Minassian filed a lawsuit and  
11 obtained a judgment which would have resulted in the eviction of the  
12 Ministry. (Exh. 221) Apparently, there were negotiations thereafter which  
13 resulted in an agreement that the Ministry would vacate certain of the  
14 premises and would buy 4 lots for 35 billion Rial with a 5 billion Rial down  
15 payment. (Exhs. 221 and 231) The 5 billion was paid and Minassian  
16 provided an accounting thereof (Exh. 270) and paid Galstian his share by a  
17 deposit of 75 million Toman in Galstian's bank account on May 10, 2010.  
18 (Exh. 73) The Ministry, however, defaulted on the remainder of the agreed  
19 price and there was no evidence presented of any attempts to collect the  
20 balance due or any further outcome.  
21

22 Thereafter, Izadi transferred 45 lots in these two parcels to his brother-in-  
23 law, Ali Akbar Pakdel ("Pakdel"), but despite a recitation of a price in the  
24 deed, (Exh. 259) nothing was paid. Minassian testified that he was upset  
25 that a power of attorney he had given to Izadi had been used for this  
26 purpose and insisted that Pakdel return the properties. According to  
27 Minassian, Pakdel did return some of the lots but not all. There was no  
28 testimony or other evidence of which lots were returned, and which were

1 not. Minassian also testified that he sold 13 lots to Mr. Tabrizi but that he  
2 did not recall when or for what price. Those 13 lots were probably the 13  
3 that were left over after the sale of the 4 lots to the Education Department  
4 and the 45 lots transferred to Pakdel. Those 13 lots were, in Parcel  
5 No.439, lots 1, 2, 3, 4, 5, 6, 13, 18, 31, 33 and 34 and, in Parcel No.444,  
6 lots 1 and 33. A payment was made by Minassian to Galstian for this sale  
7 by a check dated May 1, 2013, in the amount of 2.5 billion Rials (Exh. 278),  
8 the equivalent of \$200,000 at the then current conversion rate of 0.00008.  
9 However, this was not in full payment of Galstian's share of the sale price  
10 as Minassian testified that the money received was an advance and the  
11 matter was not yet completed. (Reporter's Transcript, Sept. 13, 2017,  
12 p.70:17 to p.71:15)

13  
14 The evidence is insufficient to assess any damages for unjust enrichment  
15 or restitution for money had and received arising from the sale of the 4 lots  
16 to the Ministry of Education. While Minassian did not present any evidence  
17 of what was done to collect the remainder due, it is Plaintiffs' burden to  
18 prove that he has been unjustly enriched or received money that was  
19 rightfully for the Plaintiffs. Nevertheless, there was no direct evidence that  
20 Minassian received anything beyond the down payment for which he has  
21 accounted. Lacking direct evidence, there was also no indirect evidence  
22 from which the court could reasonably conclude that some undue  
23 enrichment occurred. As a result, no damages will be awarded under  
24 either of Plaintiffs' two causes of action arising from this particular sale.

25  
26 Minassian also furnished a power of attorney to Izadi which he used to  
27 transfer 45 lots to his brother-in-law, Pakdel. Prior to that, Minassian, Izadi  
28 and Bugheri had transferred those lots to themselves While there was no

1 evidence that Minassian received anything as a result of providing the  
2 power of attorney, he had taken the property for himself and the fact, if it is  
3 a fact, that he gave it away does not excuse him from having taken the  
4 property for himself and should be held responsible for that taking to the  
5 damage of Galstian. Either the gift of Galstian's property or some other  
6 undisclosed disposition or self-retention does not excuse him from  
7 responsibility for his failure to compensate Galstian for the loss.

8  
9 The self-transfer of the property occurred no later than August 26, 2006, at  
10 which time the 45 lots had a total fair market value of 68,226,000,000 Rial.  
11 That amount, at the then existing exchange rate 0.00010, equaled  
12 \$6,822,600. After reduction for Rooben's and Jalinous' interests,  
13 Galstian's share was \$1,705,650. Interest thereon at 7% from August 26,  
14 2006, through May 24, 2018, is \$1.642,110. The total damages are  
15 \$3,347,760 with interest and continuing at the rate of \$9,950 per month  
16 until entry of judgment.

17  
18 The sale of the 13 lots presents a different picture. While Minassian  
19 testified that he did not recall the sale price, we know that a sale did occur  
20 and, consistent with the second discovery sanction, it can be reasonably  
21 assumed that the sale was for the fair market value which, as of August 26,  
22 2006, was 19.615 billion Rial. When converted to dollars at the then current  
23 rate of 0.00010, this equals \$1,961,500. This must be reduced by 50%  
24 because of Rooben's interest and that number then reduced by 50% for  
25 the Jalinous interest. Galstian's interest, therefore, is valued at \$490,375.  
26 As he received \$200,000 for the down payment, his loss is \$290,375.  
27 Simple interest thereon at 7% from May 1, 2013, to May 24, 2018, is

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1                   \$102,911. The total damages are \$393,286 with interest continuing at the  
2                   rate of \$1694 per month until entry of judgment.

3  
4                   n. Parcel 458

5                   As part of the sale of Parcel 422 to Esmailie which was then rescinded,  
6                   Minassian repaid Esmailie for his payment on Parcel 422 with funds from  
7                   the joint bank account with Galstian but also transferred lot numbers 1, 12,  
8                   13 and 24 of Parcel 458 (Exh.264) to Esmailie, no later than  
9                   October 30, 2012, all of which belonged to Galstian. Collectively, said lots  
10                  were valued at 3,240,000,000 Rial by the agreement with Esmailie but, in  
11                  fact, as of that date, had a fair market value of 9,240,000,000. (Exh. 614,  
12                  p. 16) As this transaction was not a sale but another instance of Minassian  
13                  using Galstian's property to pay back money Minassian had received for a  
14                  sale which he never disclosed to Galstian, and from which he had made no  
15                  payment to Galstian, the court finds that Minassian should be held  
16                  responsible for his unjust enrichment based on the fair market value at the  
17                  time he transferred the lots to Esmailie. At the then existing exchange rate  
18                  of 0.00008, said value when converted to dollars was \$739,200. That  
19                  amount must be reduced 50% for the Jalinous interest resulting in the  
20                  value of \$369,600 for Galstian's share. Simple interest at the rate of 7%  
21                  per annum from the self-transfer date of March 5, 2008, to May 24, 2018, is  
22                  \$264,379. The total damages for the loss of these four lots are \$633,979  
23                  with interest continuing from May 24, 2018, at the rate of \$2156 per month  
24                  until entry of judgment.

25  
26                  o. Shares of Kordan Village Lands

27                  Galstian owned 36 shares out of 240 shares of jointly owned lands  
28                  commonly known as "Kordan Village". (Exh. 409) On February 19, 2008,



1 Minassian and Izadi transferred Galstian's shares to themselves for the  
2 stated consideration of 500,000,000 Toman (Exh. 182) although such  
3 transfer was not disclosed to Galstian and nothing was paid him. On  
4 March 5, 2010, Minassian and Izadi sold 5 of the 36 shares to a  
5 development company. No bill of sale or contract was produced but the  
6 transfer deed reflects a sale price of 69,500,000 Rial. (Exh. 232) While  
7 evidence was presented that the price set forth in a transfer deed is rarely  
8 the true price, in this instance the transfer deed specifically recites (see  
9 p. 2 of exhibit 232 under caption of "Consideration") that the parties agreed  
10 to the valuation based on the Tax Department transaction value and that  
11 the parties accepted the calculation by the Register of Properties. The  
12 implication of this recitation is that this was an arms-length negotiation and  
13 the price represented a fair market value for the property. The court will,  
14 therefore, rely thereon in determining damages for the taking of Galstian's  
15 interest in the property. The value of the 5 shares, representing 13.89% of  
16 Galstian's interest, indicates that the 36 shares were worth 569,500,000  
17 Rial. Using the conversion rate of 0.00011 in effect as of  
18 February 19, 2008, the shares were worth \$62,645. Because of the  
19 Jalinous interest, Galstian's share was worth \$31,323. Simple interest  
20 thereon at the rate of 7% from February 19, 2008, to May 24, 2018, is  
21 \$22,503. Thus, the total damages for the loss of these shares are \$53,826  
22 with interest continuing from May 24, 2018, at the rate of \$183 per month  
23 until entry of judgment.

24  
25 p. Credit for Unallocated Payments

26 A payment in the amount of \$36,000 was made to Galstian on  
27 August 22, 2008, that appears to be in connection with one of the  
28 properties that could not be identified. Minassian will receive a credit

1 against the damages assessed in the amount \$60,570 which represents  
2 the amount of the payment plus simple interest thereon at 7% from  
3 August 22, 2008, to May 24, 2018, with interest continuing from said date  
4 at the rate of \$210 per month until entry of judgment.

5  
6 There was an additional payment of \$200,000 that Plaintiffs' economist  
7 was unable to attribute to a particular property, but the court has found that  
8 it was made in connection with Parcels 439 and 444 and has given credit  
9 for that payment in its calculation of damages related to those parcels.

10  
11 **SUMMARY OF DAMAGES**

12 The court has found Plaintiffs have suffered damages from the taking of their properties as  
13 follows:

14	Parcel Nos. 169 and 169	\$3,453,749
15	Parcel No. 195	\$6,137,398
16	Parcel Nos. 207 and 208	\$3,640,230
17	Parcel Nos. 711 and 712	\$1,218,092
18	Parcel No. 429	\$ 528,433
19	Parcel No. 828	\$ 133,954
20	Parcel No. 400	\$4,999,554
21	Parcel No. 402	\$2,589,886
22	Parcel No. 412	\$3,102,231
23	Parcel No. 413	\$1,478,730
24	70 Hectares	\$1,405,238
25	Parcel No. 422	\$1,451,213
26	Parcel Nos. 439 and 444	\$3,741,046
27	Parcel No. 458	\$ 633,979
28	Kordan Village	\$ 53,826

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Credit - \$ - 60,570

TOTAL \$34,506,989

THE CROSS-COMPLAINT

Minassian's operative cross-complaint, following the granting of a motion to strike and a demurrer as to certain claims sustained without leave to amend on March 14, 2017, sets forth two causes of action, one for quantum meruit and the other for money had and received. In broad terms, the claim for quantum meruit is based on his allegation that he performed requested services in connection with the properties that Plaintiffs have refused and failed to pay. The claim for money had and received is based on his allegation that he made an interest-free loan to Seda and Aida Galstian which was to be repaid from the proceeds of sale of the properties, but they prevented him from making sales and refused to repay the loan. Minassian presented no evidence of specific services performed, the extent thereof or of the value of his services and any expenditures in support of the claim for quantum meruit. He also did not present any evidence of the loan alleged, of any interference with his ability to sell properties from which he could have been repaid or of a refusal to repay. The court, therefore, finds for the cross-defendants and against the cross-complainant on his cross-complaint.

CONCLUSION

At the inception of the agreement between Galstian and Minassian for the latter to undertake to sell Galstian's substantial real estate holdings in Iran, or otherwise realize a proper financial return therefrom, Minassian may have undertaken to do so in good faith as there were several sales thereafter that were accomplished to what appears to be everyone's satisfaction. At some point in time, this changed and by at least 2006, with a few isolated exceptions, it appears that Minassian began what was essentially an effort to acquire all of the Galstian properties for himself and, in the instance of any sale, to keep all,

1 or some, of the money received for himself. In order to accomplish this, he failed to advise  
2 the Galstians that he had utilized the power of attorney he had been given by Galstian to  
3 transfer title to nearly all of the real estate assets to himself, failed to truthfully advise them  
4 of the status of the properties and failed to account for sales from which he kept some or all  
5 of the proceeds for himself. He has engaged in numerous transactions which he has not  
6 described or explained even up to the present time, often stating that he does not  
7 remember. He also has had evidentiary sanctions imposed because of his failure to produce  
8 documents and the net result of the purported lack of memory and the failure to produce  
9 records substantially impacted the court's, and the Plaintiffs', ability to reconstruct the  
10 events. Whatever his intentions were when he and Galstian made their agreement, he has  
11 deliberately and systematically taken Plaintiffs' property, and many proceeds therefrom, for  
12 himself on numerous occasions. It appears to the court that the purported lack of memory  
13 and the failure to produce records may have been to his advantage as the financial return  
14 he has achieved is probably not fully recognized in the damages awarded because of the  
15 limitation to only equitable claims and the lack of evidence to more fully explain all that  
16 happened. Most tellingly, despite his denials of any wrongdoing, he transferred nearly all the  
17 properties to himself and then, through the execution of a Solh Nameh, contends that he  
18 cannot return any property because Izadi won't agree to it. He further contends that he has  
19 protected Plaintiffs' interests by the use of Eghrar Namehs and, therefore, they have  
20 suffered no harm. Even the misuse of those documents, however, does not obscure what  
21 he has attempted to do. The nature and extent of the transactions affecting the Galstian  
22 properties reveal his intentional and persistent efforts to profit from his violation of his  
23 fiduciary duties. His professions of fealty are betrayed by the fact that despite the millions of  
24 dollars received in the property transactions and the millions of dollars of value of the  
25 properties he still holds, he has paid essentially nothing to the Galstians. His attempts to

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1 justify his conduct based on the Solh Nameh and the Eghrar Nameh indicate that he has no  
2 intention of conducting himself differently in the future.

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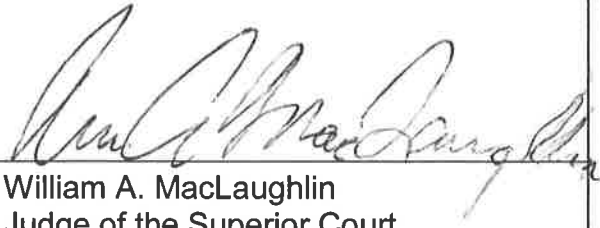
4 Date: November 26, 2018

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William A. MacLaughlin  
Judge of the Superior Court

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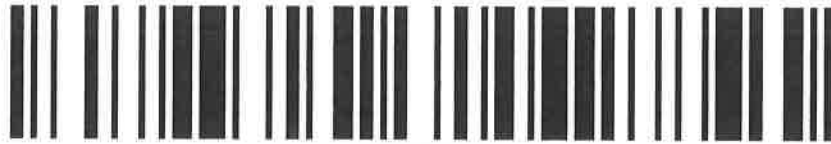
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CASE: BC498691

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