Davidson County ORDER
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20070206-0015542

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF TENNESSEE
AT KNOXVILLE

UNITED STATES OF AMERICA,)
)
Plaintiff,)
)
v.) **No. 3:06-cr-27**
) **Judge Jarvis**
)
JAMES E. HOUSTON,)
WILLIAM HENDERSON,)
TENESICA CROSS,)
DOROTHY ADKINS,)
ALEXANDER WADE,)
CECELIA MCLEAN,)
TYRA BARTON and)
CHARLES HOUSTON,)
)
Defendants.)

ATTEST: A TRUE COPY
Certified
PATRICIA L. Clerk
by

FINAL ORDER OF FORFEITURE

1. Information. On March 1, 2006, a Bill of Information was filed in the above-referenced case charging Defendants, James E. Houston, William Henderson, Tenesica Cross, Dorothy Adkins, Alexander Wade, Cecelia McLean, Tyra Barton and Charles Houston, with, knowingly engaging in a conspiracy to conduct all or part of an illegal gambling business, said illegal gambling business involving a lottery in violation of the laws of the State of Tennessee and other states, in which said business was conducted; which illegal gambling business involved, five or more persons who conducted, financed, managed, supervised, directed and owned all or a part thereof; and which gambling business remained in substantially continuous operation for a period in excess of thirty days, in violation of Title 18, United States Code, Sections 371 and 1955 (Count One); and charging Defendants, James E. Houston, William Henderson, Tenesica Cross, Dorothy Adkins, Alexander Wade, and Cecelia McLean with knowingly engaging in a conspiracy to engage in monetary

transactions in criminally derived property of a value of greater than $10,000, such property having been derived from specified unlawful activity, that is, an illegal gambling operation, in violation of Title 18, United States Code, Sections 1956(h) and 1957 (Count Two);

In the Forfeiture Allegations of the Bill of Information in the above-styled case, pursuant to Title 18, United States Code, Sections 1955(d) and Title 28, United States Code, Section 2461(c), the United States sought forfeiture of the interest of the Defendants, James E. Houston, William Henderson, Tenesica Cross, Dorothy Adkins, Alexander Wade, Cecelia McLean, Tyra Barton and Charles Houston in property used in the conspiracy to conduct, direct and own all or part of an illegal gambling business, and was in the possession or control of the defendant, or the defendant's agents or nominees, in violation of Title 18, United States Code, Section 1955 (Count One); and pursuant to Title 18, United States Code, Section 982(a)(1), the United States sought forfeiture of the interest of the Defendants, James E. Houston, William Henderson, Tenesica Cross, Dorothy Adkins, Alexander Wade, and Cecelia McLean in property involved in a conspiracy to commit money laundering in violation of Title 18, United States Code, Sections 1956(h) and 1957, or representing assets substituted for cash which was the proceeds of laundered funds from the illegal gambling operation (Count 2); and any property traceable to such property;

2. Guilty Pleas and Plea Agreements. The following Defendants have pled guilty to the Bill of Information as follows:

(a) The Defendant, **JAMES E. HOUSTON**, pled guilty on April 19, 2006, to Counts One and Two of the Bill of Information.

(b) The Defendant, **WILLIAM HENDERSON**, pled guilty on May 9, 2006, to Counts One and Two of the Bill of Information.

(c) The Defendant, **TENESICA CROSS**, pled guilty on April 20, 2006, to Counts One and Two of the Bill of Information.

(d) The Defendant, **DOROTHY ADKINS**, pled guilty on April 18, 2006, to Counts One and Two of the Bill of Information.

(e) The Defendant, **ALEXANDER WADE**, pled guilty on April 19, 2006, to Counts One and Two of the Bill of Information.

(f) The Defendant, **CECELIA MCLEAN**, pled guilty on May 11, 2006, to Counts One and Two of the Bill of Information.

(g) The Defendant, **TYRA BARTON**, pled guilty on April 17, 2006, to Count One of the Bill of Information.

(h) The Defendant, **CHARLES HOUSTON**, pled guilty on April 17, 2006, to Count One of the Bill of Information.

The Defendants pled guilty as referenced above and agreed to forfeit to the United States their interest in the following properties:

(a) Real Property having a mailing address of 2008 Igou Crossing, Chattanooga, Hamilton County, Tennessee, and being that property conveyed to James Houston by Quit Claim Deed dated April 7, 2003 and recorded on May 24, 2004 in Deed Book 7141, Page 135, in the Register's Office of Hamilton County, Tennessee. [1]

[1] The 2008 Igou Crossing property was forfeited via a Final Order of Forfeiture in the United States District Court for the Eastern District of Tennessee in civil case number 1:05-CV-188 on February 16, 2006 [R.14].

(b) Real Property having a mailing address of 128 Indian Valley Road, Huntsville, Madison County, Alabama, and being that property conveyed to James Houston by Quitclaim Deed dated October 25, 2005 and recorded on January 31, 2006 at Instrument No. 20060131000063060, in the Record's Office of Madison County, Alabama.[2]

(c) Real Property having a mailing address of 2508 Castlegate Boulevard, Decatur, Morgan County, Alabama, and being that property conveyed to James Houston by Quitclaim Deed dated October 25, 2005 and recorded on November 4, 2005 in Deed Book 2005, Pages 8811-8812, in the Office of the Judge of Probate of Morgan County, Alabama.[3]

(d) Real Property having a mailing address of 2603 Davenport Road, Knoxville, Knox County, Tennessee, and being that property conveyed to James Houston, by Quitclaim Deed dated October 25, 2005 and recorded on December 2, 2005 as Instrument No. 200512020048620, in the Register of Deed's Office of Knox County, Tennessee.

(e) Real Property having a mailing address of 420 Huntington Ridge Drive, Nashville, Davidson County, Tennessee, and being that property conveyed to James Houston by Quitclaim Deed dated August 11, 2005 and recorded on September 13, 2005 as Instrument No. 200509130110258, in the Register of Deeds Office for Davidson County, Tennessee.

(f) Real Property having a mailing address of 4963 Island Home Road, Louisville, Blount County, Tennessee, and being that property conveyed to James Houston by Quit Claim Deed dated April 26, 2002 and recorded on April 26, 2002 at Book 666, Page 755, in the Record's Office of Blount County, Tennessee.

(g) Real Property having a mailing address of 7625 Valley Green Dr., #202, Las Vegas, Clark County, Nevada, and being that property conveyed to James Houston by Quit Claim Deed dated August 24, 2005 and recorded on September 2, 2005 at Book 20050902-0001017 as Instrument No. 0001017, in the Recorder's Office of Clark County, Nevada.

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[2] The 128 Indian Valley Road property will be addressed in a separate Final Order of Forfeiture.

[3] The 2508 Castlegate Boulevard property will be addressed in a separate Final Order of Forfeiture.

(h) Real Property having a mailing address of 4805 Ivy Ridge Dr., #101, Smyrna, Cobb County, Georgia, and being that property conveyed to James Houston by Quitclaim Deed dated October 25, 2005 and recorded on November 4, 2005 in Deed Book 14244, Page 5523, in the Superior Court Clerk's Office for Cobb County, Georgia.[4]

(i) Real Property having a mailing address of 1016 Ultra Way, Knoxville, Knox County, Tennessee, and being that property conveyed to James Houston by Warranty Deed dated February 15, 2005 and recorded on February 17, 2005 as Document Number 200502170065259 in the Register of Deeds Office for Knox County, Tennessee.

(j) One Hundred Forty-eight Thousand, Nine Hundred Sixty-six and 75/100 Dollars ($148,966.75) in U.S. Currency, as proceeds from the sale of 204 Spring Heights Road, Smyrna, Cobb County, Georgia, (originally in the form of a Trust Account Check of Hartley, Rowe & Fowler, P.C., payable to William L. Henderson and wife, Judith Annette Henderson, and United States Treasury and endorsed by William L. Henderson and wife, Judith Annette Henderson).

(k) Four Thousand Dollars ($4,000.00) in United States Currency from James E. Houston.

(l) Real Property having a mailing address of 1311 Brookside Avenue, Knoxville, Knox County, Tennessee, and being that property conveyed to James Houston by Quit Claim Deed dated December 20, 2002 and recorded on September 30, 2005 as Document Number 200509300029649 in the Register of Deeds Office for Knox County, Tennessee.

(m) Real Property having a mailing address of 1315 Brookside Avenue, Knoxville, Knox County, Tennessee, and being that property conveyed to James Houston by Quit Claim Deed dated December 20, 2002 and recorded on September 30, 2005 as Document Number 200509300029649 in the Register of Deeds Office for Knox County, Tennessee.

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[4] The 4805 Ivy Ridge Dr., #101 property was forfeited via a Final Order of Forfeiture in the United States District Court for the Eastern District of Tennessee in civil case number 1:05-CV-188 on February 16, 2006 [R.14].

(n) Two Hundred Eight Thousand, Five Hundred Dollars ($208,500) in United States currency seized on May 5 and 9, 2006.[5]

3. Agreed Preliminary Orders of Forfeiture. Agreed Preliminary Orders of Forfeiture pursuant to the guilty pleas entered by the Defendants, forfeiting to the United States their interest in and to the property identified hereinabove were entered as follows:

(a) On April 19, 2006, this Court entered an Agreed Preliminary Order of Forfeiture pursuant to the guilty plea entered by the Defendant, **JAMES E. HOUSTON**.

(b) On May 9, 2006, this Court entered an Agreed Preliminary Order of Forfeiture pursuant to the guilty plea entered by the Defendant, **WILLIAM HENDERSON**.

(c) On April 20, 2006, this Court entered an Agreed Preliminary Order of Forfeiture pursuant to the guilty plea entered by the Defendant, **TENESICA CROSS**.

(d) On April 18, 2006, this Court entered an Agreed Preliminary Order of Forfeiture pursuant to the guilty plea entered by the Defendant, **DOROTHY ADKINS**.

(e) On April 19, 2006, this Court entered an Agreed Preliminary Order of Forfeiture pursuant to the guilty plea entered by the Defendant, **ALEXANDER WADE**.

(f) On May 11, 2006, this Court entered an Agreed Preliminary Order of Forfeiture pursuant to the guilty plea entered by the Defendant, **CECELIA MCLEAN**.

(g) On April 17, 2006, this Court entered an Agreed Preliminary Order of Forfeiture pursuant to the guilty plea entered by the Defendant, **TYRA BARTON**.

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[5] The Two Hundred Eight Thousand, Five Hundred Dollars ($208,500) in United States currency was administratively forfeited by the Federal Bureau of Investigation.

(h) On April 17, 2006, this Court entered an Agreed Preliminary Order of Forfeiture pursuant to the guilty plea entered by the Defendant, **CHARLES HOUSTON**.

4. Notice of Forfeiture. Pursuant to Title 21, United States Code, Section 853(n)(1), as incorporated by Title 28, United States Code, Section 2461(c) and Title 18, United States Code, Section 982(b)(1) and the Agreed Preliminary Order of Forfeitures, Notice of Forfeiture as to the properties described above, was published in the following:

(a) *The Decatur Daily*, a newspaper of general circulation in Decatur, Alabama on three occasions: July 21, 2006; July 28, 2006; and August 4, 2006.

(b) *The Knoxville News Sentinel*, a newspaper of general circulation in Knoxville, Tennessee on three occasions: July 21, 2006; July 28, 2006; and August 4, 2006.

(c) *The City Paper*, a newspaper of general circulation in Nashville, Tennessee on three occasions: July 21, 2006; July 28, 2006; and August 4, 2006.

(d) *The Daily Times*, a newspaper of general circulation in Maryville, Tennessee on three occasions: July 21, 2006; July 28, 2006; and August 4, 2006.

(e) The *Las Vegas Sun*, a newspaper of general circulation in Las Vegas, Nevada on three occasions: July 21, 2006; July 28, 2006; and August 4, 2006.

(f) The *Marietta Daily Journal*, a newspaper of general circulation in Marietta, Georgia on three occasions: July 21, 2006; July 28, 2006; and August 4, 2006.

(g) The *Huntsville Times,* a newspaper of general circulation in Huntsville, Alabama on three occasions: July 21, 2006; July 28, 2006; and August 4, 2006.

The Notice of Forfeiture advised that any person, other than the Defendants, having or claiming a legal interest in the forfeited properties described herein, must file a petition with the

Court within thirty (30) days of the final publication of the notice. The notice further provided that the petition shall be signed by the petitioner under penalty of perjury, and shall set forth the nature and extent of the petitioner's right, title or interest in the forfeited property and any additional facts supporting the petitioner's claim and the relief sought. Proof of publication was filed on November 1, 2006.

In addition, the United States provided service to the following parties and potential claimants:

	Party Name	Date of Service
a.	Blount County Trustee	7/17/2006
b.	Knox County Trustee	7/17/2006
c.	William Henderson	7/17/2006
d.	Judith Henderson	7/16/2006
e.	Linda Riddle	7/21/2006
f.	City of Alcoa Property Tax Office	7/21/2006
g.	City of Knoxville Revenue	7/17/2006

5. Third Party Claims.

4963 Island Home Road, Louisville, Tennessee Property

Blount County Trustee and City of Alcoa filed claims asserting legal interests in the 4963 Island Home Road Property for past due real property taxes, plus interest and penalties. [Doc. Nos. 111 and 137]. The United States recognizes the validity of these property tax claims and agrees that said taxes, interest and penalties should be paid from the proceeds of the sale of the 4963 Island Home Road Property.

No other person, corporation, or entity has filed a claim to the 4963 Island Home Road, Louisville, Tennessee Property.

Previous Claim on 4963 Island Home Road in case number 3:02-CR-14

In case number 3:02-CR-14; *United States v. Caleaf Davis*, on October 20, 2004 via an Agreed Final Order of Forfeiture [Doc. No. 180], the United States forfeited $28,000 in proceeds from the sale of the real property located at 4963 Island Home Road. On May 28, 2003, James Houston filed a timely claim stating that he is the owner of the Island Home Property by virtue of a Quitclaim Deed from Linda Riddle, dated April 26, 2002, and recorded in Deed Book 666, page 755, in the Register of Deeds for Blount County, Tennessee. Mr. Houston advised the United States that he had executed a Deed of Trust to Linda Riddle in the amount of $45,000, which is recorded as Instrument No. 0021528401 in the Register of Deeds for Blount County, Tennessee. Additionally, Mr. Houston provided proof to the United States that he has made two payments to Linda Riddle in the amount of $5,000 each. Linda Riddle was served by certified mail on April 30, 2003 and October 24, 2003, and did not file a claim to the Island Home Property.

On September 17, 2003, the United States moved the Court again to amend the Preliminary Order of Forfeiture to forfeit the Defendant Caleaf Davis' proceeds from the sale of the Island Home Property. In its motion, the United States averred that Linda Riddle, the aunt of Caleaf Davis, was not the true owner but merely a nominee owner of the Island Home Property, which was prior to forfeiture, owned in fact by Caleaf Davis, and as such did not have a claim to the $45,000 in proceeds from the sale of the subject property. The United States further contended that to the extent Linda Riddle ever possessed a legitimate interest in the Island Home Property, a claim based on any such interest was barred by her failure to file a timely claim within the thirty-day period prescribed by 21 U.S.C. § 853(n). Thus, in case number 3:02-CR-

14, *United States v. Caleaf Davis*, the United States forfeited the proceeds of the sale of the 4963 Island Home Road property, while James Houston as the buyer retained his ownership of the real property by virtue of the Quit Claim Deed filed on April 26, 2002.

In the present case, case number 3:06-CR-27, *United States v. James Houston, et al.*, Linda Riddle was again served via certified mail on July 21, 2006 and did not file a claim to the Island Home Property.

1016 Ultra Way, Knoxville, Tennessee Property

Carla Ingram filed a Petition for a Hearing to Adjudicate the Validity of Her Interest in the 1016 Ultra Way, Knoxville, Tennessee property on July 7, 2006. [Doc. No. 87]. Ms. Ingram asserted a legal interest in the 1016 Ultra Way property by claiming that she is the lessee/ occupant of said property. Carla Ingram withdrew her Petition for a Hearing to Adjudicate the Validity of Her Interest in the 1016 Ultra Way, Knoxville, Tennessee property on August 7, 2006. [Doc. No. 122].

No person, corporation, or entity has filed a claim to the following properties: 2603 Davenport Road, Knoxville, Tennessee; 420 Huntington Ridge Drive, Nashville, Tennessee; 7625 Valley Green Dr., #202, Las Vegas, Nevada; 1016 Ultra Way, Knoxville, Tennessee; 1311 Brookside Avenue, Knoxville, Tennessee; 1315 Brookside Avenue, Knoxville, Tennessee.

Accordingly, it is hereby:

ORDERED, ADJUDGED AND DECREED:

1. That the following properties be and the same are hereby forfeited to the United States, pursuant to Title 21, United States Code, Section 853, as incorporated by Title 28, United

States Code, Section 2461(c) and Title 18, United States Code, Section 982(b)(1), and all right, title and interest in said property be and the same are hereby vested in the United States:

(a) Real Property having a mailing address of 2603 Davenport Road, Knoxville, Knox County, Tennessee, and being that property conveyed to James Houston, by Quitclaim Deed dated October 25, 2005 and recorded on December 2, 2005 as Instrument No. 200512020048620, in the Register of Deed's Office of Knox County, Tennessee.

(b) Real Property having a mailing address of 420 Huntington Ridge Drive, Nashville, Davidson County, Tennessee, and being that property conveyed to James Houston by Quitclaim Deed dated August 11, 2005 and recorded on September 13, 2005 as Instrument No. 200509130110258, in the Register of Deeds Office for Davidson County, Tennessee.

(c) Real Property having a mailing address of 4963 Island Home Road, Louisville, Blount County, Tennessee, and being that property conveyed to James Houston by Quit Claim Deed dated April 26, 2002 and recorded on April 26, 2002 at Book 666, Page 755, in the Record's Office of Blount County, Tennessee.

(d) Real Property having a mailing address of 7625 Valley Green Dr., #202, Las Vegas, Clark County, Nevada, and being that property conveyed to James Houston by Quit Claim Deed dated August 24, 2005 and recorded on September 2, 2005 at Book 20050902-0001017 as Instrument No. 0001017, in the Recorder's Office of Clark County, Nevada.

(e) Real Property having a mailing address of 1016 Ultra Way, Knoxville, Knox County, Tennessee, and being that property conveyed to James Houston by Warranty Deed dated February 15, 2005 and recorded on February 17, 2005 as Document Number 200502170065259 in the Register of Deeds Office for Knox County, Tennessee.

(f) One Hundred Forty-eight Thousand, Nine Hundred Sixty-six and 75/100 Dollars ($148,966.75) in U.S. Currency, as proceeds from the sale of 204 Spring Heights Road, Smyrna, Cobb County, Georgia, (originally in the form of a Trust Account Check of Hartley, Rowe & Fowler, P.C., payable to William L. Henderson and wife, Judith Annette Henderson, and United States Treasury and endorsed by William L. Henderson and wife, Judith Annette Henderson).

(g) Four Thousand Dollars ($4,000.00) in United States Currency from James E. Houston.

(h) Real Property having a mailing address of 1311 Brookside Avenue, Knoxville, Knox County, Tennessee, and being that property conveyed to James Houston by Quit Claim Deed dated December 20, 2002 and recorded on September 30, 2005 as Document Number 200509300029649 in the Register of Deeds Office for Knox County, Tennessee.

(i) Real Property having a mailing address of 1315 Brookside Avenue, Knoxville, Knox County, Tennessee, and being that property conveyed to James Houston by Quit Claim Deed dated December 20, 2002 and recorded on September 30, 2005 as Document Number 200509300029649 in the Register of Deeds Office for Knox County, Tennessee.

2. That following the satisfaction of the expenses and claims set forth above in Paragraph (5) (Claims), the Internal Revenue Service shall distribute the collective proceeds from the sale of all the real properties listed above in Paragraph (1) according to law.

3. That the Clerk of this Court provide the Internal Revenue Service and the United States Attorney's Office with a certified copy of this Final Order of Forfeiture.

ENTER:

s/ James H. Jarvis
UNITED STATES DISTRICT JUDGE

Submitted by:

JAMES R. DEDRICK
United States Attorney

By: s/ John P. MacCoon
JOHN P. MACCOON
Assistant United States Attorney

s/ Charles E. Atchley, Jr.
CHARLES E. ATCHLEY, JR.
Assistant United States Attorney