IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
SHERMAN DIVISION

UNITED STATES OF AMERICA,	§	
Plaintiff	§	
	§	
v.	§	**Case No. 4:22-cv-1048**
	§	
JAMES MORRIS BALAGIA;	§	
CARA JONES; CASEY COATS;	§	
CAINAN JAMES BALAGIA; and	§	
KALISTA BALAGIA WILLIAMS	§	
Defendants	§	

COMPLAINT FOR INTERPLEADER AND INJUNCTIVE RELIEF

Plaintiff, the United States of America, by and through undersigned counsel, Brit Featherston, United States Attorney for the Eastern District of Texas, and Robert Austin Wells, Assistant United States Attorney, brings this complaint for interpleader and injunctive relief, pursuant to Rule 22 of the Federal Rules of Civil Procedure and 28 U.S.C. §§ 1335 and 2361, and states as follows:

INTRODUCTION

1. This Court has original jurisdiction over this civil action of interpleader pursuant to 28 U.S.C. § 1335(a).

2. Venue over this civil adversary proceeding is proper in the Eastern District of Texas pursuant to 28 U.S.C. § 1397 because at least one of the potential claimants resides within this district.

3. Plaintiff is the United States of America.

4. The Property in the possession of the United States is $5,779,275.09 in United States Currency.

5. This action arises from the United States Marshals Service's ("USMS") sale of forfeited assets related to *United States v. James Morris Balagia, et al.*, Case No. 4:16-CR-176-3, in the Sherman Division of the Eastern District of Texas. When James Morris Balagia was convicted, he was ordered to pay a forfeiture money judgment of $1,500,000.00. The government commenced forfeiture proceedings against James Morris Balagia's substitute assets, including real property in Manor, Texas. Following notice to James Morris Balagia and all potential claimants, the government forfeited real property belonging to James Morris Balagia and in which the Estate of Masae Wright Balagia may have had an interest. Because nobody other than the lienholder and taxing authority filed a claim to the forfeiture of these substitute assets, the government obtained a final order of forfeiture and sold the real property to satisfy James Morris Balagia's forfeiture money judgment.

6. After the satisfaction of the lienholder, closing costs, and James Morris Balagia's forfeiture money judgment, there are now excess proceeds of $5,779,275.09 in United States currency remaining from the sale. The breakdown of expenses related to the sale of the Manor real property is as follows:

SALES PRICE	$8,500,000.00
SETTLEMENT CHARGES TO SELLER	$713,188.15
PAYOFF OF MORTGAGE LIEN	$511,236.76

PAYMENT OF JAMES MORRIS BALAGIA'S MONEY JUDGMENT	$1,496,300.00[1]
REMAINING EXCESS PROCEEDS	$5,779,275.09

The Property is currently in the custody of the title company that closed the real estate transaction on behalf of the USMS.

7. Before the sale of the Manor real property closed, the government learned that there was a probate dispute concerning the Estate of Masae Wright Balagia pending in the Probate Court No. 1 of Travis County, Texas. *See In the Estate of Masae Wright Balagia, Deceased*, Case No. C-1-PB-21-002653, In the Probate Court No. 1 of Travis County, Texas. Because of the pendency of that probate litigation, there are multiple parties who may have a claim to the Property.

PROPERTY AND CLAIMANT DETAILS

8. Currently known adverse Potential Claimants are:

(a) James Morris Balagia, #26998-078
FCI Big Spring
Federal Correctional Institution
1900 Simler Avenue
Big Spring, Texas 79720;

(b) Cara Jones
216 Hummingbird Lane
Leander, Texas 78641;

(c) Casey Coats
400 W. Poplar Street, Apt. C
Rogers, Arkansas 72756;

[1] James Morris Balagia received a small credit against the balance of the money judgment through the application of other forfeited assets.

(d) Cainan James Balagia
2901 Bledsoe St. #1223
Fort Worth, Texas 76107; and

(e) Kalista Balagia Williams
601 Patton Blvd, Apt 241
Plano, Texas 75075-8940

CONCLUSION AND REQUEST FOR RELIEF

9. By reason of these multiple Potential Claimants with diverse citizenship and with claims that are adverse to and independent of one another, Plaintiff is in doubt as to which Claimant may be entitled to the Property.

10. Plaintiff is able to deposit the Property into this Court's register in accordance with 28 U.S.C. § 1335(a)(2) and will file a motion with the Court to do so immediately following the filing of this Complaint.

WHEREFORE, the United States of America prays that this Court enter an order permitting the Government to deposit the Property with the Clerk of Court, pending judgment of the Court resolving this civil action; restrain each Potential Claimant from instituting any action against Plaintiff for recovery of the interpleaded Property; discharge Plaintiff from any and all liability in connection with the interpleaded Property; dismiss Plaintiff from this adversary proceeding; and grant Plaintiff such other and further relief as is just and property.

Respectfully submitted,

BRIT FEATHERSTON
UNITED STATES ATTORNEY

/s/ Robert Austin Wells
ROBERT AUSTIN WELLS
Assistant United States Attorney
Texas Bar No. 24033327
110 N. College, Suite 700
Tyler, Texas 75702
Phone (903)590-1400
robert.wells3@usdoj.gov

ATTORNEYS FOR THE UNITED STATES

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing was served via electronic mail pursuant to agreement of counsel on this the 15th day of December, 2022 as follows:

Cainan James Balagia
c/o
Benjamin K. Williams
LAW OFFICE OF BEN WILLIAMS, PLLC
10119 Lake Creek Parkway, Suite 201
Austin, Texas 78729
bwilliams@lawbk.com

Cara Jones
Casey Coats
c/o
Ben Newman
BEN NEWMAN ATTORNEY AT LAW, PLLC
7500 Rialto Blvd., Bldg. 1, Ste. 250

Austin, Texas 78735
ben@bnaalaw.com

and

Robert Kyle Robbins
THE LAW OFFICES OF KYLE ROBBINS, PLLC
3800 N. Lamar Blvd., Suite 200
Austin, Texas 78756
kyle@kylerobbinslaw.com

and via certified mail, return receipt requested to the following claimants on December 15, 2022:

James Morris Balagia
FCI Big Spring
Federal Correctional Institution
1900 Simler Avenue
Big Spring, Texas 79720

Kalista Balagia Williams
601 Patton Blvd, Apt 241
Plano, Texas 75075-8940

/s/ Robert Austin Wells
ROBERT AUSTIN WELLS
Assistant United States Attorney