

**UNITED STATES DISTRICT COURT FOR THE CENTRAL DISTRICT OF
CALIFORNIA**

Yalcin Ayasli v. Sezgin Baran Korkmaz, et al.

Ayasli v. Korkmaz · No. 2:20-cv-09388-CAS-PDx · Decided August 25, 2025

OPINION

Yalcin Ayasli v. Sezgin Baran Korkmaz

PER CURIAM.

UNITED STATES DISTRICT COURT

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Case No. 2:20-cv-09388-CAS-PDx Date August 25, 2025 Title YALCIN AYASLI v. SEZGIN BARAN KORKMAZ, ET AL. Present: The Honorable CHRISTINA A. SNYDER Catherine Jeang Laura Elias N/A Deputy Clerk Court Reporter / Recorder Tape No. Attorneys Present for Plaintiffs: Attorneys Present for Defendants: Kevin Lally David Gelfand Robert Miller Nafiz Cekirge Proceedings: ZOOM HEARING RE: ORDER ON PLAINTIFF YALCIN

AYASLI'S MOTION FOR LIMITED LIFT OF STAY OF

PROCEEDINGS (Dkt. 199, filed on June 30, 2025)

I. INTRODUCTION

Presently before the Court is the motion of plaintiff Yalcin Ayash ("plaintiff or "Ayasli") for a limited lifting of the Court's stay of this case so that plaintiff may file a second amended complaint and to permit the litigation of procedural and jurisdictional motions, while maintaining a stay of merits discovery through the trial of the last related criminal prosecution, United States v. Gngor Termendjian, No. CR 23-453-JLS. Dkt. 199 ("Mot."). Plaintiff submitted a declaration by his counsel in support of the instant motion. Dkt. 200 ("Decl."). On July 21, 2025, defendant Sezgin Baran Korkmaz ("Korkmaz") filed an opposition to the instant motion to lift stay. Dkt. 205 ("Opp."). Attached as Exhibit A to Korkmaz's opposition is the United States' Statement of Interest, in which the government objects to plaintiff's request to partially lift the stay of this action, submitted by the United States pursuant to 28 U.S.C. § 517. Dkt. 205-1. On August 11, 2025, plaintiff filed a reply. Dkt. 209 ("Reply"). On August 25, 2025, the Court held a hearing on the instant motion. Having carefully considered the parties' arguments and submissions, the Court finds and concludes as follows.

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BARAN KORKMAZ, ET AL.

II. BACKGROUND

A. Litigation History The procedural history of the lawsuit is long and well-known to the parties, so the Court sets forth only the facts relevant to the instant motion. On February 18, 2019, plaintiff initially filed suit in the District of New Hampshire against seven defendants, who are American- and Turkish-based individuals and their affiliated companies. Dkt. 1. The suit alleges racketeering and fraud claims in connection with the 2016 sale by plaintiff of his airline, BoraJet, to the Korkmaz defendants. Plaintiff brought the following claims for relief: (1) violations of RICO, 18 U.S.C. §§ 1962(c), 1964(c), against all defendants; (2) conspiracy to violate RICO, 18 U.S.C. § 1962(d), against all defendants; (3) violation of New Hampshire’s Consumer Protection Act against all defendants; (4) fraudulent misrepresentation against defendants Korkmaz, Akol, Ozkaraman, SBK Holdings Anonim Sirketi, and Bugaraj Elektronik Ticaret ve Bilisim Hizmetleri Anonim Sirketi; (5) defamation against Korkmaz; and (6)—

(7) invasion of privacy claims against Korkmaz. See generally *id.*

On July 27, 2020, the district court in New Hampshire issued an order determining it lacked jurisdiction over several of the defendants in the case, and it transferred the action to the Central District of California on October 21, 2020. Dkt. 73. On August 2, 2022, this Court ordered plaintiff to show cause no later than September 1, 2022, why this action should not be dismissed for lack of prosecution. Dkt. 126. On September 1, 2022, plaintiff filed an amended complaint, naming several previously-identified “non-party co-conspirators” as defendants. Dkt. 131 (“FAC”). The FAC brings the following claims for relief: (1) violations of RICO, 18 U.S.C. § 1962(c), against defendants Korkmaz, Lev Aslan Dermen, Jacob Ortell Kingston, Isaiah Kingston, Fatih Akol, Kamil Feridun Ozkaraman, Washakie Renewable Energy, LLC, SBK Holdings A.S., Inc., SBK Holdings USA, Inc., Bugaraj Elektronik Ticaret ve Bilisim Hizmetleri A.S., and Mega Varlik (the “RICO defendants”); (2) conspiracy to violate RICO, 18 U.S.C. § 1962(d), against all defendants; and (3) violations of the New Hampshire Consumer Protection Act against all defendants. See generally *id.* On October 17, 2022, defendants Korkmaz, SBK Holdings A.S., Inc., and Bugaraj Elektronik Ticaret ve Bilisim Hizmetleri A.S. filed a motion for stay of the entire action

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None of the other defendants in the case filed an opposition to the request. On November 16, 2022, the Court applied the multi-factor Keating analysis to the request and granted the motion to stay the action pending ongoing criminal proceedings. Dkt. 183. On the same day, the Court ordered that counsel file a joint report detailing the status regarding the related criminal proceedings on or before March 16, 2023, and every quarter thereafter, until the stay has been lifted or otherwise ordered by the Court. Dkt. 184. In compliance with the Court's order, plaintiff and defendants Korkmaz, SBK Holdings A.S., Bugaraj Elektronik Ticaret ve Bilisim Hizmetleri A.S., Fatih Akol, and Jacob Ortell Kingston have submitted ten joint status reports as of July 23, 2025. Dkts. 185-190, 192, 197, 198, 206. B. Related Federal Criminal Proceedings The Court's stay order for this case references two related criminal proceedings, the Kingston/Dermen Criminal Action and the Korkmaz Criminal Action. Dkt. 183 at 2-

3. The Second Joint Status Report, filed on June 14, 2023, reports another "parallel criminal proceeding" against Grigor Termendjian, U.S. v. Termendjian, No. 2:23-cr- 00119-DAK-1 (D. Utah) (the "Termendjian Criminal Action"). Dkt. 186 at 3. Grigor Termendjian is not a defendant in plaintiff's FAC; he is the brother of defendant Lev Dermen. Id. The government indicted Grigor Termendjian on March 29, 2023, and, according to the Second Joint Status Report, the government's position at that time was that plaintiff's civil matter remain stayed until the Termendjian Criminal Action is concluded. Id.

1. Kingston/Dermen Criminal Action

On August 1, 2018, the government indicted Jacob Kingston, Isaiah Kinston, and Lev Dermen in U.S. v. Kingston, et al., No. 18-cr-365-JP-BCW (D. Utah). All three individuals were named as "non-party co-conspirators" in plaintiff's original complaint

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Case No. 2:20-cv-09388-CAS-PDx Date August 25, 2025 Title YALCIN AYASLI v. SEZGIN BARAN KORKMAZ, ET AL. and were subsequently named as defendants in plaintiff's FAC. See Dkts. 1, 131. The charges in the Kingston/Dermen Criminal Action relate to the renewable fuel tax credit scheme that forms part of the basis for plaintiff's RICO allegations in plaintiff's civil action. Dkt. 179 at 3. At the time that Korkmaz, SBK Holdings A-S., Inc., and Bugaraj Elektronik Ticaret ve Bilisim Hizmetleri A-S. moved to stay this civil action, Jacob and Isaiah Kingston had pled guilty, and Dermen had been convicted. Id. All three were awaiting sentencing. Id. On May 24, 2023, and May 25, 2023, the District Court for the District of Utah entered judgment against the three defendants as follows: a. Jacob Kingston: 216 months incarceration and \$511,842,773.00 restitution: b. Isaiah Kingston: 144 months incarceration and \$511,842,773.00 restitution: c. Lev Dermen: 480 months incarceration and \$511,842,773.00 restitution. Dkt. 186 at 3. On June 5, 2023, Dermen appealed the judgment against him. Id. According to the latest joint status report, on October 18, 2023, Dermen filed a motion for a new trial, which is still pending. Dkt. 206 at 2.

Dermen's appeal was denied on July 9, 2025. Id.

2. Korkmaz Criminal Action

On April 4, 2021, the government indicted Korkmaz in U.S. v. Korkmaz, No. 21- cr-00140-JNP-CMR-1 (D. Utah), "on charges of conspiracy to commit money laundering offenses, wire fraud, and obstruction of [justice] in connection with the renewable fuel tax credit scheme that forms the basis of [plaintiff's] RICO suit." Dkt. 179 at 6. At the time that the motion for stay had been filed, Korkmaz had pled not guilty was awaiting trial while incarcerated in Utah. Id. at 4. The first joint status report states that a jury trial in the Korkmaz Criminal Action was scheduled for October 30, 2023. Dkt. 185 at 3. The second joint status report states the same. Dkt. 186 at 3. The third, fourth, fifth, and sixth joint status reports state: "The criminal action against Korkmaz is still pending and is not expected to conclude in this reporting period." Dkts. 187-190. The seventh and eighth joint status reports state: "The criminal action against Korkmaz recently was continued at Korkmaz's request until March 10, 2025, and therefore, remains ongoing." Dkts. 192, 197. The ninth and tenth

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Case No. 2:20-cv-09388-CAS-PDx Date August 25, 2025 Title YALCIN AYASLI v. SEZGIN BARAN KORKMAZ, ET AL. joint status reports state: "The criminal action against Korkmaz remains pending." Dkts. 198, 206. Plaintiff asserts in the instant motion, and the government's statement of interest confirms, that the docket in the Korkmaz Criminal Action has been sealed since January 27, 2025. Mot. at 3-4, 15; Dkt. 205-1 at 3. There is no published docket activity for the Korkmaz Criminal Action since January 27, 2025, rendering it impossible for plaintiff to monitor the status of the Korkmaz Criminal Action. Mot. at 3-4. Plaintiff asserts in the instant motion for limited lift of stay that: "During meet-and-confer discussions about the proposed scope of the instant motion, which included discussions authoritatively confirmed that: (1) Korkmaz had pled guilty; (2) the government believed that a stay of discovery, including depositions, would be required through the completion of the Termendjian trial due to Korkmaz's expected testimony at that trial; and (3) the Korkmaz Criminal Action would conclude after the Termendjian trial with Korkmaz's sentencing." Mot. at 15; see also Decl. § 62. In his opposition to the instant motion, Korkmaz characterizes plaintiff's assertion that Korkmaz pled guilty as "speculation because Korkmaz's criminal proceedings are sealed." Opp. at 4. The government's statement of interest denies that Korkmaz has pled guilty to his involvement in the money laundering scheme at issue in plaintiff's civil action. Dkt. 205-1 at 4 ("Ayashi suggests that 'at a minimum,' Korkmaz has pled guilty to the money laundering charges in the Complaint. (ECF No. 199 at 16.) Korkmaz did not plead guilty to any money laundering charges.").

3. Termendjian Criminal Action

On March 29, 2023, the government indicted Grigor Termendjian in U.S. v. Termendjian, No.

2:23-cr-00119-DAK-1 (D. Utah). Dkt. 206 at 2. On September 12, 2023, the Termendjian Criminal Action was transferred to the Central District of California, No. 2:23-cr-00453-JLS. Id. Trial was initially set for March 19, 2024, but it has been continued multiple times and is currently set for March 3, 2026. Dkt. 188 at 3- 4; Dkt. 206 at 2; Reply at 3.

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II. LEGAL STANDARD

“The Constitution does not ordinarily require a stay of civil proceedings pending the outcome of criminal proceedings.” *Keating v. Office of Thrift Supervision*, 45 F.3d 322, 324 (9th Cir. 1995), cert. denied, 516 U.S. 827 (1995). Parallel civil and criminal proceedings are unobjectionable under Ninth Circuit precedent unless such proceedings substantially prejudice the rights of the parties involved. Id. “The decision whether to stay civil proceedings in the face of a parallel criminal proceeding should be made ‘in light of the particular circumstances and competing interests involved in the case.’” Id. (quoting *Fed. Sav. & Loan Ins. Corp. v. Molinaro*, 889 F.2d 899, 902 (9th Cir. 1989)). The party proposing a stay bears the burden of proving that a stay is warranted. *Clinton v. Jones*, 520 U.S. 681, 708 (1997). A district court is vested with the discretion to stay an action based on its inherent authority to control its own docket. *Landis v. N. Am. Co.*, 299 U.S. 248, 254 (1936). Although there is no requirement that a court stay a civil action pending the outcome of a related criminal proceeding, a court may choose to do so “when the interests of justice seem | | to require such action.” *Keating*, 45 F.3d at 324 (quotation marks omitted). In deciding whether to grant a motion to stay civil proceedings in favor of parallel criminal proceedings, courts in the Ninth Circuit must consider the “extent to which the defendant’s [F]ifth [A]mendment rights are implicated.” Id. In addition, *Keating* instructs that courts should consider the following five factors: (1) the interest of the plaintiff in proceeding expeditiously with the litigation, and the possibility that plaintiffs would be prejudiced by a delay; (2) the burden which the proceedings may impose on defendants; (3) the convenience of the court and the efficient use of judicial resources; (4) the interests of persons not parties to the civil litigation; and (5) the interest of the public in the civil and criminal litigations. Id. at 324-25. Thus, while the extent to which a defendant’s Fifth Amendment rights are implicated is a “significant factor” to be considered, it is “only one consideration to be weighed against others.” Id. Nonetheless, other than cases involving bad faith or malice on the part of the government, “the strongest case for deferring civil proceedings until after completion of criminal proceedings is where a party under indictment for a serious offense is required to defend a civil or administrative action involving the same matter.” *SEC v. Dresser Indus., Inc.*, 628 F.2d 1368, 1375-76 (D.C. Cir. 1980). In such cases, allowing the civil action to proceed may undermine the defendant’s Fifth Amendment privilege,

expand criminal discovery beyond the limits of Federal Rule of Criminal Procedure 16(b), expose the

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IV. DISCUSSION

On November 16, 2022, the Court granted defendants' unopposed motion to stay plaintiff's civil action after concluding that Korkmaz's Fifth Amendment concerns were significant and the remaining Keating factors weighed in favor of the stay. Dkt. 183 at 5-

6. In light of plaintiff's motion, the Court revisits the analysis of defendant's Fifth

Amendment concerns and the Keating factors. The Court finds that circumstances continue to favor maintaining a stay of this civil action so that the pending, related criminal proceedings may resolve without interference. A. Defendants' Fifth Amendment Concerns In the Court's stay order from November 2022, the Court found that the money laundering charges in the indictment against Korkmaz overlap significantly with the allegations in plaintiff's civil complaint. Dkt. 183 at 4. For this reason, the Court found that Korkmaz's Fifth Amendment concerns were significantly implicated by the parallel criminal and civil proceedings and thus weighed in favor of a stay as to Korkmaz. Id. According to plaintiff, at the time of the stay, Korkmaz had only recently been extradited to stand trial, and plaintiff did not oppose the stay largely because the government had "expressed a commitment to expeditiously bringing Korkmaz to justice through a guilty plea or trial conviction." Mot. at 18-21. Now, almost three years later, plaintiff contends that Korkmaz has pled guilty in the Korkmaz Criminal Action such that Korkmaz's Fifth Amendment rights are no longer implicated in such a manner as to substantially prejudice Korkmaz by having to proceed with the civil action while awaiting sentencing in the Korkmaz Criminal Action. Id. at 20. In opposition, Korkmaz argues that plaintiff cannot know whether Korkmaz has, in fact, pled guilty in the Korkmaz Criminal Action because the proceedings are sealed. Opp. at 4. Furthermore, Korkmaz argues that he continues to have Fifth Amendment rights through sentencing because the district court is not required to follow the government's sentencing recommendation, and incriminating testimony elicited during the civil action could establish relevant conduct for sentencing purposes. Accordingly,

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jurisdictional motions would not materially advance plaintiff's interest in the resolution of his civil action on the merits. The Court concludes that maintaining a stay of this civil action until the related criminal proceedings are resolved does not impose unfair prejudice on plaintiff. C. Burden on Defendants Plaintiff and Korkmaz's arguments as to this Keating factor mirror their arguments relating to Korkmaz's Fifth Amendment concerns. D. Convenience of the Court and Judicial Efficiency Next, plaintiff argues that court resource considerations now favor a limited lifting of the stay. Mot. at 23. With criminal convictions of defendants Kingston, Dermen, and allegedly Korkmaz now in place, plaintiff contends that these common issues of fact once favoring a stay pending the criminal proceedings have been resolved. Id. Plaintiff acknowledges that the sealed filings of Korkmaz's criminal proceedings means the extent to which Korkmaz will be available to litigate the civil action is unknown. Id. For this reason, Korkmaz asks for a limited lifting of the stay so that plaintiff can file a second amended complaint and utilize the time before the Termendjian trial and Korkmaz's subsequent sentencing to ensure that the civil proceedings occur with Korkmaz still present in the United States before any potential extradition to Türkiye. Id. In opposition, Korkmaz argues that this factor remains unchanged because there are still pending criminal proceedings, and it is in the best interest of judicial economy to let those proceedings come to their conclusion before the stay is lifted. Opp. at 5. "Courts have recognized that this Keating factor normally does not favor granting a stay, because 'the court has an interest in clearing its docket.' Staying a civil case until the resolution of a criminal case is inconvenient for the court." *ESG Cap. Partners LP v. Stratos*, 22 F. Supp. 3d 1042, 1047 (C.D. Cal. 2014) (citing *Fed. Sav. & Loan Ins. Corp.*

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about the charges that Korkmaz has pled to and his status as a government informant,” the government states that it must now object to plaintiff’s request “in what should have been a straightforward procedural motion.” *Id.* The government accuses plaintiff of making baseless statements to frighten Korkmaz and his family. *Id.* The government identifies several inaccurate assertions from plaintiff’s motion, including that Korkmaz has pled guilty to money laundering charges. *Id.* at 4. The government now opposes plaintiff’s request, even for a limited lift of stay, because plaintiff’s “fast-and- loose description of Korkmaz’s criminal proceedings will put the Government’s case in jeopardy if the stay is lifted.” *Id.* Furthermore, the government argues that plaintiff’s accusations against Korkmaz invite responses that “put the sealing order in the criminal proceedings at risk,” and “the Government has little faith that Ayasli will not continue to compromise the Government’s case in additional filings.” *Id.* at 5. Plaintiff notes that Grigor Termendjian’s counsel supports plaintiff’s instant motion for a limited lift of stay. See Decl. Termendyjian is not a party to this case.

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ensuring that victims of fraud can pursue redress through civil actions squarely favors a limited lifting of the stay. Mot. at 25. In opposition, Korkmaz argues that plaintiff's incorrect conjectures about Korkmaz's status as a government informant and charges that he has allegedly pled guilty to pose threats to the government's criminal cases, such that the public interest in criminal proceedings continues to be better served by a stay. Opp. at 6.

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V. CONCLUSION

In accordance with the foregoing, the Court DENIES plaintiffs motion to lift the stay of this action for the limited purpose of filing a second amended complaint and litigating procedural and jurisdictional motions. IT IS SO ORDERED. 00 : 29 Initials of Preparer EMM