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RICHARD W. WIEKING  
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NORTHERN DISTRICT OF CALIFORNIA

1 JEANE HAMILTON (CSBN 157834)  
2 ALBERT B. SAMBAT (CSBN 236472)  
3 DAVID J. WARD (CSBN 239504)  
4 CHRISTINA M. WHEELER (CSBN 203395)  
5 MANISH KUMAR (CSBN 269493)  
6 MICAH L. WYATT (CSBN 267465)  
7 LIDIA MAHER (CSBN 22253)  
8 E. KATE PATCHEN (NYRN 41204634)  
9 U.S. Department of Justice  
10 Antitrust Division  
11 450 Golden Gate Avenue  
12 Box 36046, Room 10-0101  
13 San Francisco, CA 94102  
14 david.ward@usdoj.gov  
15 christina.wheeler@usdoj.gov  
16 Telephone: (415) 436-6660

17 Attorneys for the United States

18 UNITED STATES DISTRICT COURT  
19 NORTHERN DISTRICT OF CALIFORNIA  
20 SAN FRANCISCO DIVISION

CRB

21 UNITED STATES OF AMERICA

22 v.

23 MOHAMMED REZAIAN,

24 Defendant.

) CR 13 246  
)  
) INFORMATION  
)  
) VIOLATIONS: 15 U.S.C. § 1 –  
) Bid Rigging (Counts One & Three);  
) 18 U.S.C. § 1349 – Conspiracy to  
) Commit Mail Fraud (Counts Two &  
) Four)  
)  
)

25 The United States of America, acting through its attorneys, charges:

26 MOHAMMED REZAIAN,  
27 the defendant herein, as follows:

28 BACKGROUND

1. At all times relevant to this Information, when California homeowners defaulted on their mortgages, mortgage holders could institute foreclosure proceedings and sell the  
INFORMATION – MOHAMMED REZAIAN – 1

1 properties through non-judicial public real estate foreclosure auctions ("public auctions"). These  
2 public auctions were governed by California Civil Code, Section 2924, *et seq.* Typically, a  
3 trustee was appointed to oversee the public auctions. These public auctions usually took place at  
4 or near the courthouse of the county in which the properties were located. The auctioneer, acting  
5 on behalf of the trustee, sold the property to the bidder offering the highest purchase price.  
6 Proceeds from the sale were then used to pay the mortgage holders, other holders of debt secured  
7 by the property, and, in some cases, the defaulting homeowner (collectively, "beneficiaries").

8 COUNT ONE: 15 U.S.C. § 1 – Bid Rigging (San Francisco County)

9 THE COMBINATION AND CONSPIRACY

10 2. Beginning as early as July 2008 and continuing until in or about January 2011, the  
11 defendant, MOHAMMED REZAIAN, and co-conspirators entered into and engaged in a  
12 combination and conspiracy to suppress and restrain competition by rigging bids to obtain  
13 selected properties offered at public auctions in San Francisco County in the Northern District of  
14 California, in unreasonable restraint of interstate trade and commerce, in violation of the  
15 Sherman Act, Title 15, United States Code, Section 1.

16 3. The charged combination and conspiracy consisted of a continuing agreement,  
17 understanding, and concert of action among the defendant and co-conspirators to suppress  
18 competition by agreeing to refrain from or stop bidding against each other to purchase selected  
19 properties at public auctions in San Francisco County at non-competitive prices.

20 4. For the purpose of forming and carrying out the charged combination and  
21 conspiracy, the defendant and co-conspirators did those things that they combined and conspired  
22 to do, including, among other things:

23 a. agreeing not to compete to purchase selected properties at public auctions  
24 in San Francisco County;

25 b. designating which conspirator would win the selected properties at the  
26 public auctions for the group of conspirators; and

27 c. refraining from or stopping bidding for the selected properties at the  
28 public auctions.

1           5.       Various entities and individuals, not made defendants in this Count, participated  
2 as conspirators in the offense charged and performed acts and made statements in furtherance  
3 thereof.

4                               TRADE AND COMMERCE

5           6.       During the period covered by this Information, the business activities of the  
6 defendant and co-conspirators that are the subject of this Information were within the flow of,  
7 and substantially affected, interstate trade and commerce. For example, beneficiaries located in  
8 states other than California received proceeds from the public auctions that were subject to the  
9 bid-rigging conspiracy.

10                              JURISDICTION AND VENUE

11           7.       The combination and conspiracy charged in this Information was carried out, in  
12 part, in the Northern District of California, within the five years preceding the filing of this  
13 Information.

14           ALL IN VIOLATION OF TITLE 15, UNITED STATES CODE, SECTION 1.

15           COUNT TWO: 18 U.S.C. § 1349 – Conspiracy to Commit Mail Fraud (San Francisco County)

16                              THE CONSPIRACY

17           8.       Beginning as early as July 2008 and continuing until in or about January 2011 in  
18 San Francisco County in the Northern District of California, the defendant, MOHAMMED  
19 REZAIAN, and co-conspirators did willfully and knowingly combine, conspire, and agree with  
20 each other to violate Title 18, United States Code, Section 1341, namely, to knowingly devise  
21 and intend to devise and participate in a scheme and artifice to defraud beneficiaries, and to  
22 obtain money and property from beneficiaries by means of materially false and fraudulent  
23 pretenses, representations, and promises.

24           9.       The objects of the conspiracy were to fraudulently acquire title to selected  
25 properties sold at public auctions in San Francisco County, to make and receive payoffs, and to  
26 divert money to conspirators that would have gone to the beneficiaries.

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INFORMATION – MOHAMMED REZAIAN – 3

10. Various entities and individuals, not made defendants in this Count, participated as co-conspirators in the offense charged and performed acts and made statements in furtherance thereof.

## MEANS AND METHODS

11. For the purpose of forming and carrying out the charged conspiracy, the defendant and co-conspirators did those things that they conspired to do, including, among other things:

- a. negotiating payoffs with one or more conspirators not to compete;
- b. in some instances, falsely participating in foreclosure auctions to create the appearance that they were bidding competitively when, in fact, they were not;
- c. purchasing the selected properties at public auctions at suppressed prices;
- d. paying conspirators monies that otherwise would have gone to the beneficiaries;
- e. taking steps to conceal the fact that monies were diverted from the beneficiaries to the conspirators;
- f. making and causing to be made materially false and misleading statements on records of public auctions that trustees relied upon to distribute proceeds from the public auction to the beneficiaries and convey title to properties sold at the public auction; and
- g. causing the suppressed purchase price to be reported and paid to the beneficiaries.

12. For the purpose of executing the scheme and artifice to defraud and attempting to do so, the defendant and co-conspirators knowingly used and caused to be used the United States Postal Service and private or commercial interstate carriers. For example, trustees used the United States mail and private or commercial interstate carriers to transmit the Trustee's Deeds Upon Sale and other title documents to participants in the conspiracy. These mailings were foreseeable to the defendant in the ordinary course of business.

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ALL IN VIOLATION OF TITLE 18, UNITED STATES CODE, SECTION 1349.  
COUNT THREE: 15 U.S.C. § 1 – Bid Rigging (San Mateo County)

14. Beginning as early as August 2008 and continuing until in or about January 2011, the defendant, MOHAMMED REZAIAN, and co-conspirators entered into and engaged in a combination and conspiracy to suppress and restrain competition by rigging bids to obtain selected properties offered at public auctions in San Mateo County in the Northern District of California, in unreasonable restraint of interstate trade and commerce, in violation of the Sherman Act, Title 15, United States Code, Section 1.

16. For the purpose of forming and carrying out the charged combination and conspiracy, the defendant and co-conspirators did those things that they combined and conspired to do, including, among other things:

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1           17.     Various entities and individuals, not made defendants in this Count, participated  
2 as conspirators in the offense charged and performed acts and made statements in furtherance  
3 thereof.

4                               TRADE AND COMMERCE

5           18.     During the period covered by this Information, the business activities of the  
6 defendant and co-conspirators that are the subject of this Information were within the flow of,  
7 and substantially affected, interstate trade and commerce. For example, beneficiaries located in  
8 states other than California received proceeds from the public auctions that were subject to the  
9 bid-rigging conspiracy.

10                              JURISDICTION AND VENUE

11           19.     The combination and conspiracy charged in this Information was carried out, in  
12 part, in the Northern District of California, within the five years preceding the filing of this  
13 Information.

14           ALL IN VIOLATION OF TITLE 15, UNITED STATES CODE, SECTION 1.

15           COUNT FOUR: 18 U.S.C. § 1349 – Conspiracy to Commit Mail Fraud (San Mateo County)

16                              THE CONSPIRACY

17           20.     Beginning as early as August 2008 and continuing until in or about January 2011  
18 in San Mateo County in the Northern District of California, the defendant, MOHAMMED  
19 REZAIAN, and co-conspirators did willfully and knowingly combine, conspire, and agree with  
20 each other to violate Title 18, United States Code, Section 1341, namely, to knowingly devise  
21 and intend to devise and participate in a scheme and artifice to defraud beneficiaries, and to  
22 obtain money and property from beneficiaries by means of materially false and fraudulent  
23 pretenses, representations, and promises.

24           21.     The objects of the conspiracy were to fraudulently acquire title to selected  
25 properties sold at public auctions in San Mateo County, to make and receive payoffs, and to  
26 divert money to conspirators that would have gone to the beneficiaries.

27     //

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22. Various entities and individuals, not made defendants in this Count, participated as co-conspirators in the offense charged and performed acts and made statements in furtherance thereof.

## MEANS AND METHODS

23. For the purpose of forming and carrying out the charged conspiracy, the defendant and co-conspirators did those things that they conspired to do, including, among other things:

- a. negotiating payoffs with one or more conspirators not to compete;
- b. purchasing selected properties at public auctions at suppressed prices;
- c. paying conspirators monies that otherwise would have gone to the beneficiaries;
- d. taking steps to conceal the fact that monies were diverted from the beneficiaries to the conspirators;
- e. making and causing to be made materially false and misleading statements on records of the public auctions that trustees relied upon to distribute proceeds from the public auctions to the beneficiaries and convey title to properties sold at the public auctions; and
- f. causing suppressed purchase prices to be reported and paid to the beneficiaries.

24. For the purpose of executing the scheme and artifice to defraud and attempting to do so, the defendant and co-conspirators knowingly used and caused to be used the United States Postal Service and private or commercial interstate carriers. For example, trustees used the United States mail and private or commercial interstate carriers to transmit the Trustee's Deeds Upon Sale and other title documents to participants in the conspiracy. These mailings were foreseeable to the defendant in the ordinary course of business.

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ALL IN VIOLATION OF TITLE 18, UNITED STATES CODE, SECTION 1349.  
FORFEITURE ALLEGATION: (18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c))

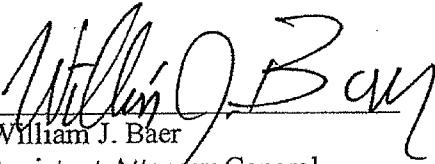
27. Upon conviction of the offenses alleged in Counts Two and Four of this Information, the defendant:

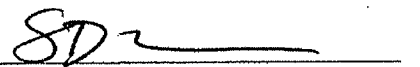
28. If, as a result of any act or omission of the defendant, any of said property:

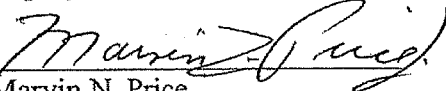
- a. cannot be located upon the exercise of due diligence;
- b. has been transferred or sold to, or deposited with, a third party;
- c. has been placed beyond the jurisdiction of the Court;
- d. has been substantially diminished in value; or
- e. has been commingled with other property which cannot be divided without difficulty,

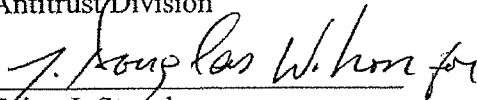
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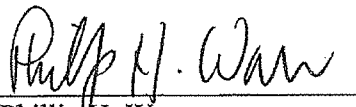
1 any and all interest that the defendant has in any other property, up to the value of the property  
2 described in Paragraph 27 above, shall be forfeited to the United States pursuant to Title 21,  
3 United States Code, Section 853(p), as incorporated by Title 28, United States Code, Section  
4 2461(c).

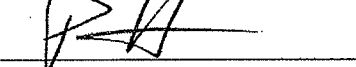
5   
6 William J. Baer  
7 Assistant Attorney General

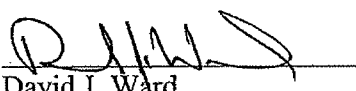
8   
9 Scott D. Hammond  
10 Deputy Assistant Attorney General

11   
12 Marvin N. Price  
13 Director of Criminal Enforcement  
14 United States Department of Justice  
15 Antitrust Division

16   
17 Brian J. Stretch  
18 Attorney for the United States  
19 Acting Under Authority Conferred  
20 by 28 U.S.C. § 515

21   
22 Phillip H. Warren  
23 Chief, San Francisco Office

24   
25 Peter K. Huston  
26 Assistant Chief, San Francisco Office

27   
28 David J. Ward  
Christina M. Wheeler  
Jeane Hamilton  
Albert B. Sambat  
Manish Kumar  
Micah L. Wyatt  
Lidia Maher  
E. Kate Patchen  
Trial Attorneys  
U.S. Department of Justice  
Antitrust Division