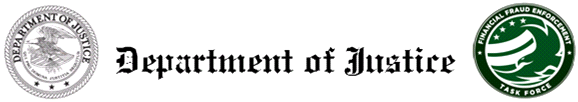
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**United States Attorney Benjamin B. Wagner**

**Eastern District of California**

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FRIDAY, SEPTEMBER 23, 2011                                                                         (916) 554-2706

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**CALIFORNIA REAL ESTATE INVESTOR PLEADS GUILTY TO BID RIGGING AT PUBLIC FORECLOSURE AUCTIONS**

***Eighth Guilty Plea in the Investigation to Date***

WASHINGTON – A real estate investor pleaded guilty today in U.S. District Court in Sacramento to conspiring to rig bids and commit mail fraud at public real estate foreclosure auctions held in San Joaquin County, Calif., Sharis A. Pozen, Acting Assistant Attorney General of the Department of Justice’s Antitrust Division, and Benjamin B. Wagner, U.S. Attorney for the Eastern District of California, announced.

Robert Rose pleaded guilty to conspiring with a group of real estate speculators who agreed not to bid against each other at certain public real estate foreclosure auctions in San Joaquin County. The primary purpose of the conspiracy was to suppress and restrain competition and to obtain selected real estate offered at San Joaquin County public foreclosure auctions at non-competitive prices, the department said in court papers.

According to the court documents, after the conspirators’ designated bidder bought a property at a public auction, they would hold a second, private auction, at which each participating conspirator would bid the amount above the public auction price he or she was willing to pay. The conspirator who bid the highest amount at the end of the private auction won the property. The difference between the price at the public auction and that at the second auction was the group’s illicit profit, and it was divided among the conspirators in payoffs. According to his plea agreement, Rose participated in the scheme beginning in or about August 2009 until in or about October 2009.

To date, eight individuals, including Rose, have pleaded guilty in U.S. District Court for the Eastern District of California in connection with the investigation: Anthony B. Ghio, John R. Vanzetti, Theodore B. Hutz, Richard W. Northcutt, Yama Marifat, Gregory L. Jackson and Walter Daniel Olmstead.

“The Antitrust Division is committed to vigorously pursuing bid rigging conspiracies at real estate foreclosure auctions and prosecuting those who violate the antitrust laws to gain illegal profits and take advantage of adverse situations,” said Acting Assistant Attorney General Pozen. “The division will continue to work with our law enforcement partners to investigate anticompetitive practices in real estate foreclosure auctions in the Sacramento area and into northern California.

“Perpetrators of schemes like the one charged here do not compete fairly,” said U.S. Attorney Wagner. “Instead, they muscle out honest bidders who don’t play along. Such schemes not only drive down the price of the auctioned properties, they steal equity from those homeowners trying to weather the financial storm. Rose is the eighth defendant charged in this case. Prosecutions like this one send a clear message to those who may be tempted to cheat at auction: Don’t.”

Rose pleaded guilty to bid rigging, a violation of the Sherman Act, which carries a maximum penalty of 10 years in prison and a $1 million fine. The maximum fine may be increased to twice the gain derived from the crime or twice the loss suffered by the victims of the crime, if either of those amounts is greater than the statutory maximum fine. Rose also pleaded guilty to conspiracy to commit mail fraud, which carries a maximum sentence of 30 years in prison and a $1 million fine.

These charges arose from an ongoing federal antitrust investigation of fraud and bidding irregularities in certain real estate auctions in San Joaquin County. The investigation is being conducted by the Antitrust Division’s San Francisco Office, the U.S. Attorney’s Office for the Eastern District of California, the FBI’s Sacramento Division and the San Joaquin County District Attorney’s Office. Trial attorneys Anna Pletcher, Richard Cohen and Tai Milder from the Antitrust Division’s San Francisco Office and Assistant U.S. Attorney Russell L. Carlberg are prosecuting the case.

Today’s charges are part of efforts underway by President Barack Obama’s Financial Fraud Enforcement Task Force. President Obama established the interagency Financial Fraud Enforcement Task Force to wage an aggressive, coordinated and proactive effort to investigate and prosecute financial crimes. The task force includes representatives from a broad range of federal agencies, regulatory authorities, inspectors general and state and local law enforcement who, working together, bring to bear a powerful array of criminal and civil enforcement resources. The task force is working to improve efforts across the federal executive branch, and with state and local partners, to investigate and prosecute significant financial crimes, ensure just and effective punishment for those who perpetrate financial crimes, combat discrimination in the lending and financial markets, and recover proceeds for victims of financial crimes. One component of the task force is the national Mortgage Fraud Working Group, co-chaired by U.S. Attorney Wagner. For more information on the task force, visit www.StopFraud.gov.

Anyone with information concerning bid rigging or fraud related to real estate foreclosure auctions should contact the Antitrust Division’s San Francisco Office at 415-436-6660, visit www.justice.gov/atr/contact/newcase.htm, contact the U.S. Attorney’s Office for the Eastern District of California at 916-554-2700 or contact the FBI’s Sacramento Division at 916-481-9110.

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