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2013 OCT -9 P 1:40

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NORTHERN DISTRICT OF CALIFORNIA

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13 UNITED STATES DISTRICT COURT  
14 NORTHERN DISTRICT OF CALIFORNIA  
15 SAN FRANCISCO DIVISION

WHO

16 UNITED STATES OF AMERICA

) Criminal No.

) **CR 13**

**670**

17 v.

) **INFORMATION**

18 KUO HSUAN "CHUCK" CHANG,

) VIOLATIONS: 15 U.S.C. § 1 –

) Bid Rigging (Count One);

) 18 U.S.C. § 1349 – Conspiracy to

) Commit Mail Fraud (Count Two)

19 Defendant.

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

21 KUO HSUAN "CHUCK" CHANG,

22 the defendant herein, as follows:

23 BACKGROUND

24 1. At all times relevant to this Information, when California homeowners defaulted  
25 on their mortgages, mortgage holders could institute foreclosure proceedings and sell the  
26 properties through non-judicial public real estate foreclosure auctions ("public auctions"). These  
27 public auctions were governed by California Civil Code, Section 2924, *et seq.* Typically, a  
28 trustee was appointed to oversee the public auctions. These public auctions usually took place at

1 or near the courthouse of the county in which the properties were located. The auctioneer, acting  
2 on behalf of the trustee, sold the property to the bidder offering the highest purchase price.  
3 Proceeds from the sale were then used to pay the mortgage holders, other holders of debt secured  
4 by the property, and, in some cases, the defaulting homeowner (collectively, "beneficiaries").

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

6 THE COMBINATION AND CONSPIRACY

7 2. Beginning as early as October 2009 and continuing until in or about November  
8 2010, the defendant, KUO HSUAN "CHUCK" CHANG, and co-conspirators entered into and  
9 engaged in a combination and conspiracy to suppress and restrain competition by rigging bids to  
10 obtain selected properties offered at public auctions in San Francisco County in the Northern  
11 District of California, in unreasonable restraint of interstate trade and commerce, in violation of  
12 the Sherman Act, Title 15, United States Code, Section 1.

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

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

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

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

24 c. refraining from or stopping bidding for the selected properties at the  
25 public auctions.

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



1 MEANS AND METHODS

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

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

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

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25 //

26 //

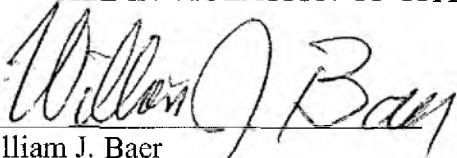
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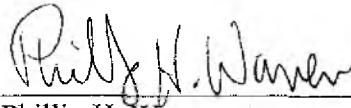
JURISDICTION AND VENUE

13. The combination, conspiracy, and agreement to violate Title 18, United States Code, Section 1341 charged in this Information was carried out, in part, in the Northern District of California, within the five years preceding the filing of this Information.

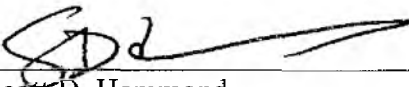
ALL IN VIOLATION OF TITLE 18, UNITED STATES CODE, SECTION 1349.



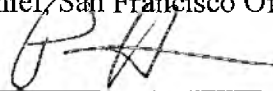
William J. Baer  
Assistant Attorney General



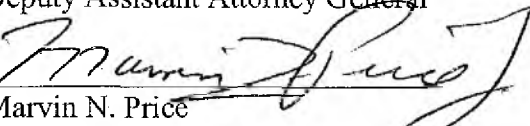
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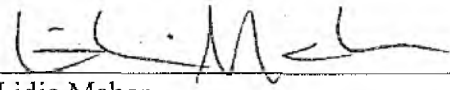
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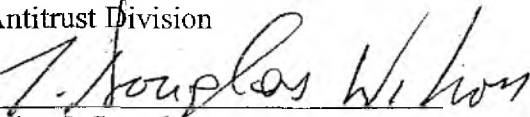
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by 28 U.S.C. § 515