

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 U.S. Department of Justice
7 Antitrust Division
8 450 Golden Gate Avenue
9 Box 36046, Room 10-0101
10 San Francisco, CA 94102
11 david.ward@usdoj.gov
12 Telephone: (415) 436-6660

13 Attorneys for the United States

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RICHARD W. WIEHING
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NORTHERN DISTRICT OF CALIFORNIA

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

17 UNITED STATES OF AMERICA

) Criminal No.

0799

) INFORMATION

18 v.

) VIOLATIONS: 15 U.S.C. § 1 -

) Bid Rigging (Count One);

) 18 U.S.C. § 1349 - Conspiracy to

) Commit Mail Fraud (Count Two)

19 CRAIG LIPTON,

20 Defendant.

EMC

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

22 CRAIG LIPTON,

23 the defendant herein, as follows:

24 BACKGROUND

25 1. When California homeowners default on their mortgages, the lender or loan
26 servicer can institute foreclosure proceedings through a non-judicial public foreclosure auction.
27 These public auctions typically take place at or near the county courthouse. At the auction an
28 auctioneer sells the property to the bidder offering the highest purchase price. Proceeds from the

INFORMATION - CRAIG LIPTON - 1

1 sale are then used to pay off the mortgage and other debt attached to the property. Proceeds
2 remaining from the sale are then paid to the homeowner.

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

4 THE COMBINATION AND CONSPIRACY

5 2. Beginning as early as April 2010 and continuing until in or about January 2011,
6 the defendant CRAIG LIPTON and co-conspirators entered into and engaged in a combination
7 and conspiracy to suppress and restrain competition by rigging bids to obtain title to selected real
8 estate offered at San Francisco County, California public real estate foreclosure auctions in the
9 Northern District of California, in unreasonable restraint of interstate trade and commerce, in
10 violation of the Sherman Act, Title 15, United States Code, Section 1.

11 3. The charged combination and conspiracy consisted of a continuing agreement,
12 understanding, and concert of action among the defendant and co-conspirators to suppress
13 competition by agreeing to refrain from or stop bidding against each other to obtain title to
14 selected real estate offered at San Francisco County, California public real estate foreclosure
15 auctions at non-competitive prices.

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

19 a. agreeing, during meetings, conversations, and communications, not to
20 compete for title to selected real estate offered at San Francisco County, California public real
21 estate foreclosure auctions;

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

24 c. refraining from or stopping bidding for the selected real estate at the
25 public real estate foreclosure auctions.

26 5. Various entities and individuals, not made defendants in this Information,
27 participated as co-conspirators in the offenses charged in this Information and performed acts
28 and made statements in furtherance of them.

INFORMATION – CRAIG LIPTON – 2

1 TRADE AND COMMERCE

2 6. During the period covered by this Information, the business activities of the
3 defendant and co-conspirators that are the subject of this Information were within the flow of,
4 and substantially affected, interstate trade and commerce. For example, mortgage holders
5 located in states other than California received proceeds from the public real estate foreclosure
6 auctions that were subject to the bid-rigging conspiracy.

7 JURISDICTION AND VENUE

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

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

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

13 THE CONSPIRACY

14 8. Beginning as early as April 2010 and continuing until in or about January 2011 in
15 San Francisco County in the Northern District of California, the defendant CRAIG LIPTON and
16 co-conspirators did willfully and knowingly combine, conspire, and agree with each other to
17 violate Title 18, United States Code, Section 1341, namely, to knowingly devise and intend to
18 devise and participate in a scheme or artifice to defraud financial institutions, homeowners, and
19 others and to obtain money and property by means of materially false and fraudulent pretenses,
20 representations, and promises and, for the purpose of executing or attempting to execute such
21 scheme or artifice, to knowingly use and cause to be used the United States Postal Service or any
22 private or commercial interstate carrier, in violation of Title 18, United States Code, Section
23 1349.

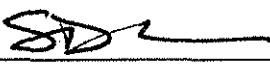
24 9. The objects of the conspiracy were to make payoffs to obtain title to selected real
25 estate at fraudulently suppressed prices, to receive payoffs, and to divert money to co-
26 conspirators and away from the mortgage holders and others with a legal interest in select
27 properties sold at public real estate foreclosure auctions in San Francisco County, California
28 (“mortgage holders”).

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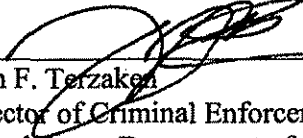
ALL IN VIOLATION OF TITLE 18, UNITED STATES CODE, SECTION 1349.



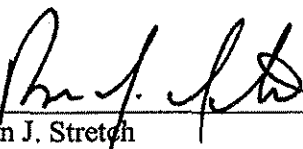
Sharis A. Pozen
Acting Assistant Attorney General



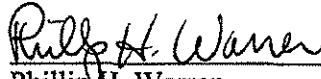
Scott D. Hammond
Deputy Assistant Attorney General




John F. Terzaken
Director of Criminal Enforcement
United States Department of Justice
Antitrust Division




Brian J. Stretch
Acting United States Attorney
Northern District of California



Phillip H. Warren
Chief, San Francisco Office



Peter K. Huston
Assistant Chief, San Francisco Office



David J. Ward
Jeane Hamilton
Albert B. Sambat
Christina M. Wheeler
Manish Kumar
Trial Attorneys
United States Department of Justice
Antitrust Division