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U.S. DISTRICT COURT
SAN FRANCISCO, CALIFORNIA

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10 UNITED STATES DISTRICT COURT
11 NORTHERN DISTRICT OF CALIFORNIA
12 SAN FRANCISCO DIVISION

CR 13 804

13 UNITED STATES OF AMERICA

) Criminal No. **SI**
)
) **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)
)
)
)

14 v.

15
16
17
18 MICHAEL NAVONE,

19 Defendant.

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

22 MICHAEL NAVONE,

23 the defendant herein, as follows:

24 BACKGROUND

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

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

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

7 THE COMBINATION AND CONSPIRACY

8 2. Beginning as early as February 2009 and continuing until in or about January
9 2011, defendant MICHAEL NAVONE and co-conspirators entered into and engaged in a
10 combination and conspiracy to suppress and restrain competition by rigging bids to obtain
11 selected properties offered at public auctions in San Mateo County in the Northern District of
12 California, in unreasonable restraint of interstate trade and commerce, in violation of the
13 Sherman Act, Title 15, United States Code, Section 1.

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

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

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

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

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

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1 17. Various entities and individuals, not made defendants in this Count, participated
2 as co-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 Francisco County)

16 THE CONSPIRACY

17 20. Beginning as early as October 2009 and continuing until in or about January
18 2011, in San Francisco County in the Northern District of California, defendant MICHAEL
19 NAVONE 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 Francisco County, to make and receive payoffs, and to
26 divert money to conspirators that would have gone to the beneficiaries.

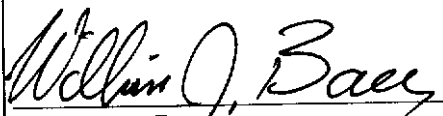
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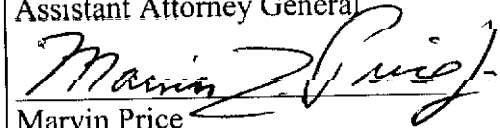
JURISDICTION AND VENUE

25. 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.

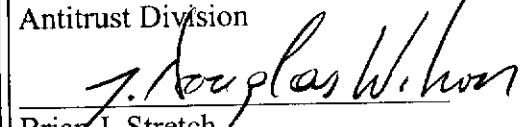
ALL IN VIOLATION OF TITLE 18, UNITED STATES CODE, SECTION 1349.



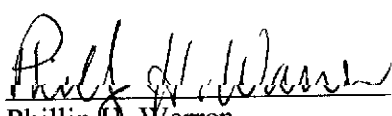
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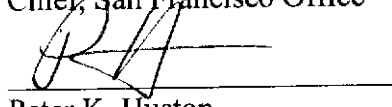
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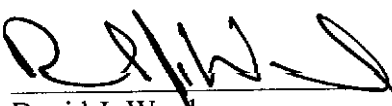
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by 28 U.S.C. § 515



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