

FILED

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U.S. DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

CRB

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

21) **CR 13 246**

22) UNITED STATES OF AMERICA

23) **INFORMATION**

24) v.

25) **VIOLATIONS: 15 U.S.C. § 1 –**
26) **Bid Rigging (Counts One & Three);**
27) **18 U.S.C. § 1349 – Conspiracy to**
28) **Commit Mail Fraud (Counts Two &**
29) **Four)**

30) MOHAMMED REZAIAN,

31) Defendant.

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

2 MOHAMMED REZAIAN,

3 the defendant herein, as follows:

4 BACKGROUND

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

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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1 JURISDICTION AND VENUE

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

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

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

7 THE COMBINATION AND CONSPIRACY

8 14. Beginning as early as August 2008 and continuing until in or about January 2011,
9 the defendant, MOHAMMED REZAIAN, 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 15. 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 16. 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 selected properties at the public
24 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 Court, 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.

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

4 MEANS AND METHODS

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

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

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

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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.

FORFEITURE ALLEGATION: (18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c))

26. Paragraph 1 and Paragraphs 8 through 13 and 20 through 25 are hereby re-alleged as if fully set forth here for the purpose of alleging forfeiture pursuant to the provisions of Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c).

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

MOHAMMED REZAIAN,

shall forfeit to the United States pursuant to Title 18, United State Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c), any property constituting, or derived from, proceeds the defendant obtained directly or indirectly as the result of said violation, including a monetary forfeiture judgment in the amount of \$213,277.18.

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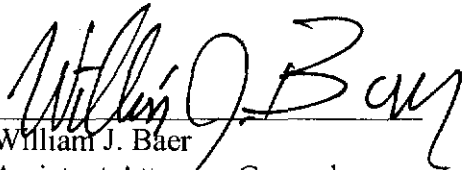
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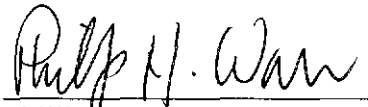
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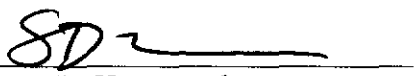
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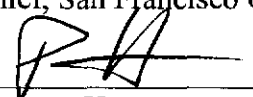
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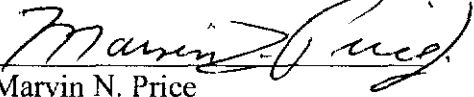
1 any and all interest that the defendant has in any other property, up to the value of the property
2 described in Paragraph 27 above, shall be forfeited to the United States pursuant to Title 21,
3 United States Code, Section 853(p), as incorporated by Title 28, United States Code, Section
4 2461(c).

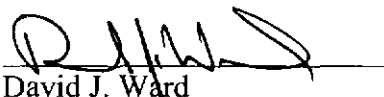
5 
6 William J. Baer
7 Assistant Attorney General

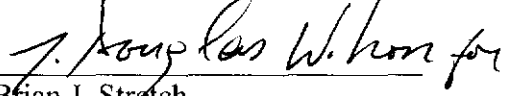

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