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RICHARD H. WIEKING  
CLERK U.S. DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA

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UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA  
SAN FRANCISCO DIVISION

UNITED STATES OF AMERICA

v.

MATTHEW WORTHING,  
Defendant.

Criminal No. 12-2300

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)

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

MATTHEW WORTHING,

the defendant herein, as follows:

BACKGROUND

1. At all times relevant to this Information, when California homeowners defaulted on their mortgages, mortgage holders could institute foreclosure proceedings and sell the properties through non-judicial public real estate foreclosure auctions ("public auctions"). These

INFORMATION – MATTHEW WORTHING – 1

1 public auctions were governed by California Civil Code, Section 2924, *et seq.* Typically, a  
2 trustee was appointed to oversee the public auctions. These public auctions usually took place at  
3 or near the courthouse of the county in which the properties were located. The auctioneer, acting  
4 on behalf of the trustee, sold the property to the bidder offering the highest purchase price.  
5 Proceeds from the sale were then used to pay the mortgage holders, other holders of debt secured  
6 by the property, and, in some cases, the defaulting homeowner (collectively, "beneficiaries").

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

8 THE COMBINATION AND CONSPIRACY

9 2. Beginning as early as September 2010 and continuing until in or about January  
10 2011, the defendant MATTHEW WORTHING and co-conspirators entered into and engaged in  
11 a combination and conspiracy to suppress and restrain competition by rigging bids to obtain  
12 selected properties offered at public auctions in San Mateo County in the Northern District of  
13 California, in unreasonable restraint of interstate trade and commerce, in violation of the  
14 Sherman Act, Title 15, United States Code, Section 1.

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

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

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

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

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

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INFORMATION – MATTHEW WORTHING – 2

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 18, UNITED STATES CODE, SECTION 1.

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

16                              •                              THE CONSPIRACY

17           8.       Beginning as early as September 2010 and continuing until in or about January  
18 2011 in San Mateo County in the Northern District of California, the defendant MATTHEW  
19 WORTHING 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 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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INFORMATION – MATTHEW WORTHING – 3

1           10.     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                                   MEANS AND METHODS

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

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

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INFORMATION – MATTHEW WORTHING – 4

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.

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

THE COMBINATION AND CONSPIRACY

14. In or about September 2010, the defendant MATTHEW WORTHING and co-conspirators entered into and engaged in a combination and conspiracy to suppress and restrain competition by rigging bids to obtain selected properties offered at public auctions in San Francisco County in the Northern District of California, in unreasonable restraint of interstate trade and commerce, in violation of the Sherman Act, Title 15, United States Code, Section 1.

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

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

a. agreeing not to compete to purchase a selected property at a public auction in San Francisco County;

b. designating which conspirator would win the selected property at the public auction for the group of conspirators; and

c. refraining from or stopping bidding for the selected property at the public auction.

17. Various entities and individuals, not made defendants in this Count, participated as conspirators in the offense charged and performed acts and made statements in furtherance thereof.

1                                    TRADE AND COMMERCE

2            18.     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, beneficiaries located in  
5 states other than California received proceeds from the public auctions that were subject to the  
6 bid-rigging conspiracy.

7                                    JURISDICTION AND VENUE

8            19.     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 FOUR: 18 U.S.C. § 1349 – Conspiracy to Commit Mail Fraud (San Francisco County)

13                                    THE CONSPIRACY

14            20.     In or about September 2010 in San Francisco County in the Northern District of  
15 California, the defendant MATTHEW WORTHING and co-conspirators did willfully and  
16 knowingly combine, conspire, and agree with each other to violate Title 18, United States Code,  
17 Section 1341, namely, to knowingly devise and intend to devise and participate in a scheme and  
18 artifice to defraud beneficiaries, and to obtain money and property from beneficiaries by means  
19 of materially false and fraudulent pretenses, representations, and promises.

20            21.     The objects of the conspiracy were to fraudulently acquire title to selected  
21 properties sold at public auctions in San Francisco County, to make and receive payoffs, and to  
22 divert money to conspirators that would have gone to the beneficiaries.

23            22.     Various entities and individuals, not made defendants in this Count, participated  
24 as co-conspirators in the offense charged and performed acts and made statements in furtherance  
25 thereof.

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27    //

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INFORMATION – MATTHEW WORTHING – 6



MEANS AND METHODS

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

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

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

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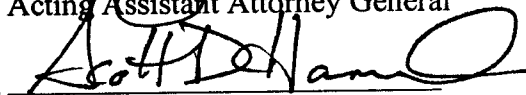
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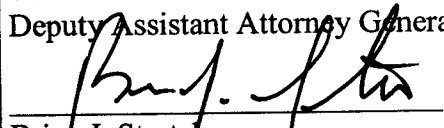
JURISDICTION AND VENUE

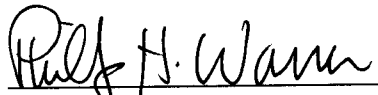
25. The combination, conspiracy, and agreement to violate Title 18, United States Code, Section 1341 charged in this Information was carried out, in part, in the Northern District of California, within the five years preceding the filing of this Information.

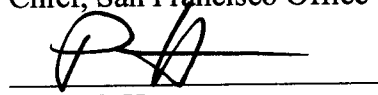
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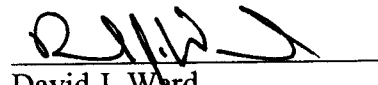
  
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