

UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF NORTH CAROLINA
WESTERN DIVISION

NO. 5:10-CR-252-1H

UNITED STATES OF AMERICA)	
)	Filed:
)	
v.)	Violation: 15 U.S.C. §1 (Sherman Act)
)	
CHRISTOPHER J. DEANS)	
)	
Defendant.)	

CRIMINAL INFORMATION

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

1. CHRISTOPHER J. DEANS is hereby made a defendant on the charge stated below.

I.
DESCRIPTION OF THE OFFENSE

2. Beginning at least as early as April 2003, and continuing until at least April 2005, the exact dates being unknown to the United States, the defendant and co-conspirators entered into and engaged in a conspiracy to suppress and eliminate competition by rigging bids and engaging in other collusive and fraudulent activities during the real estate foreclosure auctions process in the Eastern District of North Carolina. The combination and conspiracy engaged in by the defendant and co-conspirators unreasonably restrained interstate trade and commerce in violation of Section 1 of the Sherman Act (15 U.S.C. § 1).

3. The charged combination and conspiracy consisted of a continuing agreement, understanding, and concert of action among the defendant and co-conspirators, the substantial

terms of which were:

(a) to suppress competition by agreeing to refrain from full competitive bidding against each other during the real estate foreclosure auction process in the Eastern District of North Carolina;

(b) to purchase auctioned real estate at a lower price than would have been possible during a competitive auction process; and

(c) to cause financial institutions, lienholders and/or homeowners to receive less than the full and competitive price for properties sold through real estate foreclosure auctions.

II.
MEANS AND METHODS OF THE CONSPIRACY

4. 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) engaged in discussions concerning refraining from filing upset bids against each other on real estate subject to the foreclosure auction process;

(b) agreed to and did refrain from filing upset bids against each other in order to effect the ultimate selling price of the real estate;

(c) agreed to make payoffs to, and receive payoffs from, and made payoffs to and received payoffs from, each other in return for suppressing competition during the real estate foreclosure process;

(d) failed to disclose such payoffs on certain closing statements and other

documents material to the foreclosure auction process;

(e) obtained property and money from financial institutions, lienholders and/or homeowners under false or fraudulent pretenses;

(f) sought and received economic benefits from the rental and sale of real estate purchased through the rigged foreclosure auction process; and

(g) used certain proceeds from the rental and sale of real estate purchased through the rigged foreclosure auction process to make certain payoffs in furtherance of the conspiracy.

III. DEFENDANT AND CO-CONSPIRATORS

5. During the period covered by this Information, the defendant was an owner of real estate investment companies, and other entities organized and existing under the laws of the state of North Carolina and with their principal place of business in Raleigh, North Carolina. The defendant and his companies were engaged in the business of buying real estate at foreclosure auctions in the Eastern District of North Carolina and renting, selling, or owning the auctioned real estate for an economic benefit.

6. Various individuals, corporations, and other entities, not made defendants in this Information, participated as co-conspirators in the offense charged and performed acts and made statements in furtherance thereof.

7. Whenever in this Information reference is made to any act, deed or transaction of any corporation, the allegation means that the corporation engaged in the act, deed, or transaction by or through its officers, directors, agents, employees, or other representatives while they were

actively engaged in the management, direction, control or transaction of its business or affairs.

IV.
TRADE AND COMMERCE

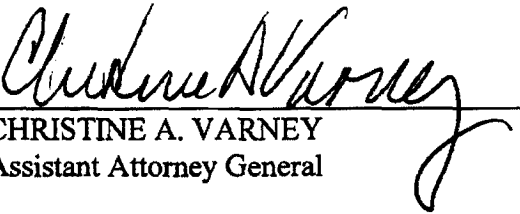
8. During the period covered by this Information, the defendant and his co-conspirators caused documents and money necessary to complete the real estate auction process to move across state lines. The majority of the real estate at issue was encumbered by mortgages held by out-of-state lenders. Consequently, documents and money necessary to initiate and complete the real estate auction process for the properties subject to this conspiracy moved across state lines.


9. During the period covered by this Information, the business activities of the defendant and his co-conspirators in connection with the real estate foreclosure auctions that are the subject of this Information were within the flow of, and substantially affected, interstate trade and commerce.


V.
JURISDICTION AND VENUE


10. The combination and conspiracy charged in this Information was formed and carried out within the Eastern District of North Carolina, Western Division, within the five years preceding the filing of this Information. Acts in furtherance of this conspiracy also were carried out within the five years preceding the filing of this Information.


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

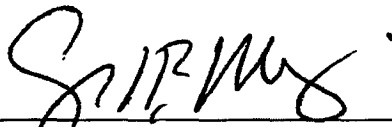

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