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 NORTHERN DISTRICT OF CALIFORNIA
 OAKLAND

10 Attorneys for the United States

11 UNITED STATES DISTRICT COURT
 12 NORTHERN DISTRICT OF CALIFORNIA
 13 OAKLAND DIVISION

14) Criminal No. **CR12-00611** *PJH*
 15)
 16) **INFORMATION**
 17)
 18) **VIOLATIONS: 15 U.S.C. § 1 –**
 19) **Bid Rigging (Count One);**
 20) **18 U.S.C. § 1349 – Conspiracy to**
 21) **Commit Mail Fraud (Count Two)**
 22)
 23)
 24)
 25)
 26)
 27)
 28)

11 UNITED STATES OF AMERICA

17 v.

19 DANLI LIU,

20 Defendant.

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

23 DANLI LIU,

24 the defendant herein, as follows:

25 BACKGROUND

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

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 (Alameda County)

8 THE COMBINATION AND CONSPIRACY

9 2. Beginning as early as April 2009 and continuing until in or about March 2010, the
10 defendant DANLI LIU and co-conspirators entered into and engaged in a combination and
11 conspiracy to suppress and restrain competition by rigging bids to obtain selected properties
12 offered at public auctions in Alameda County in the Northern District of California, in
13 unreasonable restraint of interstate trade and commerce, in violation of the Sherman Act, Title
14 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 her 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 Alameda County at non-competitive prices.

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

22 a. agreeing not to compete to purchase selected properties at public auctions
23 in Alameda 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 – DANLI LIU – 2

1 thereof.

2 MEANS AND METHODS

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

- 6 a. purchasing selected properties at public auctions at suppressed prices;
7 b. in some instances, negotiating payoffs with one or more conspirators not
8 to compete;
9 c. in many other instances, holding second, private auctions at or near the
10 courthouse steps where the public auctions were held, frequently referred to as "rounds," open
11 only to members of the conspiracy, to bid for title to the selected properties;
12 d. awarding the selected properties to the conspirators who submitted the
13 highest bids at the second, private auctions;
14 e. transferring the right to title to the selected properties into the names of the
15 conspirators who submitted the highest bids at the second, private auctions;
16 f. paying conspirators monies that otherwise would have gone to
17 beneficiaries, using either a predetermined formula based on the bidding at the second, private
18 auction or through direct negotiations among the conspirators;
19 g. taking steps to conceal the fact that monies were diverted from the
20 beneficiaries to the conspirators;
21 h. making and causing to be made materially false and misleading statements
22 on records of public auctions that trustees relied upon to distribute proceeds from the public
23 auction to the beneficiaries and convey title to properties sold at the public auction; and
24 i. causing the suppressed purchase price to be reported and paid to the
25 beneficiaries.

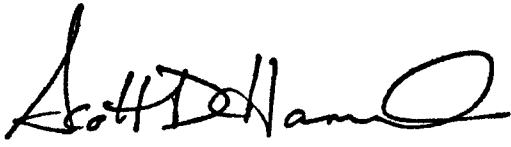
26 12. For the purpose of executing the scheme and artifice to defraud and attempting to
27 do so, the defendant and her co-conspirators knowingly used and caused to be used the United
28 States Postal Service and private or commercial interstate carriers. For example, trustees used

1 the United States mail and private or commercial interstate carriers to transmit the Trustee's
2 Deeds Upon Sale and other title documents to participants in the conspiracy. These mailings
3 were foreseeable to the defendant in the ordinary course of business.

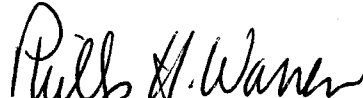
4 JURISDICTION AND VENUE

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

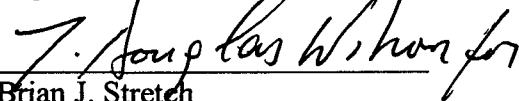
8 ALL IN VIOLATION OF TITLE 18, UNITED STATES CODE, SECTION 1349.

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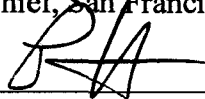
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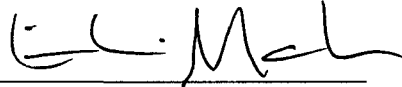
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