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RICHARD W. WIEKING
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NORTHERN DISTRICT OF CALIFORNIA

13 UNITED STATES DISTRICT COURT
14 NORTHERN DISTRICT OF CALIFORNIA

OAKLAND DIVISION

CR 14

JD 580

15 UNITED STATES OF AMERICA)
16)
17)

v.)

18 MICHAEL MARR,
19 JAVIER SANCHEZ,
20 GREGORY CASORSO, and
21 VICTOR MARR,

Defendants.)
)
)

No.

) VIOLATIONS: 15 U.S.C. § 1 –
) Bid Rigging (Counts One & Six);
) 18 U.S.C. § 1341 – Mail Fraud (Counts
) Two, Three, Four, Five, Seven & Eight);
) 18 U.S.C. § 981(a)(1)(C), 28 U.S.C. §
) 2461(c) – Forfeiture

INDICTMENT

22 The Grand Jury charges that:

BACKGROUND

23 I. At all times relevant to this Indictment, when California homeowners defaulted on
24 their mortgages, mortgage holders could institute foreclosure proceedings and sell the properties
25 through non-judicial public real estate foreclosure auctions (“public auctions”). These public
26 auctions were governed by California Civil Code, Section 2924, *et seq.* Typically, a trustee was
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1 appointed to oversee the public auctions. These public auctions usually took place at or near the
2 courthouse of the county in which the properties were located. The auctioneer, acting on behalf
3 of the trustee, sold the property to the bidder offering the highest purchase price. Proceeds from
4 the sale were then used to pay the mortgage holders, other holders of debt secured by the
5 property, and, in some cases, the defaulting homeowner (collectively "beneficiaries").

6 2. During the period covered by this Indictment, defendant MICHAEL MARR was a
7 bidder at and purchased real estate at public auctions in Alameda and Contra Costa counties,
8 California, and directed employee defendants, JAVIER SANCHEZ, GREGORY CASORSO,
9 and VICTOR MARR, and others to bid on and purchase real estate at public auctions in
10 Alameda and Contra Costa counties, California.

11 3. During the period covered by this Indictment, defendant JAVIER SANCHEZ was
12 a bidder at and purchased real estate at public auctions in Alameda and Contra Costa counties,
13 California, on behalf of defendant MICHAEL MARR and others.

14 4. During the period covered by this Indictment, defendant GREGORY CASORSO
15 was a bidder at and purchased real estate at public auctions in Alameda County, California, on
16 behalf of defendant MICHAEL MARR and others.

17 5. During the period covered by this Indictment, defendant VICTOR MARR was a
18 bidder at and purchased real estate at public auctions in Alameda County, California, on behalf
19 of defendant MICHAEL MARR and others.

20 **COUNT ONE: 15 U.S.C. § 1 – Bid Rigging (Alameda County)**

21 6. The following individuals are hereby indicted and made defendants on the charge
22 contained in Count One below:

- 23 a. MICHAEL MARR;
- 24 b. JAVIER SANCHEZ;
- 25 c. GREGORY CASORSO; and
- 26 d. VICTOR MARR.

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1 THE COMBINATION AND CONSPIRACY

2 7. Paragraphs 1 through 5 of this Indictment are re-alleged and incorporated herein
3 as if fully set forth in this Count.

4 8. Beginning as early as June 2008 and continuing until in or about January 2011,
5 the exact dates being unknown to the Grand Jury, the defendants, MICHAEL MARR, JAVIER
6 SANCHEZ, GREGORY CASORSO, and VICTOR MARR, and others known and unknown to
7 the Grand Jury, entered into and engaged in a combination and conspiracy to suppress and
8 restrain competition by rigging bids to obtain hundreds of selected properties offered at public
9 auctions in Alameda County in the Northern District of California, in unreasonable restraint of
10 interstate trade and commerce, in violation of Section 1 of the Sherman Act, Title 15, United
11 States Code.

12 9. The charged combination and conspiracy consisted of a continuing agreement,
13 understanding, and concert of action among the defendants and co-conspirators to suppress
14 competition by refraining from and stopping bidding against each other to purchase hundreds of
15 selected properties at public auctions in Alameda County at non-competitive prices.

16 MEANS AND METHODS

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

- 20 a. agreeing not to compete to purchase selected properties at public auctions;
21 b. designating which conspirators would win selected properties at public
22 auctions;
23 c. refraining from and stopping bidding for selected properties at public
24 auctions;
25 d. purchasing selected properties at public auctions at artificially suppressed
26 prices;
27 e. negotiating, making, and receiving payoffs for agreeing not to compete
28 with co-conspirators; and

1 f. holding second, private auctions, known as "rounds," to determine the
2 payoff amounts and the conspirators who would be awarded the selected
3 properties.

4 11. Various entities and individuals, not made defendants in this Count, participated
5 as co-conspirators in the offense charged and performed acts and made statements in furtherance
6 thereof.

7 TRADE AND COMMERCE

8 12. The public auctions and the business activities of the defendants and co-
9 conspirators that are the subject of this Count were within the continuous and uninterrupted flow
10 of, and substantially affected, interstate trade and commerce. For example, during the period
11 covered by this Count:

- 12 a. substantial proceeds from the sale of properties purchased by the
13 conspirators pursuant to the bid-rigging conspiracy were transmitted from
14 locations in one state to certain beneficiaries located in other states;
- 15 b. instructions regarding the terms of sale of properties that would be
16 purchased by the conspirators pursuant to the bid-rigging conspiracy were
17 transmitted and communicated by certain beneficiaries located in one state
18 to trustees located in other states;
- 19 c. paperwork related to the sale of properties purchased by the conspirators
20 pursuant to the bid-rigging conspiracy was sent by trustees located in one
21 state to certain beneficiaries located in other states, notifying them of the
22 sale of properties in which the beneficiaries held an interest; and
- 23 d. beneficiaries included companies that operated in interstate commerce.

24 JURISDICTION AND VENUE

25 13. The combination and conspiracy charged in this Count was carried out, in part, in
26 the Northern District of California, within the five years preceding the return of this Indictment.

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

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1 **COUNTS TWO THROUGH FIVE: Mail Fraud 18 U.S.C. § 1341 (Alameda County)**

2 The Grand Jury further charges that:

3 **SCHEME TO DEFRAUD**

4 14. Paragraphs 1 through 5 of this Indictment are re-alleged and incorporated herein
5 as if fully set forth in these Counts.

6 15. Beginning as early as June 2008 and continuing until in or about January 2011,
7 the exact dates being unknown to the Grand Jury, in Alameda County in the Northern District of
8 California, the defendants, MICHAEL MARR, JAVIER SANCHEZ, GREGORY CASORSO,
9 and VICTOR MARR, and others known and unknown to the Grand Jury, did knowingly and
10 with intent to defraud, devise and participate in a scheme and artifice to defraud beneficiaries and
11 to obtain money and property from beneficiaries by means of materially false and fraudulent
12 pretenses, representations, and promises, and for purposes of executing such scheme, did use and
13 knowingly cause to be used the United States mail and private or commercial interstate carriers.

14 16. The purpose of the scheme was to fraudulently acquire title to hundreds of
15 selected properties sold at public auctions in Alameda County and to divert money to co-
16 schemers that would have gone to beneficiaries.

17 **MEANS AND METHODS OF THE SCHEME TO DEFRAUD**

18 17. For the purpose of forming and carrying out the charged scheme to defraud, the
19 defendants and co-schemers did those things that they schemed to do, including, among other
20 things:

- 21 a. holding second, private auctions, known as "rounds," to determine payoff
22 amounts and the schemers who would be awarded the selected properties;
23 b. making and causing to be made materially false and misleading statements
24 that trustees relied upon to distribute proceeds to beneficiaries and to
25 convey title to selected properties;
26 c. paying co-schemers monies that otherwise would have gone to
27 beneficiaries;
28 d. concealing rounds and payoffs from trustees and beneficiaries; and

e. causing the suppressed purchase prices to be reported and paid to beneficiaries.

USE OF THE MAILS

18. In order to execute the scheme and artifice to defraud, the defendants and co-schemers knowingly used and caused to be used the United States Postal Service and private or commercial interstate carriers.

19. On or about the dates and with respect to the individual defendants specified as to each count set forth below, the defendants and co-schemers did knowingly cause to be delivered by United States mail and private or commercial carriers, including the United States Postal Service, United Parcel Service, and FedEx, the items identified in each Count below:

Count	Defendants	Approx. Date	To	From	Description
2	MICHAEL MARR, JAVIER SANCHEZ, VICTOR MARR	3/31/2010	14278 Wicks Blvd., San Leandro, California	ReconTrust Company, N.A.	Trustee's Deed Upon Sale for 1636 East 21 st Street, Oakland, California
3	MICHAEL MARR, GREGORY CASORSO	6/15/2010	931 Corporate Center Dr., Pomona, California	Agency Sales & Posting	Purchase Money and Auction Paperwork for 1510 67 th Avenue, Oakland, California
4	MICHAEL MARR, GREGORY CASORSO	6/28/2010	1374 Olivina Ave., Livermore, California	Quality Loan Service Corp.	Trustee's Deed Upon Sale for 259 Beverly Avenue, Oakland, California
5	MICHAEL MARR, GREGORY CASORSO	8/4/2010	585 Mandana Blvd., #9, Oakland, California	California Reconveyance Company	Trustee's Deed Upon Sale for 3058 Berlin Way, Oakland, California

JURISDICTION AND VENUE

20. The scheme and artifice to defraud charged in Counts Two through Five were carried out, in part, in the Northern District of California, within the five years preceding the return of this Indictment.

ALL IN VIOLATION OF TITLE 18, UNITED STATES CODE, SECTION 1341.

COUNT SIX: 15 U.S.C. § 1 – Bid Rigging (Contra Costa County)

21. The following individuals are hereby indicted and made defendants on the charge contained in Count Six below:

- a. MICHAEL MARR; and
- b. JAVIER SANCHEZ.

THE COMBINATION AND CONSPIRACY

22. Paragraphs 1, 2, and 3 of this Indictment are re-alleged and incorporated herein as if fully set forth in this Count.

23. Beginning as early as July 2008 and continuing until in or about January 2011, the exact dates being unknown to the Grand Jury, the defendants MICHAEL MARR and JAVIER SANCHEZ, and others known and unknown to the Grand Jury, entered into and engaged in a combination and conspiracy to suppress and restrain competition by rigging bids to obtain hundreds of selected properties offered at public auctions in Contra Costa County in the Northern District of California, in unreasonable restraint of interstate trade and commerce, in violation of Section 1 of the Sherman Act, Title 15, United States Code.

24. The charged combination and conspiracy consisted of a continuing agreement, understanding, and concert of action among the defendants and co-conspirators to suppress competition by refraining from and stopping bidding against each other to purchase hundreds of selected properties at public auctions in Contra Costa County at non-competitive prices.

MEANS AND METHODS

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

- 1 a. agreeing not to compete to purchase selected properties at public auctions;
- 2 b. designating which conspirators would win selected properties at public
- 3 auctions;
- 4 c. refraining from and stopping bidding for selected properties at public
- 5 auctions;
- 6 d. purchasing selected properties at public auctions at artificially suppressed
- 7 prices;
- 8 e. negotiating, making, and receiving payoffs for agreeing not to compete
- 9 with co-conspirators; and
- 10 f. holding second, private auctions, known as "rounds," to determine the
- 11 payoff amounts and the conspirators who would be awarded the selected
- 12 properties.

13 26. Various entities and individuals, not made defendants in this Count, participated
14 as co-conspirators in the offense charged and performed acts and made statements in furtherance
15 thereof.

16 TRADE AND COMMERCE

17 27. The public auctions and the business activities of the defendants and co-
18 conspirators that are the subject of this Count were within the continuous and uninterrupted flow
19 of, and substantially affected, interstate trade and commerce. For example, during the period
20 covered by this Count:

- 21 a. substantial proceeds from the sale of properties purchased by the
- 22 conspirators pursuant to the bid-rigging conspiracy were transmitted from
- 23 locations in one state to certain beneficiaries located in other states;
- 24 b. instructions regarding the terms of sale of properties that would be
- 25 purchased by the conspirators pursuant to the bid-rigging conspiracy were
- 26 transmitted and communicated by certain beneficiaries located in one state
- 27 to trustees located in other states;

28 //

- 1 c. paperwork related to the sale of properties purchased by the conspirators
2 pursuant to the bid-rigging conspiracy was sent by trustees located in one
3 state to certain beneficiaries located in other states, notifying them of the
4 sale of properties in which the beneficiaries held an interest; and
5 d. beneficiaries included companies that operated in interstate commerce.

6 JURISDICTION AND VENUE

7 28. The combination and conspiracy charged in this Count was carried out, in part, in
8 the Northern District of California, within the five years preceding the return of this Indictment.

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

10 COUNTS SEVEN AND EIGHT: 18 U.S.C. § 1341 Mail Fraud (Contra Costa County)

11 The Grand Jury further charges that:

12 SCHEME TO DEFRAUD

13 29. Paragraphs 1, 2, and 3 of this Indictment are re-alleged and incorporated herein as
14 if fully set forth in these Counts.

15 30. Beginning as early as July 2008 and continuing until in or about January 2011, the
16 exact dates being unknown to the Grand Jury, in Contra Costa County in the Northern District of
17 California, the defendants MICHAEL MARR and JAVIER SANCHEZ, and others known and
18 unknown to the Grand Jury, did knowingly and with intent to defraud, devise and participate in a
19 scheme and artifice to defraud beneficiaries and to obtain money and property from beneficiaries
20 by means of materially false and fraudulent pretenses, representations, and promises, and for
21 purposes of executing such scheme, did use and knowingly cause to be used the United States
22 mail and private or commercial interstate carriers.

23 31. The purpose of the scheme was to fraudulently acquire title to hundreds of
24 selected properties sold at public auctions in Contra Costa County and to divert money to co-
25 schemers that would have gone to beneficiaries.

26 MEANS AND METHODS OF THE SCHEME TO DEFRAUD

27 32. For the purpose of forming and carrying out the charged scheme to defraud, the
28 defendants and co-schemers did those things that they schemed to do, including, among other

1 things:

- 2 a. holding second, private auctions, known as "rounds," to determine payoff
- 3 amounts and the schemers who would be awarded the selected properties;
- 4 b. making and causing to be made materially false and misleading statements
- 5 that trustees relied upon to distribute proceeds to beneficiaries and to
- 6 convey title to selected properties;
- 7 c. paying co-schemers monies that otherwise would have gone to
- 8 beneficiaries;
- 9 d. concealing rounds and payoffs from trustees and beneficiaries; and
- 10 e. causing the suppressed purchase prices to be reported and paid to
- 11 beneficiaries.

12 USE OF THE MAILS

13 33. In order to execute the scheme and artifice to defraud, the defendants and co-
 14 schemers knowingly used and caused to be used the United States Postal Service and private or
 15 commercial interstate carriers.

16 34. On or about the dates and with respect to the individual defendants specified as to
 17 each count set forth below, the defendants and co-schemers did knowingly cause to be delivered
 18 by United States mail and private or commercial carriers, including the United States Postal
 19 Service, United Parcel Service, and FedEx, the items identified in each Count below:

Count	Defendants	Approx. Date	To	From	Description
7	MICHAEL MARR, JAVIER SANCHEZ	12/8/2009	3200 Danville Blvd., Ste. 100, Alamo, California	California Reconveyance Company	Trustee's Deed Upon Sale for 4028 Hiller Lane, Martinez, California
8	MICHAEL MARR, JAVIER SANCHEZ	12/22/2009	22538 Mission Blvd., Hayward, California	California Reconveyance Company	Trustee's Deed Upon Sale for 2472 Millstream Lane, San Ramon, California

1 JURISDICTION AND VENUE

2 35. The scheme and artifice to defraud charged in Counts Seven and Eight was
3 carried out, in part, in the Northern District of California, within the five years preceding the
4 return of this Indictment.

5 ALL IN VIOLATION OF TITLE 18, UNITED STATES CODE, SECTION 1341.

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

7 36. Paragraph 1 through 5, paragraphs 14 through 20, and paragraphs 29 through 35
8 of this Indictment are hereby re-alleged as if fully set forth here for the purpose of alleging
9 forfeiture pursuant to the provisions of Title 18, United States Code, Section 981(a)(1)(C) and
10 Title 28, United States Code, Section 2461(c).

11 37. Pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28,
12 United States Code, Section 2461(c), upon conviction of the offenses alleged in Counts Two,
13 Three, Four, Five, Seven, and Eight of this Indictment, each defendant so convicted shall be
14 jointly and severally liable to forfeit to the United States any property constituting, or derived
15 from, proceeds obtained directly or indirectly from the scheme and artifice to defraud alleged in
16 said Counts.

17 38. If, as a result of any act or omission of the defendants, any of said property:

- 18 a. cannot be located upon the exercise of due diligence;
19 b. has been transferred or sold to, or deposited with,
20 a third party;
21 c. has been placed beyond the jurisdiction of the Court;
22 d. has been substantially diminished in value; or
23 e. has been commingled with other property that cannot be divided
24 without difficulty,

25 any and all interest that the defendants have in any other property, up to the value of the property
26 described in Paragraph 37, above, shall be forfeited to the United States pursuant to Title 21,

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1 United States Code, Section 853(p), as incorporated by Title 28, United States Code, Section
2 2461(c).

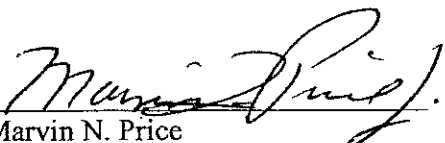
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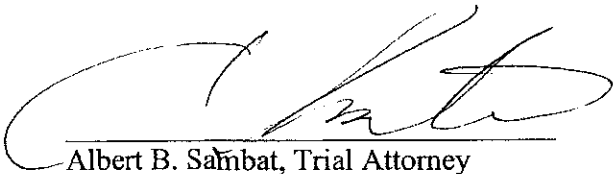
A TRUE BILL.

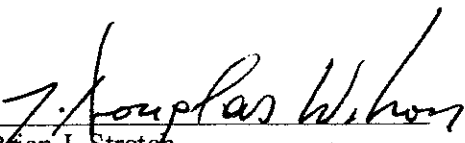
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35 by 28 U.S.C. § 515