

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MISSOURI
EASTERN DIVISION

FILED

NOV - 9 2005

U. S. DISTRICT COURT
EASTERN DISTRICT OF MO

UNITED STATES OF AMERICA,)

Plaintiff,

v.

4 : 05 C 100631 SNL

THOMAS B. KURZENBERGER, JR.,)

Defendant.)

INFORMATION

COUNT I

The United States Attorney charges that:

Introduction

1. Title Insurers Agency, Inc. (hereinafter "Title Insurers Agency") was formed in 1981 and had its main office located at 226 South Meramec Avenue, Suite 200, Clayton, Missouri, within the Eastern District of Missouri.

2. Title Insurers Agency performed several services for its customers in addition to selling title insurance including title searches, real estate and loan closings for existing homes, as well as construction loan disbursing for commercial and residential construction projects.

3. At times relevant to this charge, Title Insurers Agency held its main escrow account for existing home loans and refinancings at First Bank, 135 North Meramec Avenue, Clayton, Missouri.

4. At times relevant to this charge, Title Insurers Agency maintained its construction disbursing escrow accounts (hereinafter “construction escrow accounts”) at: Allegiant Bank (now National City Bank), 157 Lamp and Lantern Center, Chesterfield, Missouri; Enterprise Bank, 150 North Meramec Avenue, Clayton, Missouri; Firststar Bank (now US Bank), 1050 S. Central Avenue, Clayton, Missouri; Heartland Bank, 212 South Central Avenue, Clayton, Missouri; and Missouri State Bank, 101 South Hanley Road, Clayton, Missouri.

5. Title Insurers Agency used two underwriters which were Chicago Title Insurance Company and Columbian National Title Insurance Company (now First American Title Insurance Company).

6. Thomas B. Kurzenberger, Jr. was the vice president of Title Insurers Agency at times relevant to this charge.

7. Thomas B. Kurzenberger, Jr. held credit cards issued by MBNA America Bank, Capital One, and American Express.

Scheme to Defraud Title Insurer Agency’s Customers

8. Beginning in approximately January 2000 and continuing until approximately June 28, 2005, in the Eastern District of Missouri and elsewhere,

THOMAS B. KURZENBERGER, JR.,

the defendant herein, knowingly and willfully devised and intended to devise a scheme to defraud by material falsehoods and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises from Title Insurers Agency’s customers in the following manner:

9. As a part of this scheme, between January 2000 and June 28, 2005, Thomas B. Kurzenberger, Jr. caused approximately \$2,768,882.04 to be withdrawn from Title Insurers Agency's main escrow account or construction escrow accounts.

10. As a further part of the scheme, between January 2000 and June 28, 2005, Thomas B. Kurzenberger, Jr. spent approximately \$1,251,045.51 of the money removed from these customer escrow accounts to pay for personal expenses including expenses incurred on his MBNA America Bank, Capital One, and American Express credit cards.

11. As a further part of the scheme, between January 2000 and June 28, 2005, Thomas B. Kurzenberger, Jr. caused the remaining approximately \$1,517,836.53 improperly withdrawn from customers' escrow accounts to be diverted to cover general operating expenses of Title Insurers Agency.

12. As a further part of the scheme, in addition to the \$2,768,882.04 taken from customer escrow accounts, on or about February 24, 2005, after Chicago Title Insurance discovered \$253,671.20 missing from Title Insurers Agency's construction disbursing account at Enterprise Bank, Thomas B. Kurzenberger, Jr. and another person caused \$253,671.20 to be transferred from Title Insurers Agency's main escrow account at First Bank, through this other person's personal account, to the construction disbursing account at Enterprise Bank. The purpose of this transaction was to disguise the reimbursement check as a payment from an outside source when in truth and fact the net effect of these transactions was to move money from the main escrow account to the construction disbursing account.

13. As a further part of the scheme, between at least January 1, 2005 and June 28, 2005, Thomas B. Kurzenberger, Jr. caused Title Insurers Agency to continue to enter escrow agreements with customers and accept escrow deposits from customers, without disclosing the material fact that there was a deficit in Title Insurers Agency's escrow accounts in excess of \$3 million.

14. After Title Insurers Agency collapsed on or about June 28, 2005, many individuals and entities suffered losses—some portion of which were caused by withdrawals made by Thomas B. Kurzenberger, Jr. from customer escrow accounts. These victims include the individuals who believed their money was being held in escrow pending loan closings, those who believed their money was being held in construction disbursing escrow accounts, Chicago Title Insurance Company which covered in excess of \$400,000 of insufficient funds checks and debts owed by Title Insurers Agency, First American Title Insurance Company which covered in excess of \$4.5 million worth of Title Insurers Agency's insufficient funds checks and debts, and the contractors, suppliers and vendors who submitted claims to the construction escrow accounts.

Mailing

15. On or about, June 23, 2004, within the Eastern District of Missouri and elsewhere,

THOMAS B. KURZENBERGER, JR.,

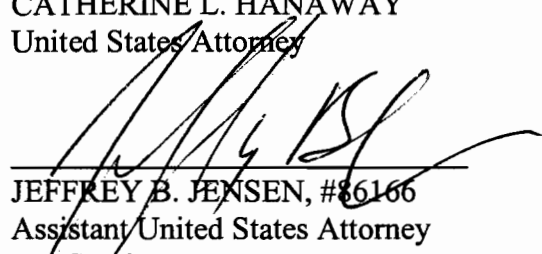
the defendant herein, having devised and intended to devise a scheme to defraud by material falsehoods and to obtain money and property by means of materially false and fraudulent pretenses, representations and promises from Title Insurers Agency's customers, did for the purpose of executing this scheme cause to be sent, delivered, and moved by the United States Postal Service or interstate commercial or private courier, an envelope containing check number

1193 in the amount of \$20,543.16 drawn on Title Insurers Agency's construction escrow account at Enterprise Bank to be delivered from St. Louis, Missouri, to MBNA America, P.O. Box 15287, Wilmington, Delaware, 19886, in order to pay credit card debt related to personal expenses incurred on his personal MBNA America credit card.

In violation of Title 18, United States Code, Section 1341.

Respectfully submitted,

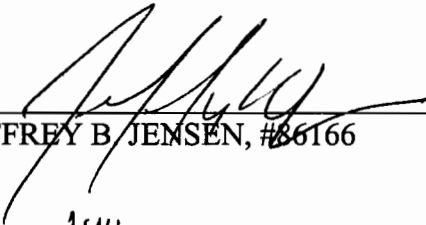
CATHERINE L. HANAWAY
United States Attorney



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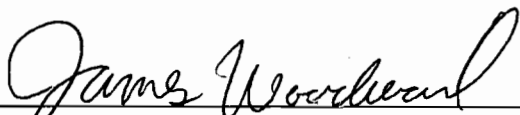
UNITED STATES OF AMERICA)
EASTERN DIVISION)
EASTERN DISTRICT OF MISSOURI)

I, Jeffrey B. Jensen, Assistant United States Attorney for the Eastern District of Missouri,
being duly sworn, do say that the foregoing information is true as I verily believe.

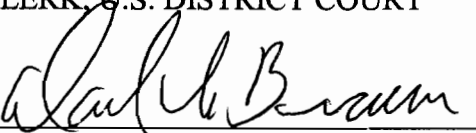


JEFFREY B. JENSEN, #86166

Subscribed and sworn to before me this 24th day of October 2005.



CLERK, U.S. DISTRICT COURT

By: 

DEPUTY CLERK