

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MISSOURI
EASTERN DIVISION

Suppressed

FILED

DEC 11 2013

U. S. DISTRICT COURT
E. DIST. OF MO.
ST. LOUIS

UNITED STATES OF AMERICA,)
)
 Plaintiff,)
)
 v.) No
)
 WILLIAM GLASGOW,)
)
 Defendant.)

4:13CR501 JAR/NCC

INDICTMENT

COUNT ONE (Bank Fraud)

The Grand Jury charges that:

1. At all relevant times, the Defendant William Glasgow was a resident of St. Louis County, Missouri within the Eastern District of Missouri. At all relevant times, the Defendant was engaged in the real estate business, sometimes doing business through an entity called Glasgow Realty, LLC which he controlled. Glasgow owned dozens of rental properties as part of his business.

2. In 2008, Glasgow began doing business with a financial institution called Excel Bank. The holding company of Excel Bank was Investors Financial Corporation of Pettis County (Missouri). At all relevant times, the deposits of Excel Bank were insured by the United States. The Defendant did business with Excel Bank personnel and at locations in St. Louis County within the Eastern District of Missouri. Additionally, on May 4, 2009, the holding company of Excel Bank received \$4,000,000 in capital through the Capital Purchase Program of the Troubled Asset Relief Program (TARP) of the United States Treasury Department.

3. On October 19, 2012, due to its poor financial condition, Excel Bank was closed by the Missouri Division of Finance, and the FDIC was named receiver. At that time, Investors

Financial had failed to repay the United States Treasury \$4,000,000 in outstanding TARP funds.

4. In 2009, it was the Defendant's desire to refinance loans encumbered by a number of his rental properties. For that purpose, the Defendant sought and was provided two loans by Excel Bank: (1) a loan in the amount of \$1,392,801 secured by 16 of the Defendant's rental properties ("Loan 1") which was issued on or about January 8, 2009 and (2) a loan in the amount of \$562,500 secured by 8 of the Defendant's rental properties ("Loan 2") which was issued on or about March 23, 2009.

5. Part of the application and evaluation process for Loan 1 and Loan 2 involved rental income the Defendant's properties were generating. The Defendant provided rent rolls, that is, names and rental amounts for each of the properties securing a particular loan. Excel Bank would consider whether a property was rented and how much rent a property was generating in evaluating Loan 1 and Loan 2. Additionally, the Defendant provided a personal financial statement to be used in the underwriting process.

6. The rent rolls provided to Excel Bank by the Defendant contained numerous false and fraudulent statements of fact. With respect to Loan 1, 3 properties were falsely represented to be rented when they were, in fact, vacant and the total amount of monthly rent collected from the 3 properties which secured Loan 1 was overstated by at least \$3400.00. With respect to Loan 2, 5 properties were falsely represented to be rented when they were, in fact, vacant and the total amount of month rent collected from the 5 properties which secured Loan 2 was overstated by at least \$5025.

7. Because the amount of rental income generated by the rental properties associated with Loan 1 and Loan 2 were important to the underwriting decision by Excel Bank as to those loans, the false statements about whether or not properties were rented and, if so, for how much, were material statements of fact.

8. Within a short time period, the Defendant became delinquent on both Loan 1 and Loan 2 and has failed to make payments as promised under the terms of both Loans. After these loans were in default, the Defendant continued to collect rents from certain tenants in violation of the loan agreements.

9. On or about January 8, 2009, within the Eastern District of Missouri and elsewhere, the Defendant,

WILLIAM GLASGOW,

did knowingly and intentionally execute a scheme and artifice to defraud and to obtain money and other things of value under the custody and control of a financial institution the deposits of which were insured by the Federal Deposit Insurance Corporation of the United States, to wit: \$1,392,801 in loan proceeds from Excel Bank.

In violation of Title 18, United States Code Section 1344.

COUNT TWO (Bank Fraud)

10. The allegations contained in paragraphs 1 through 8 are realleged and incorporated by reference.

11. On or about March 23, 2009, within the Eastern District of Missouri and elsewhere, the Defendant,

WILLIAM GLASGOW,

did knowingly and intentionally execute a scheme and artifice to defraud and to obtain money and other things of value under the custody and control of a financial institution the deposits of which were insured by the Federal Deposit Insurance Corporation of the United States, to wit: \$562,500 in loan proceeds from Excel Bank.

In violation of Title 18, United States Code Section 1344.

A TRUE BILL

FOREPERSON

RICHARD G. CALLAHAN
United States Attorney

Thomas C. Albus, #96250
Assistant United States Attorney