

**IN THE UNITED STATES DISTRICT COURT FOR THE
WESTERN DISTRICT OF MISSOURI
SOUTHERN DIVISION**

UNITED STATES OF AMERICA,

Plaintiff,

vs.

**RICHARD G. "RICK" BURTON
[DOB: 5-15-50],**

and

**KATHY CYRENA ALLEN
a.k.a.
KATHY STANTON
[DOB: 5-1-57],**

Defendants.

) **No. 09-03085-01/02-CR-S-DGK**

)

)

)

) **COUNT ONE**

) 18 U.S.C. § 1349

) NMT 20 Years and \$250,000 fine

) Class C Felony

) Supervised Release: NMT 3 Years

) Mandatory Restitution

)

) **COUNT TWO**

) 18 U.S.C. § 1349

) NMT 30 Years and \$1 million fine

) Class C Felony

) Supervised Release: NMT 3 Years

)

) **COUNT THREE**

) 18 U.S.C. § 1956(h)

) NMT 10 Years and \$250,000 (or

) twice the value of property involved in

) the transaction, whichever is greater)

) fine

) Class C Felony

) Supervised Release: NMT 3 Years

)

) **COUNTS FOUR THROUGH NINE**

) 18 U.S.C. § 1343

) NMT 20 Years and \$250,000 fine

) Class C Felony

) Supervised Release: NMT 3 Years

)

) **COUNTS TEN THROUGH**

) **FOURTEEN**

) 18 U.S.C. § 1344

) NMT 30 Years and \$1 Million fine

) Class C Felony

) Supervised Release: NMT 3 Years

)

) **COUNTS FIFTEEN THROUGH**

) **NINETEEN**

) 18 U.S.C. §1957

Defendants/Counts

Burton:1-19

Stanton: 1-19

-) NMT 10 Years and \$250,000 (or
-) twice the value of property involved in
-) the transaction, whichever is greater)
-) fine
-) Class C Felony
-) Supervised Release: NMT 3 Years
-)
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-) \$100 Mandatory Special
-) Assessment (Each Count)
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-)

INDICTMENT

THE GRAND JURY CHARGES:

At all times material to this Indictment:

PARTIES AND ENTITIES

1. **GUARANTY TITLE COMPANY OF SOUTHWEST MISSOURI, GUARANTY TITLE COMPANY d/b/a GUARANTY TITLE AND CLOSING COMPANY and GUARANTY PROPERTIES, INCORPORATED** (all herein referred to collectively as “Guaranty”) were a collection of corporations registered with the State of Missouri during the years 2005 through 2007, that operated to provide real estate title and closing services. Guaranty’s main office was located in Nixa, Christian County, Missouri and had at least ten branch offices located in Aurora, Branson, Mount Vernon, Ozark, Springfield and Republic, Missouri. Guaranty assisted the buyer and the seller of real property to ensure that real estate contracts were free from legal or technical defects. In addition Guaranty collected “escrow” payments from buyers and sellers of real property or from buyer’s mortgage companies. An “escrow” payment was an amount negotiated between buyer and seller that would assure seller

that buyer was able to complete the financial obligations of the contract.

2. **COMMONWEALTH LAND TITLE INSURANCE COMPANY** (herein referred to as “Commonwealth”) was the insurance underwriter for Guaranty. Guaranty’s insurance contract with Commonwealth required Guaranty place escrow money in a special trust account separated from any other account operated by Guaranty. Guaranty promised Commonwealth that when a real estate contract was closed it would provide an escrow payment from the special trust fund (Guaranty’s escrow account) for the buyer or the buyer’s mortgage company, who would then give it to the seller to complete the contract.

3. **RICHARD G. “RICK” BURTON** (herein “Burton”), was the President of Guaranty. Burton owned an approximate 52% interest in Guaranty. Burton’s primary responsibilities at Guaranty were to manage day-to-day operations of the company and business development.

4. **KATHY CYRENA ALLEN a.k.a., KATHY STANTON** (herein “Stanton”) was the Vice-President of Guaranty. Stanton owned an approximate 42% ownership interest in Guaranty. Stanton’s primary responsibilities at Guaranty were to manage the escrow accounts and real estate closings.

5. **GREAT SOUTHERN BANK** (herein “GSB”) was a financial institution whose deposits were insured by the Federal Deposit Insurance Corporation and whose corporate headquarters office was located in Springfield, Greene County, Missouri. Guaranty maintained several escrow accounts at GSB. Funds were “swept” automatically between Guaranty GSB escrow accounts when Guaranty needed to draw escrow money to one of its branch GSB bank accounts to cover real estate closing costs.

6. **OLD MISSOURI BANK** (herein “Old Missouri”) was a financial institution whose

deposits were insured by the Federal Deposit Insurance Corporation and whose corporate headquarters office was located in Branson, Taney County, Missouri.

7. **OZARK MOUNTAIN BANK** (herein “OMB”) was a financial institution whose deposits were insured by the Federal Deposit Insurance Corporation and whose corporate headquarters office was located in Branson, Taney County, Missouri.

COUNT ONE

(CONSPIRACY TO COMMIT WIRE FRAUD)

8. Beginning at a time unknown to the Grand Jury, but by no later than on or about May 12, 2005, and continuing until at least on or about June 18, 2007, in Christian, Greene and Taney Counties, in the Western District of Missouri, and elsewhere, defendants, **RICHARD G. “RICK” BURTON**, and **KATHY CYRENA ALLEN, a.k.a., KATHY STANTON**, did knowingly combine, conspire and agree with one another and with others known and unknown to the Grand Jury to commit an offense against the United States; that is, the crime of wire fraud, contrary to the provisions of 18 U.S.C. § 1343.

MANNER AND MEANS

9. Beginning on or about May 12, 2005, and continuing to on or about June 18, 2007, defendants **BURTON** and **STANTON** devised and intended to devise a scheme and artifice to defraud mortgage companies and individual customers of escrow money which had been wired to Guaranty in interstate commerce to pay real estate closing costs.

10. When real estate buyers and sellers hired Guaranty to facilitate the closing of real estate contracts, Guaranty agreed to hold buyer’s money for closing costs in an “escrow funds account” separate from funds Guaranty owned. Guaranty agreed with Commonwealth and its

customers that it would not commingle escrow money with business operations money, because it did not own the escrow money it received.

11. Mortgage companies wire transferred escrow money in interstate commerce to Guaranty's GSB escrow account, in the belief that Guaranty would honor its promises and representations.

12. Thereafter, the escrow money deposited into Guaranty's main escrow account was electronically "swept" to certain escrow accounts at several of GSB's branch banks in southwest Missouri. These "sweeps" made escrow money available for mortgage closings at a particular Guaranty branch office that a particular GSB branch bank served.

13. In May of 2005, the defendants **BURTON** and **STANTON** began to take a portion of the escrow money swept into certain Guaranty escrow accounts at GSB branch banks, and in violation of Guaranty's promises not to do so, caused these funds to be deposited into Guaranty's business operations account at GSB and used the money for the day to day business operations of Guaranty.

14. Beginning in August of 2006, defendants **BURTON** and **STANTON** caused checks to be drawn on certain Guaranty escrow accounts at GSB branch banks and caused these checks to be deposited into Guaranty's Old Missouri checking account. **BURTON** and **STANTON** then caused checks to be drawn on Guaranty's Old Missouri checking account and deposited into Guaranty's business operations account at GSB to be used for Guaranty's day to day business operations.

15. Defendants **BURTON** and **STANTON** used Guaranty's checking account at Old Missouri to conceal the fact that escrow money had been deposited into Guaranty's GSB

operations account and to conceal the theft from Guaranty's escrow accounts and its diversion into Guaranty's business operations account.

16. **BURTON** and **STANTON** instructed Guaranty's in-house bookkeeper to record deposits of stolen escrow money into Guaranty's business operations account as loans from **STANTON** or from a company called "K & S Investments." "K & S Investments" did not exist. **BURTON** and **STANTON** created the name to conceal the source of the deposited funds. "K & S" stood for **STANTON'S** initials.

17. **BURTON** and **STANTON** took approximately \$2,040,937.75 from Guaranty's various GSB escrow accounts. Through a series of financial transactions approximately that sum was deposited into Guaranty's GSB business operations accounts.

18. By April of 2007, current deposits into Guaranty's GSB escrow main account no longer covered shortages in the main escrow account caused by the defendant's theft of escrow funds. **BURTON** and **STANTON** concealed the shortage in Guaranty's GSB escrow account, by causing checks to be written from Guaranty's OMB escrow account and deposited into certain Guaranty GSB escrow accounts. **BURTON** and **STANTON** knew that there were insufficient funds in Guaranty's OMB escrow account when these checks were drawn for deposit into Guaranty's GSB escrow accounts.

19. **BURTON** and **STANTON** then caused the deposit of checks, written from Guaranty's various GSB accounts, into Guaranty's OMB account. **BURTON** and **STANTON** knew that there were insufficient funds in Guaranty's various accounts when they caused the checks to be written and deposited into Guaranty's OMB escrow account.

20. **BURTON** and **STANTON** used the "float time" between the deposit of a check in

one bank and the actual bank entry that recorded the disbursement of the funds from the other bank to cover the lack of funds in the various accounts to support the payment of the checks. This activity, commonly known as “check kiting,” continued until June 18, 2007, when OMB discovered the check kiting activity and closed Guaranty’s OMB bank account. As a result of this check kiting, **BURTON** and **STANTON** caused OMB to lose approximately \$682,954.26.

OVERT ACTS

21. In furtherance of this conspiracy, and to effect its objects, **BURTON** and **STANTON** and others, known and unknown to the Grand Jury, committed and caused to be committed the following overt acts, among others, the Western District of Missouri, and elsewhere:

22. The allegations contained in paragraphs 9-20, of this Indictment, are incorporated by reference in this section as overt acts.

Escrow Embezzlement Overt Acts

(Wire Fraud)

23. On May 12, 2005, the defendants caused funds totaling \$210,739.64 to be electronically wired from the Everbank in the State of Florida and the Flagstar Bank in the State of Michigan to Guaranty’s main escrow account at GSB, account number *****464, located in Springfield, Missouri.

24. On May 12, 2005, \$122,524.94 was “swept” from escrow account *****464 to Guaranty’s GSB escrow account number *****742, located at the GSB bank branch in Nixa, Missouri.

25. On May 12, 2005, a check in the amount of \$55,180.07 written from Guaranty’s

GSB branch bank escrow account number *****742 was deposited by the defendants into Guaranty's GSB business operating account number *****090. This money was deposited into Guaranty's business operating account to pay for Guaranty's operating expenses.

26. From May 12, 2005, to December 20, 2005, the defendants caused approximately \$411,348.30 to be diverted from Guaranty's escrow accounts to Guaranty GSB operations account *****090 to pay Guaranty's operating expenses.

27. On August 8, 2006, the defendants caused funds totaling \$307,252.56 to be electronically wired from The Ameridream Incorporated in the State of Maryland, Flagstar Bank, in the State of Michigan, Charlotte Loan Solutions, in the State of North Carolina and Wells Fargo Home Mortgage, in the State of Iowa, to Guaranty's main escrow account at GSB, account number *****464, located in Springfield, Missouri.

28. On August 8, 2006, \$250,000 was "swept" from escrow account *****464 to Guaranty's GSB branch bank escrow account number *****624, located in Nixa, Missouri.

29. On August 8, 2006, a check written from Guaranty's GSB branch bank escrow account number *****624 in the amount of \$26,395.81 was caused to be deposited by the defendants into Guaranty's Old Missouri account number *****553, in Branson, Missouri. The defendants recorded the deposit of \$26,395.81 into Guaranty's Old Missouri account number *****553 as a loan from "K & S Investments."

30. On August 8, 2006, the defendants then caused a check to be written in the amount of \$15,000 from Old Missouri account number *****553 to Guaranty. On August 8, 2006, this check was caused to be deposited by the defendants into Guaranty's operating account number *****090 at GSB. This money was deposited into Guaranty's operating account to pay

Guaranty's operating expenses.

31. On September 28, 2006, the defendants caused funds totaling \$886,471.66 to be electronically wired from First Magnus Financial Corporation in the State of Arizona, Taylor, Bean & Whitaker Mortgage in the State of Florida, Countrywide Home Loans in the State of California, Ameriquest Mortgage in the State of California, and Warburg Real Estate Securities in the State of New York to Guaranty's main escrow account number *****464 at GSB, located in Springfield, Missouri.

32. On September 29, 2006, funds totaling \$349,971.94 were "swept" from escrow account *****464 to Guaranty's GSB branch bank escrow account number *****727, located in Nixa, Missouri.

33. On September 28, 2006, the defendants caused a check from Guaranty's GSB account number *****727 in the amount of \$22,938.48 to be deposited into Guaranty's Old Missouri account *****553, in Branson, Missouri. The defendants recorded the \$22,938.48 deposit into Guaranty's Old Missouri account number *****553 as a loan from "K & S Investment."

34. On September 28, 2006, the defendants caused a check in the amount of \$15,000 to be written on Old Missouri account number *****553 to Guaranty. On September 28, 2006, the defendants caused this check to be deposited into Guaranty's GSB operating account number *****090. This money was deposited into Guaranty's operating account to pay Guaranty's operating expenses.

35. From January 9, 2006, to November 6, 2006, the defendants caused approximately \$1,194,224.44 to be transferred from Guaranty escrow accounts to Guaranty's Old Missouri

account *****553, and Guaranty's GSB operations account *****090, to pay for Guaranty's operating expenses.

36. On February 15, 2007, the defendants caused funds totaling \$501,189.04 to be electronically wired from CMI-WHLS Loan Funding in the State of New Jersey, Wells Fargo Home Mortgage in the State of California, Wilmington Finance in the State of Pennsylvania and UBS Warburg Real Estate Securities in the State of New York to Guaranty's main escrow account number *****464 at GSB, located in Springfield, Missouri.

37. On February 15, 2007, funds totaling at least \$49,395.35 were "swept" from escrow account *****464 to Guaranty's GSB branch bank escrow account number *****920, located in Springfield, Missouri.

38. On February 15, 2007, the defendants caused a check written on Guaranty's GSB branch bank account number *****920 in the amount of \$49,395.35 to be deposited into Guaranty's Old Missouri account *****553, in Branson, Missouri. The defendants recorded the \$49,395.35 deposit into Guaranty's Old Missouri account number *****553 as a loan from "K & S Investment."

39. On February 15, 2007, the defendants caused a check in the amount of \$30,000 to be written from Old Missouri account number *****553 to Guaranty. On February 15, 2007, the defendants caused this check to be deposited into Guaranty's GSB operation account number *****090. This money was deposited into Guaranty's operating account to pay Guaranty's operating expenses.

40. On April 9, 2007, the defendants caused funds totaling \$235,608.03 to be electronically wired from the Federal Reserve Bank in the State of Michigan and JPMCB NA

Loan Funding in the State of Ohio to Guaranty escrow GSB account number *****464, located in Springfield, Missouri.

41. On April 9, 2007, funds totaling at least \$37,046.93 were “swept” from Guaranty escrow GSB account number *****464, to Guaranty’s GSB branch bank escrow account number *****727, located in Nixa, Missouri.

42. On April 9, 2007, the defendants caused a check written from Guaranty GSB branch bank account *****727 in the amount of \$37,046.93 to be deposited into Guaranty’s Old Missouri account number *****553, in Branson, Missouri. The deposit of \$37,046.93 into Guaranty’s Old Missouri account number *****553 was recorded as a loan from K & S Investment.

43. On April 10, 2007, a check in the amount of \$24,000 was written from Guaranty’s Old Missouri account number *****553 to Guaranty. On April 10, 2007, the \$24,000 check from Old Missouri account number *****553 was deposited into Guaranty’s GSB operations account number *****090. This money was deposited into Guaranty’s operating account to pay Guaranty’s business operating expenses.

44. On April 12, 2007, the defendants caused funds totaling \$646,175.54 to be electronically wired from Charlotte NC Retail in the State of North Carolina, Countrywide Home Loans in the State of Pennsylvania, the Federal Reserve Bank in the State of Michigan, TMF, LLC, in the State of Arkansas and Arvest Mortgage Company in the State of Arkansas to Guaranty’s GSB main escrow account number *****464, located in Springfield, Missouri.

45. On April 12, 2007, funds totaling at least \$52,000 were “swept” from GSB main escrow account number *****464, to Guaranty’s GSB branch bank escrow account number

*****985, located in Springfield, Missouri.

46. On April 12, 2007, the defendants caused a check written from Guaranty's GSB escrow account number *****985 in the amount of \$52,000 to be deposited into Guaranty's Old Missouri account number *****553, in Branson, Missouri. Guaranty's internal bookkeeping recorded the deposit of \$52,000 into Guaranty's Old Missouri account number *****553 as a loan from K & S Investment.

47. On April 16, 2007, the defendants caused a check in the amount of \$25,000 to be written from Old Missouri bank account number *****553 to Guaranty. On April 16, 2007, the check from Old Missouri bank account number *****553 in the amount of \$25,000 was deposited into Guaranty's GSB operation account number *****090. This money was deposited into Guaranty's operating account to pay Guaranty's operating expenses.

48. From February 8, 2007, to May 21, 2007, the defendants caused approximately \$435,365.01 to be transferred from Guaranty escrow accounts to Guaranty Old Missouri account *****553, to pay Guaranty's operating expenses. Thereafter, the defendants caused a portion of these funds to be transferred to Guaranty's GSB operations account *****090.

49. From May 12, 2005, to May 21, 2007, the defendants caused approximately \$2,040,937.75 in escrow funds to be transferred from various Guaranty escrow accounts to Guaranty GSB operations account *****090, and Guaranty Old Missouri account *****553, to pay Guaranty's operating expenses.

Check Kiting Acts

(Bank Fraud)

50. On June 8, 2007, the defendants caused a \$362,537.92 check to be written on

Guaranty account number *****641 at OMB, located in Branson, Missouri. When this check was written, the balance on OMB account number *****641 was \$54,149.63. On June 11, 2007, the defendants caused this check to be deposited at Guaranty GSB branch bank escrow account *****791, located in Springfield, Missouri.

51. On June 8, 2007, the defendants also caused a \$123,384.17 check to be written on account number *****641 at OMB. When this check was written, the balance on OMB account number *****641 was \$54,149.63. On June 8, 2007, the defendants caused this check to be deposited to Guaranty's GSB main escrow account number *****464, located in Springfield, Missouri.

52. On June 11, 2007, the defendants caused a \$364,027.52 check to be written on Guaranty's GSB branch bank escrow account number *****920 located in Springfield, Missouri. At that time the balance in GSB branch bank account *****920 was \$0. Despite the \$0 balance in GSB account *****920, Guaranty could have funds swept from Guaranty GSB account *****464, however, at that time GSB account number *****464 had a balance of \$252,992.80, of which \$123,384.17 was from the deposit of the check drawn off of OMB account number *****641, as discussed in paragraph 51 of this indictment. On June 11, 2007, the \$365,027.52 check written on GSB account *****920 was deposited in Guaranty's OMB account number *****641.

53. On June 12, 2007, the defendants caused a \$365,729.31 check to be written on Guaranty's OMB account number *****641. At that time the balance on Guaranty's OMB account number *****641 shown as \$685,495.88, only as a result of the transactions described in paragraph 52 of this indictment. In actuality Guaranty's OMB account number *****641

was in negative balance. On June 12, 2007, the defendants caused this \$365,729.31 check to be deposited to Guaranty's GSB account number *****464.

54. On June 12, 2007, the defendants caused OMB to issue a counter check on Guaranty's OMB account number *****641 to purchase an OMB cashiers check in the amount of \$560,580.37. At that time the balance on Guaranty's OMB account number *****641 showed as \$685,495.88, only as a result of the transactions described in paragraph 52 of this indictment. In actuality Guaranty's OMB account number *****641 was in negative balance. On June 12, 2007, the defendant caused the \$560,580.37 cashier's check to be deposited into Guaranty's GSB account number *****464.

55. On June 12, 2007, the defendants caused a check in the amount of \$366,248.73 and a check in the amount of \$364,728.32 to be drawn on Guaranty GSB account number *****920. At that time the balance in GSB branch bank account *****920 was \$0. Despite the \$0 balance in GSB account *****920, Guaranty could have funds swept from Guaranty GSB account *****464, however, at that time GSB account number *****464 had a balance of \$408,723.11, which was only a result of the transactions described in paragraphs 53 and 54 of this indictment. In actuality Guaranty's GSB account number *****464 was in negative balance. On June 13, 2007, the defendants caused the \$366,248.73 check and the \$364,728.32 check to be deposited into Guaranty's OMB account number *****641.

56. When OMB presented the two checks described in paragraph 55 to GSB for payment, GSB returned the checks as insufficient funds items.

57. The defendants caused OMB to lose approximately \$682,777.68.

58. All in violation of Title 18, United States Code, § 1349.

COUNT TWO

(CONSPIRACY TO COMMIT BANK FRAUD)

59. Beginning at a time unknown to the Grand Jury, but by no later than on or about April 1, 2007, and continuing until at least on or about June 18, 2007, in Christian, Greene and Taney Counties, in the Western District of Missouri, and elsewhere, defendants, **RICHARD G. “RICK” BURTON**, and **KATHY CYRENA ALLEN, a.k.a., KATHY STANTON**, did willfully and knowingly combine, conspire and agree with one another and with others known and unknown to the Grand Jury to commit an offense against the United States; that is, the crime of bank fraud, contrary to the provisions of 18 U.S.C. § 1344.

MANNER AND MEANS

60. The allegations made in paragraphs 9-20 of this Indictment, are incorporated by reference in this section of Count Two.

61. From on or about April 1, 2007, to June 18, 2007, **BURTON** and **STANTON** knowingly executed, and attempted to execute, a scheme and artifice to defraud GSB and OMB to obtain monies, funds, credits, assets, securities, and other property owned and under the custody and control of said financial institutions, by means of false and fraudulent pretenses, representations, and promises.

62. **BURTON** and **STANTON** engaged in substantial check kiting activity in which the defendants caused checks to be written, purchased and deposited between various accounts held by Guaranty at both GSB and OMB that did not contain sufficient funds to cover the checks written and purchased. At all times during this activity, **BURTON** and **STANTON** knew full well that there were insufficient funds in these accounts to cover the checks written and

purchased.

OVERT ACTS

63. The allegations made in paragraphs 50-57 and 60-62 of this Indictment, are incorporated by reference in this section of Count Two as overt acts.

64. All in violation of Title 18, United States Code, § 1349.

COUNT THREE

(CONSPIRACY TO COMMIT MONEY LAUNDERING)

65. Beginning from an unknown date, but commencing at least as early as May 12, 2005, and continuing to at least on or about June 18, 2007, in Greene County, in the Western District of Missouri, and elsewhere, defendants, **RICHARD G. “RICK” BURTON**, and **KATHY CYRENA ALLEN, a.k.a., KATHY STANTON**, did knowingly combine, conspire and agree with one another and with others known and unknown to the Grand Jury to commit an offense against the United States; that is, the crime of engaging in a monetary transaction in criminally derived property of a value greater than \$10,000 derived from specified unlawful activity, contrary to the provisions of 18 U.S.C. §1957(a).

MANNER AND MEANS

66. The allegations made in paragraphs 9-20 and 23-57 of this Indictment, are incorporated by reference in this section of Count Three.

67. It was the defendants intent, purpose and object of the conspiracy to knowingly conduct and attempt to conduct financial transactions affecting interstate commerce which involved the proceeds of a specified unlawful activity, as defined in 18 U.S.C. §§ 1956(c)(7)(A) and 1961(1), to promote the carrying on of specified unlawful activity and to conceal or disguise

the nature, the location, the source, the ownership, or the control of the proceeds of specified unlawful activity, which in this case was conspiracy to commit wire fraud and bank fraud as alleged in Counts One and Two of the indictment, in violation of 18, United States Code, §1349.

68. The defendants committed the above acts with the intent to promote the carrying on of the conspiracy to commit wire fraud and bank fraud and to conceal or disguise the nature, location, the source, the ownership or the control of the proceeds of the conspiracy to commit wire and bank fraud and that while conducting and attempting to conduct such financial transactions, knew that the property involved in the financial transactions represented the proceeds of some form of specified unlawful activity.

69. All in violation of Title 18, United States Code, Sections 1956(h).

COUNTS FOUR THROUGH NINE

(WIRE FRAUD)

THE SCHEME AND ARTIFICE TO DEFRAUD

70. Beginning at a time unknown to the Grand Jury, but by no later than on or about May 12, 2005, to June 18, 2007, in Christian, Greene and Taney Counties, in the Western District of Missouri, and elsewhere, defendants, **RICHARD G. “RICK” BURTON**, and **KATHY CYRENA ALLEN, a.k.a., KATHY STANTON**, did knowingly devise and intend to devise a scheme and artifice to defraud customers of **GUARANTY TITLE COMPANY OF SOUTHWEST MISSOURI, GUARANTY TITLE COMPANY d/b/a GUARANTY TITLE AND CLOSING COMPANY and GUARANTY PROPERTIES, INCORPORATED**, (herein Guaranty) of escrow money given by customers of Guaranty for closing costs on real estate contracts by means of false pretenses, representations and promises.

COUNT FOUR

71. The allegations made in paragraphs 1-57 and 70 of this Indictment, are incorporated by reference in this Count to describe the scheme and artifice to defraud.

THE WIRE COMMUNICATION

72. On or about May 12, 2005, in the Western District of Missouri, defendants **RICHARD G. "RICK" BURTON**, and **KATHY CYRENA ALLEN, a.k.a., KATHY STANTON**, for the purpose of executing, and attempting to execute, the scheme and artifice, did transmit and cause to be transmitted in interstate commerce, by means of a wire communication, certain signs, signals and sounds that is, the wire transfer of money in the amount of \$210,739.64 from the Everbank located in the State Florida and the Flagstar Bank, located in the State of Michigan, to Guaranty's GSB main escrow bank account located in Springfield, Missouri; in violation of 18, U.S.C., § 1343.

COUNT FIVE

73. The allegations made in paragraphs 1-57 and 70 of this Indictment, are incorporated by reference in this Count to describe the scheme and artifice to defraud.

THE WIRE COMMUNICATION

74. On or about August 8, 2006, in the Western District of Missouri, defendants **RICHARD G. "RICK" BURTON**, and **KATHY CYRENA ALLEN, a.k.a., KATHY STANTON**, for the purpose of executing, and attempting to execute, the scheme and artifice, did transmit and cause to be transmitted in interstate commerce, by means of a wire communication, certain signs, signals and sounds that is, the wire transfer of money in the amount of \$307,252.56 from The Ameridream Incorporated in the State of Maryland, Flagstar Bank, in the State of

Michigan, Charlotte Loan Solutions, in the State of North Carolina and Wells Fargo Home Mortgage, in the State of Iowa, to Guaranty's GSB main escrow bank account located in Springfield, Missouri; in violation of 18, U.S.C., § 1343.

COUNT SIX

75. The allegations made in paragraphs 1-57 and 70 of this Indictment, are incorporated by reference in this Count to describe the scheme and artifice to defraud.

THE WIRE COMMUNICATION

76. On or about September 28, 2006, in the Western District of Missouri, defendants **RICHARD G. "RICK" BURTON**, and **KATHY CYRENA ALLEN, a.k.a., KATHY STANTON**, for the purpose of executing, and attempting to execute, the scheme and artifice, did transmit and cause to be transmitted in interstate commerce, by means of a wire communication, certain signs, signals and sounds that is, the wire transfer of money \$886,471.66 from First Magnus Financial Corporation in the State of Arizona, Taylor, Bean & Whitaker Mortgage in the State of Florida, Countrywide Home Loans in the State of California, Ameriquest Mortgage in the State of California, and Warburg Real Estate Securities in the State of New York to Guaranty's GSB main escrow bank account located in Springfield, Missouri; in violation of 18, U.S.C., §1343.

COUNT SEVEN

77. The allegations made in paragraphs 1-57 and 70 of this Indictment, are incorporated by reference in this Count to describe the scheme and artifice to defraud.

THE WIRE COMMUNICATION

78. On or about February 15, 2007, in the Western District of Missouri, defendants **RICHARD G. "RICK" BURTON**, and **KATHY CYRENA ALLEN, a.k.a., KATHY STANTON**, for the purpose of executing, and attempting to execute, the scheme and artifice, did transmit and cause to be transmitted in interstate commerce, by means of a wire communication, certain signs, signals and sounds that is, the wire transfer of money in the amount of \$501,189.04 from CMI-WHLS Loan Funding in the State of New Jersey, Wells Fargo Home Mortgage in the State of California, and UBS Warburg Real Estate Securities in the State of New York to Guaranty's GSB main escrow bank account located in Springfield, Missouri; in violation of 18, U.S.C., § 1343.

COUNT EIGHT

79. The allegations made in paragraphs 1-57 and 70 of this Indictment, are incorporated by reference in this Count to describe the scheme and artifice to defraud.

THE WIRE COMMUNICATION

80. On or about April 9, 2007, in the Western District of Missouri, defendants **RICHARD G. "RICK" BURTON**, and **KATHY CYRENA ALLEN, a.k.a., KATHY STANTON**, for the purpose of executing, and attempting to execute, the scheme and artifice, did transmit and cause to be transmitted in interstate commerce, by means of a wire communication, certain signs, signals and sounds that is, the wire transfer of money in the amount of \$235,608.03 from Federal Reserve Bank Account in the State of Michigan and JPMCB NA Loan Funding in the State of Ohio to Guaranty's GSB main escrow bank account located in Springfield, Missouri; in violation of 18, U.S.C., § 1343.

COUNT NINE

81. The allegations made in paragraphs 1-57 and 70 of this Indictment, are incorporated by reference in this Count to describe the scheme and artifice to defraud.

THE WIRE COMMUNICATION

82. On or about April 12, 2007, in the Western District of Missouri, defendants **RICHARD G. "RICK" BURTON**, and **KATHY CYRENA ALLEN, a.k.a., KATHY STANTON**, for the purpose of executing, and attempting to execute, the scheme and artifice, did transmit and cause to be transmitted in interstate commerce, by means of a wire communication, certain signs, signals and sounds that is, the wire transfer of money in the amount of \$646,175.54 from Charlotte NC Retail in the State of North Carolina, Countrywide Home Loans in the State of Pennsylvania, Federal Reserve Bank Account in the State of Michigan, TMF, LLC, in the State of Arkansas and Arvest Mortgage Company in the State of Arkansas to Guaranty's GSB main escrow bank account located in Springfield, Missouri; in violation of 18, U.S.C., § 1343.

COUNTS TEN THROUGH FOURTEEN

(BANK FRAUD)

THE SCHEME AND ARTIFICE TO DEFRAUD

83. From on or about April 1, 2007, to June 18, 2007, the defendants **RICHARD G. "RICK" BURTON**, and **KATHY CYRENA ALLEN, a.k.a., KATHY STANTON**, did knowingly execute and attempt to execute a scheme and artifice to defraud Great Southern Bank (herein "GSB") and Ozark Mountain Bank and to obtain monies, funds, credits, assets, securities, and other property owned and under the custody and control of said financial institutions, by means of false and fraudulent pretenses, representations, and promises.

84. **BURTON** and **STANTON** engaged in check kiting activity in which the defendants caused checks to be written, purchased and deposited between various accounts held by Guaranty at both GSB and OMB that did not contain sufficient funds to cover the checks written and purchased. At all times during this activity, **BURTON** and **STANTON** knew full well that there were insufficient funds in these accounts to cover the checks written and purchased.

COUNT TEN

85. The allegations made in paragraphs 1-57 and 83-84 of this Indictment, are incorporated by reference in this Count to describe the scheme and artifice to defraud.

THE FINANCIAL TRANSACTION

86. On or about June 8, 2007, the defendants, **RICHARD G. "RICK" BURTON**, and **KATHY CYRENA ALLEN, a.k.a., KATHY STANTON**, caused a \$362,537.92 check to be written off of Guaranty account number *****641 at OMB. When this check was written, the balance on OMB account number *****641 was \$54,149.63. On June 11, 2007, the defendants caused this check to be deposited at Guaranty GSB branch bank escrow account *****791, located in Springfield, Missouri. On June 8, 2007, the defendants also caused a \$123,384.17 check to be written on account number *****641 at OMB. When this check was written, the balance on OMB account number *****641 was \$54,149.63. On June 8, 2007, the defendants caused this check to be deposited to Guaranty's GSB main escrow account number *****464, located in Springfield, Missouri; all in violation of Title 18, U.S.C., § 1344.

COUNT ELEVEN

87. The allegations made in paragraphs 1-57 and 83-84 of this Indictment, are incorporated by reference in this Count to describe the scheme and artifice to defraud.

THE FINANCIAL TRANSACTION

88. On June 11, 2007, the defendants, **RICHARD G. "RICK" BURTON, and KATHY CYRENA ALLEN, a.k.a., KATHY STANTON**, caused a \$364,027.52 check to be written on Guaranty's GSB branch bank escrow account number *****920 located in Springfield, Missouri. At that time the balance in GSB branch bank account *****920 was \$0. Despite the \$0 balance in GSB account *****920, Guaranty could have funds swept from Guaranty GSB account *****464, however, at that time GSB account number *****464 had a balance of \$252,992.80, of which \$123,384.17 was from the deposit of the check drawn off of OMB account number *****641, as discussed in paragraph 51 of this indictment. On June 11, 2007, the \$365,027.52 check written on GSB account *****920 was deposited in Guaranty's OMB account number *****641; all in violation of Title 18, U.S.C., § 1344.

COUNT TWELVE

89. The allegations made in paragraphs 1-57 and 83-84 of this Indictment, are incorporated by reference in this Count to describe the scheme and artifice to defraud.

THE FINANCIAL TRANSACTION

90. On June 12, 2007, the defendants, **RICHARD G. "RICK" BURTON, and KATHY CYRENA ALLEN, a.k.a., KATHY STANTON**, caused a \$365,729.31 check to be written on Guaranty's OMB account number *****641. At that time the balance on Guaranty's OMB account number *****641 shown as \$71,077.90, only as a result of the transactions described in paragraph 52 of this indictment. In actuality Guaranty's OMB account number *****641 was in negative balance. On June 12, 2007, the defendants caused this \$365,729.31 check to be deposited to Guaranty's GSB account number *****464; all in

violation of Title 18, U.S.C., § 1344.

COUNT THIRTEEN

91. The allegations made in paragraphs 1-57 and 83-84 of this Indictment, are incorporated by reference in this Count to describe the scheme and artifice to defraud.

THE FINANCIAL TRANSACTION

92. On June 12, 2007, the defendants, **RICHARD G. "RICK" BURTON, and KATHY CYRENA ALLEN, a.k.a., KATHY STANTON**, caused OMB to issue a counter check on Guaranty's OMB account number *****641 to purchase an OMB cashiers check in the amount of \$560,580.37. At that time the balance on Guaranty's OMB account number *****641 showed as \$71,077.90, only as a result of the transactions described in paragraph 52 of this indictment. In actuality Guaranty's OMB account number *****641 was in negative balance. On June 12, 2007, the defendant caused the \$560,580.37 cashier's check to be deposited into Guaranty's GSB account number *****464; all in violation of Title 18, U.S.C., § 1344.

COUNT FOURTEEN

93. The allegations made in paragraphs 1-57 and 83-84 of this Indictment, are incorporated by reference in this Count to describe the scheme and artifice to defraud.

THE FINANCIAL TRANSACTION

94. On June 12, 2007, the defendants, **RICHARD G. "RICK" BURTON, and KATHY CYRENA ALLEN, a.k.a., KATHY STANTON**, caused a check in the amount of \$366,248.73 and a check in the amount of \$364,728.32 to be drawn on Guaranty GSB account number *****920. At that time the balance in GSB branch bank account *****920 was \$0.

Despite the \$0 balance in GSB account *****920, Guaranty could have funds swept from Guaranty GSB account *****464, however, at that time GSB account number *****464 had a balance of \$408,723.11, which was only a result of the transactions described in paragraphs 53 and 54 of this indictment. In actuality Guaranty's GSB account number *****464 was in negative balance. On June 13, 2007, the defendants caused the \$366,248.73 check and the \$364,728.32 check to be deposited into Guaranty's OMB account number *****641; all in violation of Title 18, U.S.C., § 1344.

COUNTS FIFTEEN THROUGH NINETEEN

(MONEY LAUNDERING)

95. The allegations made in paragraphs 1-57 of this Indictment, are incorporated by reference in this Count to describe the specified unlawful activity.

96. On or about the dates set forth below in each individual count, in Christian, Greene and Taney Counties, in the Western District of Missouri, and elsewhere, **RICHARD G. "RICK" BURTON**, and **KATHY CYRENA ALLEN, a.k.a., KATHY STANTON**, defendants, aiding and abetting each other and others, as set forth in each individual count, did knowingly engage or attempt, by, through, or to a financial institution affecting interstate or foreign commerce, the following monetary transactions in criminally derived property of a value greater than \$10,000, that is the transfer of funds as set forth below in each individual count, such property having been derived from a specified unlawful activity, that is wire fraud:

<u>COUNT</u>	<u>DATE</u>	<u>MONETARY TRANSACTION</u>
FIFTEEN	8/8/2006	the transfer of funds, a check written in the amount of \$15,000 from Old Missouri account number *****553 to Guaranty, which the defendants caused to be deposited into Guaranty's operating

account number *****090 at GSB, said amount representing commingled assets from the commission of wire fraud, which involved the proceeds of specified unlawful activity, that is, the conspiracy to commit wire fraud, as alleged in Count One of this indictment.

<u>COUNT</u>	<u>DATE</u>	<u>MONETARY TRANSACTION</u>
SIXTEEN	9/28/2006	the transfer of funds, a check in the amount of \$15,000 written from Old Missouri account number *****553 to Guaranty which the defendants caused to be deposited into Guaranty's GSB operating account number *****090, said amount representing commingled assets from the commission of wire fraud, which involved the proceeds of specified unlawful activity, that is, the conspiracy to commit wire fraud, as alleged in Count One of this indictment.

<u>COUNT</u>	<u>DATE</u>	<u>MONETARY TRANSACTION</u>
SEVENTEEN	2/15/2007	the transfer of funds, a check dated February 15, 2007, in the amount of \$30,000 written from Old Missouri account number *****553 to Guaranty which the defendants caused to be deposited into Guaranty's GSB operation account number *****090, said amount representing commingled assets from the commission of wire fraud, which involved the proceeds of specified unlawful activity, that is, the conspiracy to commit wire fraud, as alleged in Count One of this indictment.

<u>COUNT</u>	<u>DATE</u>	<u>MONETARY TRANSACTION</u>
EIGHTEEN	4/10/2007	the transfer of funds, a check in the amount of \$24,000 written from Guaranty's Old Missouri account number *****553 to Guaranty which the defendants caused to be deposited into Guaranty's GSB operations account number *****090, said amount representing commingled assets from the commission of wire fraud, which involved the

proceeds of specified unlawful activity, that is, the conspiracy to commit wire fraud, as alleged in Count One of this indictment.

COUNT	DATE	MONETARY TRANSACTION
NINETEEN	4/6/2007	the transfer of funds, a check in the amount of \$25,000 written from Old Missouri bank account number *****553 to Guaranty which the defendants caused to be deposited into Guaranty's GSB operation account number *****090, said amount representing commingled assets from the commission of wire fraud, which involved the proceeds of specified unlawful activity, that is, the conspiracy to commit wire fraud, as alleged in Count One of this indictment.

97. All in violation of Title 18, United States Code, § 1957 and 2.

A TRUE BILL

/s/
FOREPERSON OF THE GRAND JURY

/s/ Randall D. Eggert
RANDALL D. EGGERT
Assistant United States Attorney