

**FILED**

**JUN 12 2008**

**U. S. DISTRICT COURT  
E. DISTRICT OF MO.**

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF MISSOURI  
EASTERN DIVISION

UNITED STATES OF AMERICA, )  
)  
Plaintiff, )  
)  
v. )  
) No.  
)  
WILLIAM C. McKANRY, )  
)  
WILLIAM E. McKANRY and )  
)  
PAULA ENDERS, )  
)  
Defendants. )

**4:08CR00365 CAS**

**INDICTMENT**

**A. Introduction**

1. At all times relevant to this indictment defendant William C. McKanry owned, operated, and managed USA Title, LLC.
2. At all times relevant to this indictment defendants William C. McKanry and William E. McKanry owned, operated and managed USA Properties, LLC.
3. At all times relevant to this indictment the defendant, William E. McKanry was, and is, the father of William C. McKanry.
4. At all times relevant to this indictment the defendant, Paula Enders, was a licensed mortgage broker. She operated under the mortgage brokerage company known as Foundation Mortgage, Inc.
5. During the time of this indictment the defendants William C. McKanry and William E. McKanry sold twelve real estate properties through defendant Paula Enders to LM.

6. Those properties included:

<u>Address</u>	<u>City/State</u>
30 Renee Drive	Florissant, Missouri
1406 Hudson Landing	St. Charles, Missouri
318 Copper Tree	O'Fallon, Missouri
2385 Federalist	O'Fallon, Missouri
8 Queen Ann Drive	Hazelwood, Missouri
677 Lakewood Drive	Lake St. Louis, Missouri
1114 Burch Lane	St. Louis, Missouri
12657 Tremblewood Drive	Florissant, Missouri
79 Wolf Meadows	St. Peters, Missouri
1812 Wade Court	Ballwin, Missouri
612 Forrester Drive	Ballwin, Missouri
11717 Talbott Court	St. Louis, Missouri

7. In the sale of these properties to LM, defendant Paula Enders would shop on-line through the internet to obtain mortgage financing for all of the twelve properties.

8. The total sale price of the twelve properties was approximately \$2.7 million.

9. On the loan applications for these properties submitted by defendant Paula Enders, the source of the down payments, settlement charges and subordinate finances were falsely represented to be made by LM when, in fact, they were made by defendants William E. McKanry and William C. McKanry, the sellers of the properties.

10. All closings were made at USA Title, LLC, St. Louis County, Missouri and documents falsely showed LM as making cash payments at the settlement on the twelve properties when, in fact, they were not made by LM but by defendants William E. McKanry and William C. McKanry.

11. Furthermore, defendant Paula Enders, at the closings, received money above her commission fees as the mortgage broker. These monies totaled about \$226,000.00. The purpose of this money was for defendant Paula Enders to buy Foundation Mortgage, Inc. On the seller's settlement statement these monies were falsely represented to be construction rehab costs on the particular properties.

12. In shopping on-line through the internet for loans for LM to purchase the twelve properties, defendant Paula Enders did not notify the market (potential lenders) that LM was purchasing twelve properties and that her income could not support the monthly payments on the financing as defendant Paula Enders well knew. Furthermore, the lenders and potential lenders were falsely led to believe by defendant Paula Enders as to the following:

a.) LM was to be paying cash at closing on the properties when, in fact, defendants William C. McKanry and William E. McKanry, as sellers, were making the down payments.

b.) On some occasions, the purpose of the purchase of the property was listed as primary residence when, in fact, all were for investment purposes.

c.) Certain properties were listed as rental income/assets of LM when, in fact, they were not income or assets of LM.

d.) Bank accounts of LM were listed reflecting inflated and non-existent balances suggesting income/cash flow of LM that was false.

e.) Money would be going to Paula Enders at the closings as construction rehab on these properties when they actually were to be used to purchase Foundation Mortgage, Inc.

13. The lenders for the respective twelve properties were as follows:

**Name**

- a) BNC Mortgage (3 mortgages)
- b) Southstar Funding
- c) Chase Bank, USA
- d) EquiFirst Corporation
- e) Lime Financial Services
- f) Accredited Home Lenders, Inc.
- g) America's Wholesale Lender
- h) Homecoming Financial Network, Inc.
- i) Intervale Mortgage
- j) OwnIt Mortgage Solutions

14. Since the closing on the twelve properties at USA Title, all twelve properties are in default on their loan obligations and foreclosure proceedings have begun.

**B. The Conspiracy**

15. USA Properties, LLC maintained and provided a list of their "for sale" properties to area brokers and real estate agents.

16. The list identified the particular property address and corresponding "retail value" and "sale price". In order to sell the properties, USA Properties, LLC were willing to sell these properties below the purported appraised value to buyers.

17. This market of favorably priced real estate to which Paula Enders, William C. McKanry and William E. McKanry had access provided an opportunity. By matching USA Properties, LLC with buyers (LM and others), Paula Enders, William C. McKanry and William E. McKanry exploited the difference between what USA Properties, LLC was willing to take for a property "sale price" and what a prospective investor (LM), induced by special deals arranged by Paula Enders, William C. McKanry and William E. McKanry and others, was willing to pay, i.e., the "spread" or "retail value".

**COUNT ONE**

The Grand Jury charges that:

18. Between on or about December 1, 2005 and January 31, 2006, in St. Louis County, in the Eastern District of Missouri,

**WILLIAM C. McKANRY,  
WILLIAM E. McKANRY and  
PAULA ENDERS,**

the defendants herein, and others known and unknown to the Grand Jury did knowingly and wilfully conspire, combine, confederate and agree with each other and others known and unknown to the Grand Jury to commit offenses against the United States, to wit:

a. bank fraud in violation of Title 18, United States Code, Section 1344, by devising a scheme and artifice to defraud financial institutions of money and property and obtain money by means of false pretenses and material misrepresentations of fact;

b. mail fraud in violation of Title 18, United States Code, Section 1341, by devising a scheme and artifice to defraud others out of money and property by means of materially false and fraudulent pretenses, representations and promises and to use the United States Postal Service and interstate commerce carriers in furtherance and execution of said scheme;

c. wire fraud in violation Title 18, United States Code Section 1343, by devising a scheme and artifice to defraud others out of money and property by means of materially false and fraudulent pretenses, representations and promises and transmitting wire and radio communications in and affecting interstate or foreign commerce in furtherance of said scheme.

**C. Manner and Means of the Conspiracy**

19. It was part of the conspiracy that, in order to exploit the spread, Paula Enders and others would tell the buyer (LM) that she could buy the properties at a different, much higher price, than what USA Properties, LLC was willing to accept for the property, producing a spread. The sales contract, which was provided to lenders, would indicate the higher of the two prices. Enders used this spread to pay herself (either directly or through businesses she controlled). The buyer (LM) was convinced to buy these properties by Enders and McKanry's promise of extra cash at closing which the buyer, who planned to rent the properties, could use for maintenance expenses or to cover periods of vacancy as well as monthly mortgage payments.

20. It was part of the conspiracy that, in order to obtain financing for her buyers, Paula Enders and others made multiple material misstatements of facts throughout the loan application and financing process. Typically, LM obtained a "stated income" loan and misstated, among other things, their assets, income, liabilities, and intention to occupy a property as a primary residence.

21. It was part of the conspiracy that, in all, Paula Enders arranged the sale of twelve properties in this way and, either personally or through companies Paula Enders controlled, realized in excess of \$226,000.00 through this scheme above her commission as broker.

22. It was part of the conspiracy that William C. McKanry and William E. McKanry, assisted Paula Enders in arranging the sale of twelve properties in this way and realized approximately \$400,000.00 through this scheme and also caused the McKanry loans on these properties to be paid, thus making a profit and reducing their debt.

23. It was part of the conspiracy that Paula Enders would obtain financing for the foregoing transactions by making false statements about the borrower's finances and concealing other material aspects of the transactions and causing such false statements to be made to lending institutions and that such false statements were a foreseeable part of the conspiracy.

24. It was part of the conspiracy that Paula Enders, William C. McKanry and William E. McKanry would use and cause to be used, the United States Postal Service as well as interstate commercial carriers to mail documents used in the aforementioned real estate transactions between lenders, mortgage companies, title companies and borrowers and the use of these instrumentalities was a foreseeable part of the conspiracy.

25. It was part of the conspiracy that Paula Enders, William C. McKanry and William E. McKanry transmitted and caused to be transmitted, radio and wire communications in interstate commerce in furtherance and execution of the conspiracy by, for example obtaining financing for the foregoing real estate transactions by means of interstate wiring of funds and that such wire and radio transmissions were a foreseeable part of the conspiracy.

**D. Overt Acts**

26. On or about December 9, 2005, defendants William C. McKanry and William E. McKanry caused cashier's check #0109404 to be purchased at Bank of America, St. Louis County, in the amount of \$1,220.62 for LM.

27. On or about December 15, 2005, defendants Paula Enders, William E. McKanry and William C. McKanry caused a lending institution to provide \$176,706.15 in financing for the purchase of 677 Lakewood Drive, Lake St. Louis, Missouri within the Eastern District of Missouri.

28. On or about December 20, 2005, defendants Paula Enders, William E. McKanry and William C. McKanry caused a lending institution to provide \$45,296.72 in financing for the purchase of 2385 Federalist Place, O'Fallon, Missouri within the Eastern District of Missouri.

29. On or about December 20, 2005, defendants Paula Enders, William E. McKanry and William C. McKanry caused a lending institution to provide \$185,561.77 in financing for the purchase of 2385 Federalist Place, O'Fallon, Missouri within the Eastern District of Missouri.

30. On or about December 20, 2005, defendants Paula Enders, William E. McKanry and William C. McKanry caused a lending institution to provide \$259,525.48 in financing for the purchase of 318 Copper Tree, O'Fallon, Missouri within the Eastern District of Missouri.

31. On or about December 22, 2005, defendant William C. McKanry purchased at Bank of America, St. Louis County, Missouri, two cashier's checks #0115742 and #0115743 in the amounts of \$3,616.14 and \$3,826.69, remitter LM.

32. On or about December 23, 2005, defendants Paula Enders, William E. McKanry and William C. McKanry caused a lending institution to provide \$173,381.99 in financing for the purchase of 1144 Burch, St. Louis, Missouri within the Eastern District of Missouri.

33. On or about December 23, 2005, defendants Paula Enders, William E. McKanry and William C. McKanry caused a lending institution to provide \$112,782.48 in financing for the purchase of 12657 Tremblewood, Florissant, Missouri within the Eastern District of Missouri.

34. On or about December 27, 2005, defendant William C. McKanry purchased at Bank of America, St. Louis County, Missouri, three cashier's checks, #0109156, #0109157 and #0109158, in the amounts of \$13,929.32, \$6,892.55 and \$10,210.26, remitter LM.

35. On or about December 27, 2005, defendants Paula Enders, William E. McKanry and William C. McKanry caused a lending institution to provide \$330,971.17 in financing for the purchase of 79 Wolf Meadows, St. Peters, Missouri within the Eastern District of Missouri.

36. On or about January 6, 2006, defendants William C. McKanry and William E. McKanry purchased at Bank of America, St. Louis County, Missouri, cashier's check # 0115855 in the amount of \$4,930.70, remitter LM.

37. On or about January 6, 2006, defendants Paula Enders, William E. McKanry and William C. McKanry caused a lending institution to provide \$328,102.52 in financing for the purchase of 1812 Wade Court, Ballwin, Missouri within the Eastern District of Missouri.

38. On or about January 10, 2006, defendant William E. McKanry purchased at Bank of America, St. Louis County, Missouri, two cashier's checks, #0115789 and #0115790 in the amounts of \$17,572.23 and \$3,786.00, remitter LM.

39. On or about January 10, 2006, defendants Paula Enders, William E. McKanry and William C. McKanry caused a lending institution to provide \$216,234.30 in financing for the purchase of 612 Forrester Drive, Ballwin, Missouri within the Eastern District of Missouri.

40. On or about January 10, 2006, defendants Paula Enders, William E. McKanry and William C. McKanry caused a lending institution to provide \$52,457.59 in financing for the purchase of 612 Forrester Drive, Ballwin, Missouri within the Eastern District of Missouri.

41. On or about January 10, 2006, defendants Paula Enders, William E. McKanry and William C. McKanry caused a lending institution to provide \$143,246.14 in financing for the purchase of 11717 Talbot Court, St. Louis, Missouri within the Eastern District of Missouri.

All in violation of Title 18, United States Code, Section 371.

### **COUNT TWO**

The Grand Jury further charges that:

1. The Grand Jury realleges and incorporates herein by reference paragraphs 1 through 41 of Count One.

2. On or about December 14, 2005, in the Eastern District of Missouri,

#### **PAULA ENDERS,**

the defendant herein, having devised and intended to devise a scheme and artifice to defraud and to obtain money and property by means of materially false and fraudulent pretenses, representations and promises caused to be transmitted by means of wire communication in interstate commerce from (Foundation Mortgage, Inc.) St. Louis County, Missouri to the offices of EquiFirst Corporation, 500 Forest Point Circle, Charlotte, North Carolina 28273, a wire by means of a fax consisting of a loan application and supporting documentation to obtain a loan for

LM to purchase and close on the property known at 318 Copper Tree, O'Fallon, Missouri.

In violation of Title 18, United States Code, Sections 2 and 1343.

**COUNT THREE**

The Grand Jury further charges that:

1. The Grand Jury realleges and incorporates herein by reference paragraphs 1 through 41 of Count One.
2. On or about December 20, 2005, in St. Louis County, in the Eastern District of Missouri,

**WILLIAM C. McKANRY,  
WILLIAM E. McKANRY and  
PAULA ENDERS,**

the defendants herein, having devised a scheme and artifice to defraud and to obtain money and property by means of materially false and fraudulent pretenses and promises, and for the purpose of executing such scheme and artifice and attempting to do so, did deposit and cause to be deposited, an envelope with closing documents of USA Title, LLC and USA Properties, LLC (William C. McKanry and William E. McKanry) and LM for property known at 318 Copper Tree, O'Fallon, Missouri to be sent and delivered by a private or commercial interstate carrier, DHL Worldwide Express Inc to EquiFirst Corporation, 500 Forest Point Circle, Charlotte, North Carolina 28273.

In violation of Title 18, United States Code, Sections 2 and 1341.

#### **COUNT FOUR**

The Grand Jury further charges that:

1. The Grand Jury realleges and incorporates herein by reference paragraphs 1 through 41 of Count One.
2. On or about December 20, 2005, in St. Louis County, in the Eastern District of Missouri,

**WILLIAM C. McKANRY,  
WILLIAM E. McKANRY and  
PAULA ENDERS,**

the defendants herein, having devised and intended to devise a scheme and artifice to defraud and to obtain money and property by means of materially false and fraudulent pretenses, representations and promises cause to be transmitted by means of wire communication in interstate commerce from an Equifirst Corporation bank account Charlotte, North Carolina, Wachovia Bank, a wire transfer of \$259,525.48 forwarded to the USA Title, LLC escrow account at Bank of America, St. Louis County, Missouri for the loan moneys for LM to purchase and close on the property known at 318 Copper Tree, O'Fallon, Missouri.

In violation of Title 18, United States Code, Sections 2 and 1343.

#### **COUNT FIVE**

The Grand Jury further charges that:

1. The Grand Jury realleges and incorporates herein by reference paragraphs 1 through 41 of Count One.
2. On or about December 15, 2005, in St. Louis County, in the Eastern District of Missouri,

**WILLIAM C. McKANRY,  
WILLIAM E. McKANRY and  
PAULA ENDERS,**

the defendants herein, having devised a scheme and artifice to defraud and to obtain money and property by means of materially false and fraudulent pretenses and promises, and for the purpose of executing such scheme and artifice and attempting to do so, did deposit and cause to be deposited, an envelope with closing documents of USA Title, LLC and USA Properties, LLC (William C. McKanry and William E. McKanry) and LM for property known at 677 Lakewood Drive, Lake St. Louis, Missouri to be sent and delivered by a private or commercial interstate carrier, DHL Worldwide Express Inc. to Accredited Home Lenders Inc., 9075 Centre Point Drive, Suite 300, West Chester, Ohio 45069.

In violation of Title 18, United States Code, Sections 2 and 1341.

**COUNT SIX**

The Grand Jury further charges that:

1. The Grand Jury realleges and incorporates herein by reference paragraphs 1 through 41 of Count One.
2. On or about December 15, 2005, in St. Louis County, in the Eastern District of Missouri,

**WILLIAM C. McKANRY,  
WILLIAM E. McKANRY, and  
PAULA ENDERS,**

the defendants herein, having devised and intended to devise a scheme and artifice to defraud and to obtain money and property by means of materially false and fraudulent pretenses, representations and promises cause to be transmitted by means of wire communication in

interstate commerce from an Accredited Home Lenders Inc. bank account, New York, New York, Deutsche Bank Trust Co. Americas, a wire transfer of \$176,706.15 forwarded to the USA Title, LLC escrow account at Bank of America, St. Louis County, Missouri for the loan moneys for LM to purchase and close on the property known at 677 Lakewood Drive, Lake St. Louis, Missouri.

In violation of Title 18, United States Code, Sections 2 and 1343.

**COUNT SEVEN**

The Grand Jury further charges that:

1. The Grand Jury realleges and incorporates herein by reference paragraphs 1 through 41 of Count One.
2. On or about December 20, 2005, in St. Louis County, in the Eastern District of Missouri,

**WILLIAM C. McKANRY,  
WILLIAM E. McKANRY and  
PAULA ENDERS,**

the defendants herein, having devised and intended to devise a scheme and artifice to defraud and to obtain money and property by means of materially false and fraudulent pretenses, representations and promises cause to be transmitted by means of wire communication in interstate commerce from an Intervale Mortgage bank account, Charlotte, North Carolina, Wachovia Bank, a wire transfer of \$185,561.77 forwarded to the USA Title, LLC escrow account at Bank of America, St. Louis County, Missouri for the loan moneys for LM to purchase and close on the property known at 2385 Federalist Place, O'Fallon, Missouri.

In violation of Title 18, United States Code, Sections 2 and 1343.

## COUNT EIGHT

The Grand Jury further charges that:

1. The Grand Jury realleges and incorporates herein by reference paragraphs 1 through 41 of Count One.
2. On or about December 20, 2005, in St. Louis County, in the Eastern District of Missouri,

**WILLIAM C. McKANRY,  
WILLIAM E. McKANRY and  
PAULA ENDERS,**

the defendants herein, having devised and intended to devise a scheme and artifice to defraud and to obtain money and property by means of materially false and fraudulent pretenses, representations and promises cause to be transmitted by means of wire communication in interstate commerce from an Intervale Mortgage bank account, Charlotte, North Carolina, Wachovia Bank, a wire transfer of \$45,296.72 forwarded to the USA Title, LLC escrow account at Bank of America, St. Louis County, Missouri for the loan moneys for LM to purchase and close on the property known at 2385 Federalist Place, O'Fallon, Missouri.

In violation of Title 18, United States Code, Sections 2 and 1343.

## COUNT NINE

The Grand Jury further charges that:

1. The Grand Jury realleges and incorporates herein by reference paragraphs 1 through 41 of Count One.
2. On or about December 27, 2005, in St. Louis County, in the Eastern District of Missouri,

**WILLIAM C. McKANRY,  
WILLIAM E. McKANRY, and  
PAULA ENDERS,**

the defendants herein, having devised a scheme and artifice to defraud and to obtain money and property by means of materially false and fraudulent pretenses and promises, and for the purpose of executing such scheme and artifice and attempting to do so, did deposit and cause to be deposited, an envelope with closing documents of USA Title, LLC and USA Properties, LLC (William C. McKanry and William E. McKanry) and LM for property known at 1144 Burch, St. Louis, Missouri to be sent and delivered by a private or commercial interstate carrier, DHL Worldwide Express Inc. to BNC Mortgage, 1901 Main Street, Irvine, California 92614.

In violation of Title 18, United States Code, Sections 2 and 1341.

**COUNT TEN**

The Grand Jury further charges that:

1. The Grand Jury realleges and incorporates herein by reference paragraphs 1 through 41 of Count One.
2. On or about December 23, 2005, in St. Louis County, in the Eastern District of Missouri,

**WILLIAM C. McKANRY,  
WILLIAM E. McKANRY, and  
PAULA ENDERS,**

the defendants herein, having devised and intended to devise a scheme and artifice to defraud and to obtain money and property by means of materially false and fraudulent pretenses, representations and promises cause to be transmitted by means of wire communication in interstate commerce from a BNC Mortgage bank account, New York, New York, Deutsche Bank

Trust Co. Americas, a wire transfer of \$173,381.99 forwarded to the USA Title, LLC escrow account at Bank of America, St. Louis County, Missouri for the loan moneys for LM to purchase and close on the property known at 1144 Burch, St. Louis, Missouri.

In violation of Title 18, United States Code, Sections 2 and 1343.

**COUNT ELEVEN**

The Grand Jury further charges that:

1. The Grand Jury realleges and incorporates herein by reference paragraphs 1 through 41 of Count One.
2. On or about December 23, 2005, in St. Louis County, in the Eastern District of Missouri,

**WILLIAM C. McKANRY,  
WILLIAM E. McKANRY and  
PAULA ENDERS,**

the defendants herein, having devised a scheme and artifice to defraud and to obtain money and property by means of materially false and fraudulent pretenses and promises, and for the purpose of executing such scheme and artifice and attempting to do so, did deposit and cause to be deposited, an envelope with closing documents of USA Title, LLC and USA Properties, LLC (William C. McKanry and William E. McKanry) and LM for property known at 12657 Tremblewood Drive, Florissant, Missouri to be sent and delivered by a private or commercial interstate carrier, DHL Worldwide Express Inc. to OwnIt Mortgage Solutions, Inc., 1720 S. Bellaire Street, #500, Denver, Colorado 80222.

In violation of Title 18, United States Code, Sections 2 and 1341.

**COUNT TWELVE**

The Grand Jury further charges that:

1. The Grand Jury realleges and incorporates herein by reference paragraphs 1 through 41 of Count One.
2. On or about December 23, 2005, in St. Louis County, in the Eastern District of Missouri,

**WILLIAM C. McKANRY,  
WILLIAM E. McKANRY and  
PAULA ENDERS,**

the defendants herein, having devised and intended to devise a scheme and artifice to defraud and to obtain money and property by means of materially false and fraudulent pretenses, representations and promises cause to be transmitted by means of wire communication in interstate commerce from an OwnIt Mortgage Solutions, Inc bank account, New York, New York, JP Morgan Chase Bank, NA, a wire transfer of \$112,782.48 forwarded to the USA Title, LLC escrow account at Bank of America, St. Louis County, Missouri for the loan moneys for LM to purchase and close on the property known at 12657 Tremblewood Drive, Florissant, Missouri.

In violation of Title 18, United States Code, Sections 2 and 1343.

**COUNT THIRTEEN**

The Grand Jury further charges that:

1. The Grand Jury realleges and incorporates herein by reference paragraphs 1 through 41 of Count One.
2. On or about December 28, 2005, in St. Louis County, in the Eastern District of Missouri,

**WILLIAM C. McKANRY,  
WILLIAM E. McKANRY and  
PAULA ENDERS,**

the defendants herein, having devised a scheme and artifice to defraud and to obtain money and property by means of materially false and fraudulent pretenses and promises, and for the purpose of executing such scheme and artifice and attempting to do so, did deposit and cause to be deposited, an envelope with closing documents of USA Title, LLC and USA Properties, LLC (William C. McKanry and William E. McKanry) and LM for property known at 79 Wolf Meadows, St. Peters, Missouri to be sent and delivered by a private or commercial interstate carrier, DHL Worldwide Express Inc. to Chase Bank USA, 1400 E. Newport Center Drive, Deerfield Beach, Florida 33442.

In violation of Title 18, United States Code, Sections 2 and 1341.

**COUNT FOURTEEN**

The Grand Jury further charges that:

1. The Grand Jury realleges and incorporates herein by reference paragraphs 1 through 41 of Count One.
2. On or about December 27, 2005, in St. Louis County, in the Eastern District of Missouri,

**WILLIAM C. McKANRY,  
WILLIAM E. McKANRY and  
PAULA ENDERS,**

the defendants herein, having devised and intended to devise a scheme and artifice to defraud and to obtain money and property by means of materially false and fraudulent pretenses, representations and promises cause to be transmitted by means of wire communication in

interstate commerce from a Chase Bank USA bank account, New York, New York, JP Morgan Chase Bank, NA, a wire transfer of \$330,971.17 forwarded to the USA Title, LLC escrow account at Bank of America, St. Louis County, Missouri for the loan moneys for LM to purchase and close on the property known at 79 Wolf Meadows, St. Peters, Missouri 63304.

In violation of Title 18, United States Code, Sections 2 and 1343.

**COUNT FIFTEEN**

The Grand Jury further charges that:

1. The Grand Jury realleges and incorporates herein by reference paragraphs 1 through 41 of Count One.

2. On or about January 6, 2006, in St. Louis County, in the Eastern District of Missouri,

**WILLIAM C. McKANRY,  
WILLIAM E. McKANRY and  
PAULA ENDERS,**

the defendants herein, having devised a scheme and artifice to defraud and to obtain money and property by means of materially false and fraudulent pretenses and promises, and for the purpose of executing such scheme and artifice and attempting to do so, did deposit and cause to be deposited, an envelope with closing documents of USA Title, LLC and USA Properties, LLC (William C. McKanry and William E. McKanry) and LM for property known at 1812 Wade Court, Ballwin, Missouri to be sent and delivered by a private or commercial interstate carrier, DHL Worldwide Express Inc. to Homecomings Financial Network, Inc., Minneapolis, Minnesota.

In violation of Title 18, United States Code, Sections 2 and 1341.

**COUNT SIXTEEN**

The Grand Jury further charges that:

1. The Grand Jury realleges and incorporates herein by reference paragraphs 1 through 41 of Count One.
2. On or about January 6, 2006, in St. Louis County, in the Eastern District of Missouri,

**WILLIAM C. McKANRY,  
WILLIAM E. McKANRY and  
PAULA ENDERS,**

the defendants herein, having devised and intended to devise a scheme and artifice to defraud and to obtain money and property by means of materially false and fraudulent pretenses, representations and promises cause to be transmitted by means of wire communication in interstate commerce from a Homecomings Financial Network, Inc. bank account, New York, New York, JP Morgan Chase Bank, NA, a wire transfer of \$328,102.52 forwarded to the USA Title, LLC escrow account at Bank of America, St. Louis County, Missouri for the loan moneys for LM to purchase and close on the property known at 1812 Wade Court, Ballwin, Missouri.

In violation of Title 18, United States Code, Sections 2 and 1343.

**COUNT SEVENTEEN**

The Grand Jury further charges that:

1. The Grand Jury realleges and incorporates herein by reference paragraphs 1 through 41 of Count One.
2. On or about January 10, 2006, in St. Louis County, in the Eastern District of Missouri,

**WILLIAM C. McKANRY,  
WILLIAM E. McKANRY and  
PAULA ENDERS,**

the defendants herein, having devised a scheme and artifice to defraud and to obtain money and property by means of materially false and fraudulent pretenses and promises, and for the purpose of executing such scheme and artifice and attempting to do so, did deposit and cause to be deposited, an envelope with closing documents of USA Title, LLC and USA Properties, LLC (William C. McKanry and William E. McKanry) and LM for property known as 612 Forrester Drive, Ballwin, Missouri to be sent and delivered by a private or commercial interstate carrier, DHL Worldwide Express Inc. to Lime Financial, 5885 SW Meadows Road, Ste. 600, Lake Oswego, Oregon 97035.

In violation of Title 18, United States Code, Sections 2 and 1341.

**COUNT EIGHTEEN**

The Grand Jury further charges that:

1. The Grand Jury realleges and incorporates herein by reference paragraphs 1 through 41 of Count One.
2. On or about January 10, 2006, in St. Louis County, in the Eastern District of Missouri,

**WILLIAM C. McKANRY,  
WILLIAM E. McKANRY and  
PAULA ENDERS,**

the defendants herein, having devised and intended to devise a scheme and artifice to defraud and to obtain money and property by means of materially false and fraudulent pretenses, representations and promises cause to be transmitted by means of wire communication in

interstate commerce from a Lime Financial Inc. bank account, New York, New York, Citibank, NA, a wire transfer of \$216,234.30 forwarded to the USA Title, LLC escrow account at Bank of America, St. Louis County, Missouri for the loan moneys for LM to purchase and close on the property known at 612 Forrester Drive, Ballwin, Missouri.

In violation of Title 18, United States Code, Sections 2 and 1343.

**COUNT NINETEEN**

The Grand Jury further charges that:

1. The Grand Jury realleges and incorporates herein by reference paragraphs 1 through 41 of Count One.
2. On or about January 10, 2006, in St. Louis County, in the Eastern District of Missouri,

**WILLIAM C. McKANRY,  
WILLIAM E. McKANRY and  
PAULA ENDERS,**

the defendants herein, having devised and intended to devise a scheme and artifice to defraud and to obtain money and property by means of materially false and fraudulent pretenses, representations and promises cause to be transmitted by means of wire communication in interstate commerce from a Lime Financial Inc. bank account, New York, New York, Citibank, NA, a wire transfer of \$52,457.59 forwarded to the USA Title, LLC escrow account at Bank of America, St. Louis County, Missouri for the loan moneys for LM to purchase and close on the property known at 612 Forrester Drive, Ballwin, Missouri.

In violation of Title 18, United States Code, Sections 2 and 1343.

**COUNT TWENTY**

The Grand Jury further charges that:

1. The Grand Jury realleges and incorporates herein by reference paragraphs 1 through 41 of Count One.
2. On or about January 10, 2006, in St. Louis County, in the Eastern District of Missouri,

**WILLIAM C. McKANRY,  
WILLIAM E. McKANRY and  
PAULA ENDERS,**

the defendants herein, having devised a scheme and artifice to defraud and to obtain money and property by means of materially false and fraudulent pretenses and promises, and for the purpose of executing such scheme and artifice and attempting to do so, did deposit and cause to be deposited, an envelope with closing documents of USA Title, LLC and USA Properties, LLC (William C. McKanry and William E. McKanry) and LM for property known at 11717 Talbott Court, St. Louis, Missouri to be sent and delivered by a private or commercial interstate carrier, DHL Worldwide Express Inc. to BNC Mortgage, 1901 Main Street, Irvine, California 92614.

In violation of Title 18, United States Code, Sections 2 and 1341.

**COUNT TWENTY-ONE**

The Grand Jury further charges that:

1. The Grand Jury realleges and incorporates herein by reference paragraphs 1 through 41 of Count One.
2. On or about January 10, 2006, in St. Louis County, in the Eastern District of Missouri,

**WILLIAM C. McKANRY,  
WILLIAM E. McKANRY and  
PAULA ENDERS,**

the defendants herein, having devised and intended to devise a scheme and artifice to defraud and to obtain money and property by means of materially false and fraudulent pretenses, representations and promises cause to be transmitted by means of wire communication in interstate commerce from a BNC Mortgage bank account, New York, New York, Deutsche Bank Trust Co. Americas, a wire transfer of \$143,246.14 forwarded to the USA Title, LLC escrow account at Bank of America, St. Louis County, Missouri for the loan moneys for LM to purchase and close on the property known at 11717 Talbott Court, St. Louis, Missouri.

In violation of Title 18, United States Code, Sections 2 and 1343.

A TRUE BILL.

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FOREPERSON

CATHERINE L. HANAWAY  
United States Attorney

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MICHAEL W. REAP, #9156  
Assistant United States Attorney