

Department of Justice
U.S. Attorney's Office
Eastern District of Missouri

FOR IMMEDIATE RELEASE

Thursday, January 11, 2018

Former Loan Officer Pleads Guilty

St. Louis, MO – Timothy Murphy, 53, of St. Louis, pled guilty today to participating in a scheme to defraud Excel Bank and assisting in making illegal insider loans. He pled guilty to one count of bank fraud. The maximum punishment is 30 years in prison and a fine of \$1,000,000.00.

Murphy appeared before United States District Judge Audrey G. Fleissig. Sentencing is scheduled for April 24, 2018.

Excel Bank was a federally insured bank with main offices in Sedalia, Missouri. Shaun Hayes held a controlling stock interest in the bank which, by 2009, had opened a Loan Production Office (LPO) in Clayton. Hayes hired Murphy as the primary loan officer for the Clayton LPO. Murphy also became executive vice-president of Excel Bank. **Murphy worked under Hayes's direction and control.**

Murphy admitted that he assisted Hayes in engaging in unlawful self-dealing by causing loans to be **made which directly benefitted Hayes and his associates while concealing Hayes's interest in the** loans. Murphy admitted that he processed a loan at Excel Bank to a straw party and caused some \$906,000.00 of the proceeds of that loan to be paid to Centru Bank to pay off a loan Hayes and his business associate, Michael Litz, had guaranteed for their entity McKnight Man I LLC. Murphy **admitted that Hayes's interest in the loan was concealed from bank officials and that Hayes and Litz** made no payments to Excel Bank.

Hayes pled guilty on January 3, 2018 to one count of bank fraud and one count of misapplication of Excel Bank funds. Hayes is scheduled to be sentenced on April 13, 2018.

Litz is scheduled to go to trial on January 22, 2018 on the superseding indictment charging both him and Hayes. As is always the case, charges do not constitute proof of guilt and every defendant is presumed to be innocent unless and until proven guilty.

This case has been investigated by the Federal Bureau of Investigation, the Federal Housing Finance Agency Office of Inspector General, the Federal Deposit Insurance Corporation Office of Inspector General and the Office of the Special Inspector General for the Troubled Asset Relief Program.