



SIGTARP

Office of the Special Inspector General
For The Troubled Asset Relief Program

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Banker Shaun Hayes Pleads Guilty

Excel Bank Failed to Repay Nearly \$5 Million in TARP Funds

Shaun R. Hayes, 58, of Frontenac, pled guilty today to participating in a scheme to defraud Excel Bank and to profit from illegal insider loans. He appeared before United States District Judge Audrey G. Fleissig. Sentencing is scheduled for April 13, 2018.

Excel Bank was a federally insured bank with main offices in Sedalia, Missouri. Hayes held a controlling stock interest in the bank which, by 2009, had opened a Loan Production Office (LPO) in Clayton. Hayes controlled the loan activities at the LPO. At Hayes's direction the commercial and residential real estate lending at Excel Bank increased dramatically through the operation of the LPO. Hayes admitted that many of the loans made through the LPO were substandard and placed the bank at risk. He also admitted that he engaged in unlawful self-dealing by causing loans to be made which directly benefitted him and his associates while concealing his interest in the loans. Hayes admitted that he helped set up 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 Centrue Bank to pay off a loan he and his business associate, Michael Litz, had guaranteed for their entity McKnight Man I LLC. Hayes admitted that his interest in the loan was concealed from bank officials and he and Litz made no payments to Excel Bank. Court documents made part of the guilty plea record show that Hayes assisted in causing Excel Bank to make millions of dollars in loans to straw parties in order to cover the delinquent and substandard loans of Eighteen Investments at other banks. According to the charges, Excel Bank lost substantial amounts on these loans.

Hayes also admitted that he and Litz shared in the proceeds of another insider loan at Excel Bank in which Hayes's and Litz's interests were concealed. In April, 2009, they each received approximately \$300,000.00 from the proceeds of a loan made to Rolling Hills Apartments LLC which operates an apartment complex in north county. They caused Excel Bank to loan much more than was needed by the apartment complex in order to create a pool of money for them. Hayes and Litz structured the payout through several entities so as to insure that their interests were concealed.

Bank regulators closed Excel Bank in October, 2012, and Simmons Bank succeeded it. Hayes pled guilty to one count of bank fraud and one count of misapplication of Excel Bank funds, both federal felonies. The maximum punishment for each count is 30 years in prison and a fine of \$1,000,000.00.

Litz is scheduled to go to trial in January 22, 2017 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 SIGTARP, the Federal Bureau of Investigation, the Federal Finance Agency Office of Inspector General, and the Federal Deposit Insurance Corporation Office of Inspector General.

About SIGTARP

The Office of the Special Inspector General for the Troubled Asset Relief Program (SIGTARP) is a federal law enforcement agency that targets crime at financial institutions or in TARP housing programs and is an independent watchdog protecting the interests of the America people. SIGTARP investigations have resulted in the recovery of \$10 billion and 237 defendants sentenced to prison.

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