

Ex-Lake County title agent pleads guilty to stealing funds

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A former Lake County title agent accused of stealing \$1.2 million in escrow money has pleaded guilty and faces up to 30 years in prison.

Kathryn Weed Knight, 38, of Clermont admitted to committing felony misappropriation of funds from a trust account, in connection with her former title agency, Weed & Associates, according to records released Wednesday by the State Attorney's Office in Lake County.

Despite the potentially lengthy sentence, Knight received a temporary reprieve from the judge, based on her pledge to repay the cash, prosecutors said. Sentencing has been delayed until April 3, providing additional time for her to raise money.

Weed Knight told authorities she is confident that she can raise the cash with the help of her husband, prominent Lake businessman Thomas L. Knight, said Phil Hanson, assistant state attorney for Lake County. She entered the plea agreement on Aug. 31.

Prosecutors are skeptical, he said, but they have agreed to an extended pre-sentence period on the chance Weed Knight will be able to pay back as much as possible. Her husband faces no allegations of wrongdoing in the case.

"My experience has been that in most cases like this, you get the money up front or you're not going to get it at all," Hanson said.

"She'll be a convicted felon and will have little ability to pay anything. So whatever she comes up with on April 3, that's all victims will probably see."

Weed Knight's lawyer, John Spivey of Tavares, would not comment. She and her husband did not return calls to their home and his business, Knight Engineering Inc., in Clermont.

Even if Weed Knight pays the entire amount, prosecutors would still push for a two-year prison sentence, the minimum under state sentencing guidelines, Hanson said. If there is no repayment in April, prosecutors will seek a 10-year sentence, he said.

The former title agent was originally charged with escrow fraud and theft in June 2004. Prosecutors said Weed Knight used the money to pay for luxury cars, a Las Vegas vacation and a failed land deal, among other items. The state revoked her title agent's license.

In the 15 months since she was charged, Weed Knight has repaid none of the stolen funds.

Although authorities hope that will change seven months from now, some legal and business experts question the latest moves.

"Well, it sounds like a sweet deal to me," said Mayanne Downs, a real estate lawyer and partner with Blackwell, King & Downs in Orlando. "Obviously, prosecutors think if there's a shot the husband can do this deal, they want to give it a chance. But seven more months is a long time, especially given how long this case has gone on."

Title industry officials said the court appears to be too lenient in accepting Weed Knight's promises of repayment in exchange for more months of freedom.

"It seems the judge could have been more inventive in this case, requiring some payment while putting her on probation," said Lee Huszagh, president of the Florida Land Title Association, a trade group in Tallahassee.

But some legal experts said there is nothing unusual about the court's strategy. In many white-collar crimes, courts emphasize recovering lost cash more than severe punishment, they said.

"You'll see a lot of decisions like this from state courts these days," said Abby Milon, a professor of criminal justice at the University of Central Florida. "Judges do have more leeway now in terms of coming up with innovative solutions."

Huszagh said almost all title insurers have been hit by rogue agents in recent years, as millions of dollars have flowed into escrow accounts during the housing boom.

Two years ago, a South Florida agent was charged with stealing \$5.5 million in escrow money, much of it from Orlando-based Attorneys' Title Insurance Fund, the state's largest title insurer.

Many title insurers have stepped up their audits of agents and tightened guidelines for agents to lessen the risk, Huszagh said.

"I don't know how these people think they'll get away with this kind of thing," he said. "It's just a matter of when, not if, they'll get caught."

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