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Sarasota agent beats flipping fraud rap

By Michael Braga, Herald-Tribune / Monday, September 30, 2013

An Oklahoma judge has ruled in favor of Sarasota real estate agent Terry Fine, who was accused of participating in a series of allegedly fraudulent real estate deals.

Fine was one of eight defendants sued by Wells Fargo in the U.S. District Court of Western Oklahoma in July 2011 for scheming to defraud federally-insured lenders by artificially inflating the value of five apartment complexes.

Companies belonging to Sarasota investors Kevin and Deborah Flessner purchased the complexes for one price and quickly sold them to other companies they controlled for \$5 million more than they originally paid in order to borrow more money than they would have been entitled to otherwise.

Wells Fargo, which represented the original lenders, said the loans were funded because the lenders believed the sales were arms-length transactions between unrelated buyers and sellers, with prices reflecting the fair market value of the property. But the Flessners and other members of their group allegedly employed intentional misrepresentations and omissions to deceive the lenders about the true nature of the transactions.

In his 31-page ruling, Judge Stephen P. Friot said there was no evidence that Fine was part of that conspiracy.

He did not participate in the operation of the companies involved in the flips, the judge wrote. He was an “outsider” professional - a real estate agent with “no knowledge of corrupt activities involving the transactions.”

Five other defendants in the case have settled with Wells Fargo. But Fine chose to fight the charges against him.

“It’s unfortunate in these type of deals that people get rapped for something they didn’t actually do,” said John E. Barbush, an Oklahoma defense attorney who represented Fine.

Barbush added that the charges against the Flessners remain pending.



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