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**HEADLINE:** PUNTA GORDA FINANCIER TRIED, FOUND NOT GUILTY

**BYLINE:** Patricia Walsh STAFF WRITER

**BODY:**

Punta Gorda financier Arnold Strom was found not guilty Thursday of grand theft and racketeering charges stemming from an investigation into his business dealings with home buyers, investors and financial institutions.

Strom had operated a \$ 3 million business for a decade before it collapsed under the weight of dozens of foreclosures.

Retired appellate Judge Jack R. Schoonover ruled Thursday that the evidence presented by the statewide prosecutor's office in Fort Myers was insufficient to convict Strom of the criminal charges.

The judge said, however, that the evidence constituted grounds for possible civil litigation.

Schoonover's decision came at the end of a weeklong, nonjury trial at the Charlotte County Courthouse in Punta Gorda.

Former real estate salesman David Woodward, 66, said he wasn't surprised by the verdict, although he was hoping that Strom would face some punishment.

"Shoot! I figured that was going to happen. I figured he would get away with it," he said. "The man should either go to jail or pay the money back."

Woodward of Punta Gorda said he takes odd jobs to support himself, because he lent Strom more than \$ 100,000 but recouped only \$ 500.

"That was money I had saved over my whole life, over 37 years of employment. That was everything I had in the world," he said.

During the trial, a state prosecutor depicted Strom as a businessman who repeatedly misrepresented information to clients and tried to use fake money certificates to pay off his bank loans.

Strom's attorneys contended that Strom was simply trying to run a profitable business when fate intervened. They

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said he stopped making mortgage payments after he was unable to obtain financing for real estate deals.

Naples attorney Gary Green, who represented Strom with attorneys Mike McDonnell and Charles Murray, said Thursday that Strom was jubilant about the verdict.

"Our position is that justice was finally done, and that finally now the truth is known," Green said. "The judge's comments were only that, in the file, if anything, there may be evidence of civil wrongdoings."

Strom, 56, could not be reached to comment on the verdict. Green said Strom had been wrongly "vilified, tarred and feathered" by the criminal prosecution and the widespread publicity about the case. He said his client plans "to try to pick up with his life" and to enjoy time with family.

When asked whether Strom would continue to pay off his debts, Green said Strom has no comment.

State prosecutor Brian Pugh said Thursday he was disappointed, but that the judge had reviewed the evidence and rendered a fair decision.

"We did our absolute best. The victims wanted their day in court and we gave it to them," he said. "We're sorry if they feel we've let them down."

During the trial, Pugh said Strom posed as a financial savior to people who needed homes, selling properties saddled with hidden debt through a group of companies he controlled and taking money from people who lost their investments. Strom sold at least six properties to home buyers without telling them the properties were mortgaged, Pugh said, then tried to pay those debts using fraudulent "money certificates," which financial institutions refused.

F.M. Donnelson of Punta Gorda, a semiretired mortgage broker, was distressed by the verdict.

"There's nothing that we can do, but I'm shocked," he said.

Donnelson said he obtained nearly \$ 1 million for Strom "to help him get out of all the trouble he was in" and that Strom paid him only \$ 5,000 of the 10 percent he owed him. He said he doubts Strom will repay his debts.

**GRAPHIC:** PHOTO (C);

(Arnold) Strom

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