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The consummate flippers

Neil Mohamed Husani and his partners have purchased millions in Southwest Florida property

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In the year before Neil Mohamed Husani engineered an eyebrow-raising deal to build a \$125 million condominium tower opposite the Sarasota Quay, he became a master of flipping properties to partners at greatly inflated values.

Husani, who pleaded guilty to grand theft in circuit court in Manatee County in 2003, put together six multimillion-dollar real estate deals since January 2005.

Husani bought the properties at one price, sold them to partners -- often the same day -- at much higher prices, got an appraiser to sign off on the higher values and obtained bank loans based on the appraisals.

All totaled, Husani and his partners bought 2,088 acres of land in Sarasota and Manatee counties for \$37 million, sold the properties to business associates for \$103 million and secured \$74 million in bank loans from six different banks.

Just five years ago, Husani was so strapped for cash that he wrote bad checks, a crime he pleaded guilty to in circuit court in Manatee in 2002.

The next year, he was placed on two years' probation after pleading guilty to stealing \$14,000 in furniture from a vendor who supplied Husani's Palmetto furniture store.

But Husani managed to turn his financial life around by showing a proclivity for savvy deal-making in a supersonic real estate market.

He developed a strategy of buying properties with no money down and getting banks to cover the cost:

• On March 1, Husani filed a deed that said he bought a 224-acre Manatee County ranch for \$5.6 million. He then sold the land on the same day to one of his partners, Robert J. Martin, for \$6.7 million, and Martin went on to get a \$4.06 million loan from First State Bank. But the original owner of the land, Ralph W. Weeks, chairman of Lakeland-based Quality Petroleum Corp., said Husani paid only \$2.2 million.

• On Jan. 18, Husani's company, Capital Force, bought five parcels of land between Fruitville Road and Fourth Street in Sarasota from Miller Ward Inc., Pilot Family Ltd., Holland House Apartments and Nellos of Sarasota for \$10.35 million. It sold the properties the same day to Sarasota Grand Central, an LLC made up of Husani, Martin and Michael Tringali, for \$24.6 million. Sarasota Grand Central then got a \$16.25 million mortgage from Fifth Third Bank.

• On Aug. 22, Husani's Capital Force bought 254 acres near Myakka City from ACT Enterprises LLC for \$3.04 million. It sold the land on Oct. 6 to Tringali's Steeplechase Properties LLC for \$7.6 million. Tringali got a \$4.94 million loan from Coast Bank.



STAFF PHOTO / ROD MILLINGTON

The former Nellos building in downtown Sarasota is one of several properties that Neil Mohamed Husani and his partners flipped. **BELOW** Neil Mohamed Husani

More photos



2,088 acres = Land bought in Sarasota and Manatee counties

\$37 million = Amount they paid for the land

\$103 million = Amount they sold the land for

\$74 million = Amount they received in loans from six different banks

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On June 16, The Eddy Corp. sold a 1,142-acre sod farm to Rusty Pot LLC, a company controlled by Manatee County businessman Peter J. Shirk, for \$7.78 million. Shirk sold Rusty Pot LLC to Husani some time between June 15 and July 28. Shirk said he sold the LLC to Husani for \$19.6 million, but there is no record of the transaction. On Aug. 8, Husani sold the land to Steeplechase Properties for \$34.2 million, and Steeplechase got a \$27.86 million loan from Fort Lauderdale's BankAtlantic.

On May 2, Husani's Capital Force bought 177.5 acres on Fruitville Road in Sarasota County from David and Madeline Andrews for \$4.2 million. That same day, Capital Force sold the land to Tringali's G&T Land Development for \$11.2 million. G&T got a \$7.28 million loan from Clearwater-based Mercantile Bank.

On Jan. 10, 2005, Capital Force bought 289 acres on Vamo Road in Sarasota from Betty Snead Lindsey for \$8.93 million. That same day, Capital Force sold the land for \$18.2 million to G&T Land Development. G&T got a \$13.15 million loan from Naples-based Orion Bank.

Martin and Tringali insist that there is nothing wrong with doing business this way, that most developers try to limit the money they have in the game.

"No one has been hurt," Tringali said. "All of our loans are performing well and the banks are very happy."

Rags to riches

Husani, who declined to comment for this story, admittedly hit rock bottom after his financial and legal troubles at the beginning of the decade.

Husani said all his problems revolved around his mismanagement of the City Center Furniture store in Palmetto, and his removal of \$14,000 in furniture without paying one of his vendors.

"I got sued by five different companies," Husani said during an interview last month. "I tried to remain afloat, but I couldn't make it. I lost everything. I even had to sleep at friends' houses. You have no idea how embarrassed I was."

It took about two years for Husani to find his financial footing again.

He started using slightly different names that involved changes in order or spelling.

He would be "Neil Hussani" in one document and "Neal Mohamed" in another.

The name changes helped Husani to hide his past, but trouble followed him and his financial woes persisted.

In October 2002, Gwendolyn Newbloom sued Husani in circuit court in Hillsborough County, claiming that he was trying to cheat her out of buying an Apollo Beach apartment.

Husani told Newbloom he owned the Apollo Beach apartment and there were no liens or encumbrances on it, the suit says. But after she signed the contract to buy the apartment and made a \$12,500 deposit, she discovered that Husani did not own it and the actual owner had not kept up to date with mortgage payments.

The mortgage company, Novastar Mortgage Inc., initiated foreclosure proceedings, and Newbloom had to file suit to keep the apartment from being seized.

After a two-year legal battle, Newbloom prevailed, getting everything she asked for from the beginning. She was able to buy the property and get Husani to pay \$6,000 for promised repairs.

Exactly one year later, banks started foreclosing on the home that Husani owned in the Villa Mirada

subdivision of Palmer Ranch. But proceedings ended when Husani sold the house in October 2004 for \$625,000 and paid his bills.

Those setbacks did not deter Husani from proceeding with his real estate career.

"He was a very busy guy, always on the phone always doing some deal," said Kenneth Stevens, who met Husani in 2004 and began making him custom-tailored suits in the \$1,200 price range at The Fitting Room on Main Street in Sarasota.

"He wanted nothing but the best. But it was like pulling teeth to get him to make a deposit, pick the suits or pay his balances."

At the time, Husani was part of a group of real estate speculators. That's evident from a lawsuit filed in circuit court in Sarasota County in 2005 by Mary Jane Smith.

The suit says that Smith, who owned a beachfront home on Siesta Key, was befriended by one of Husani's associates, John D. Burke, in July 2003.

The couple started a romantic relationship, and it wasn't long before Burke convinced her to sell her home, buy a new one and move in together, the suit says.

Burke handled all the transactions. He sold Smith's Siesta Key house for \$975,000, bought another in Silver Oaks Estates for \$750,000 and put it under his name. Smith said she never saw a penny.

"As part of the closing, Burke's business associate -- Mr. Husani -- was for some reason paid \$18,922. But Smith doesn't know what for," the suit says.

Less than a year later, Burke resold the home for \$1.25 million. He then bought a house at 412 Pheasant Way on Bird Key from Husani for \$875,000.

It was a lucrative deal for Husani, who had bought the house the same day for \$520,000.

Big game

In late 2004, Husani pursued bigger game, teaming with Tringali, a real estate developer and scion of a well-respected Sarasota family.

Tringali already was developing 20 lots at Portofino on the Bay in Sarasota County and another 85 lots at Golden Verna Estates in Manatee.

Between January 2005 and January 2006, Tringali and Husani completed five deals together, buying nearly 2,000 acres of land in Manatee and Sarasota counties, while raising more than \$70 million in bank loans.

Tringali would not say how much of his own cash he invested in his transactions with Husani. At first he said he couldn't remember, then said he had to check with his accountant and finally he hung up on a Herald-Tribune reporter.

Martin, however, said he did not pay a penny for the 224-acre ranch he bought from Husani earlier this month, and he confirmed that no money changed hands between Husani and his partners in the downtown condo project.

That's an important point because it shows that the banks paid for the properties, not the developers.

Martin first entered the picture after Husani and Tringali already had put together the deal to buy land opposite the Sarasota Quay.

Martin, whose projects include condo developments in Miami and Longboat Key, office warehouse projects in Manatee and the rehabbing of luxury skyboxes at Raymond James Stadium in Tampa, said he was brought in because Tringali didn't think he had the expertise to build condos himself.

"I've done a lot of large construction projects all over the country," Martin said during an interview last month. "I bring expertise."

But Martin was so intrigued by Husani's formula that he quickly followed the condo deal with the purchase of the Manatee ranch, financed entirely by a \$4.06 million bank loan.

"It was a cashless transaction."

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