

9 face criminal charges in alleged Gulf Shores retirement real estate fraud

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By **Brendan Kirby, Press-Register**



Lance Collins moved to Baldwin County in 2002 with dreams of striking it rich in what was then a red-hot real estate market.

A paramedic with a GED and no formal real estate experience, Collins testified at a deposition that he started buying properties using techniques he learned, in part, from watching late-night infomercials featuring get-rich-quick guru Carlton Sheets, who promised a fortune with no money down.

What followed was a string of **real estate** transactions that have resulted in criminal charges against Collins and eight others, more than a dozen lawsuits and hundreds of thousands of dollars in losses for retirees who sold vacation property in the Gulf Shores area.

William "Trey" T aylor, who represents sellers in 16 different lawsuits against Collins and others, said his clients collectively lost about \$1 million.

T aylor said the real estate transactions represent a microcosm of the nationwide mortgage practices that took down the housing market and helped fuel the devastating recession that hit in 2008 — with particularly harsh effects in Baldwin

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Gulf Shores Plantation, seen on April 7. Nine people face criminal charges are being sued over what officials allege was a giant real estate fraud scheme involving the sale of vacation property in Gulf Shores. (Press-Register/John David Mercer)

County.

“Their economy is getting crushed, and in large part, it’s because of this criminal activity,” he said.

14 lawsuits filed in Jefferson County

Traylor filed 14 lawsuits in Jefferson County — home to Pinkerton Financial Corp., a mortgage broker with ties to Collins — and another two in Baldwin County. He reached settlements with the lenders and dropped litigation against title companies and a buyers’ real estate company that filed for Chapter 7 bankruptcy protection.

Bernelle Land — accused of being a “straw purchaser.” Status: Announced her intention to plead guilty. A hearing has been scheduled for May 16. Litigation remains against Pinkerton and Mandoki Corp., a Gulf Shores real estate company that represented some of the condominium owners who sold their properties.

The first two of those lawsuits are scheduled to go to trial in September.

The companies are accused of participating in a conspiracy in which “straw purchasers” would sign on as the buyers.

In each case, the buyer persuaded the seller to extend a second mortgage, to essentially let the buyer owe the seller directly for some portion — 40 percent, for example — of the selling price.

At the same time, the buyer would get a traditional mortgage for an amount greater than the remaining portion of the purchase price.

The result was that the buyer would get more money at closing than was needed. After a while, the buyer stopped making payments on the mortgage, the bank foreclosed, and the seller never received the full, agreed-upon amount.

“It’s obvious everybody knew about this,” Traylor said. “Some of my clients were dependent on these second mortgages to help them with retirement. And they’re gone now. These properties have all been foreclosed on.”

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James and Florine Coleman decided to sell their condo in 2006. A lawsuit alleges they were the only ones **who failed to make money** on the deal.

The charges and the charged

Here are the people tied to a string of failed real estate deals whose criminal prosecutions are making their way through Mobile’s federal court:

- **Lance A. Collins** — founder of Tradestone Industries, he engineered the real estate transactions.

Status: Awaiting trial on charges of conspiracy; mail and bank fraud; and making false loan and credit applications.

- **Melissa Gullede** — Collins’ sister, served as the buyer on some of the deals.

Status: Awaiting trial on a charge of conspiracy to commit mail fraud.

- **Rodger Gullede** — Melissa

'They just got caught with too many of them'

Joseph Stott, an attorney representing Pinkerton, said his client's only role was to match buyers with banks and other traditional lenders.

Stott said Collins had a legitimate business and arranged for the creative financing in order to invest in repairs and renovations so he could quickly resell the condos for a profit. His business model worked well in 2005 and 2006, when beachfront real estate was quickly appreciating.

By 2007, Stott said, "all of a sudden, the brakes get put on the housing market. He really was putting money into these condos. They really were fixing them up. They just got caught with too many of them."

Mark Newell, a Mobile lawyer who represents Mandoki, said the plaintiffs were sophisticated people who took a risk to sell older properties that were not attracting offers. Some even approached Mandoki asking for "one of the Collins mortgages."

But, Newell said, Mandoki makes an attractive target for Traylor because other defendants have gone bankrupt.

"He can't get money out of the bad guys, so they have to sue somebody who has deep pockets," he said.

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Gulledge's husband, served as the buyer on some of the transactions.
Status: Pleaded guilty to attempt and conspiracy to commit mail fraud.

- **Joan Teeters** — owner of Joan T. Realty, served as the agent for the buyers.

Status: Awaiting trial on conspiracy; wire, bank and mail fraud; and false loan application charges.

- **Jonathan Marc Nattier** — son of Teeters, accused of being a "straw buyer."

Status: Awaiting trial on conspiracy, bank fraud and false loan application charges.

- **Marimanda Tillman** — worked for Joan T. Realty.

Status: Awaiting trial on charges of conspiracy; mail and bank fraud; and making false loan and credit applications.

- **Christina Nattier** — daughter-in-law of Teeters, accused of being a "straw purchaser."

Status: Awaiting trial on charges of conspiracy; mail and bank fraud; and making false loan and credit applications.

- **Gerri J. Liles** — employee of the title company, admitted to concealing the existence of seller-financed second mortgages from the primary lender on

some sales.

Status: Pleaded guilty to attempt and conspiracy to commit mail fraud.