



Fraud earns ex-real estate agent a 15-year sentence

Judge says lack of remorse merited a longer prison term. He also was fined \$500,000.

By Rochelle Olson, Star Tribune

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Former Twin Cities real estate agent Larry Maxwell received a 15-year prison sentence Thursday from a Hennepin County judge who said Maxwell's extensive mortgage and identity fraud scheme merited the term.

Judge Regina Chu could have sentenced Maxwell to about 10 years in prison, but she said the gravity of his conduct and his "total lack of remorse" made the longer sentence appropriate. Maxwell has been in custody since a jury convicted him in April after a six-week trial.

Chu also ordered Maxwell to pay restitution in an amount to be determined to John Foster, who spoke for 45 minutes about how Maxwell's theft of his identity left him broke and depressed. Maxwell also must pay full restitution to lenders with an interest in the \$2 million worth of loans at issue. Chu also fined him \$500,000.

Maxwell was convicted on all 18 counts against him, just as his probation for an earlier fraud conviction was ending.

Prosecutor Brad Johnson told jurors that Maxwell was the dealmaker in nine property transactions stretching from Bloomington to Blaine, in which he obtained more than \$2 million in loans using fraudulent documents. The deals employed forgery, identity theft and bogus loan applications.

The jury convicted Maxwell of nine counts of theft by swindle, six of aggravated forgery, two of identity theft and one of racketeering. Two other participants in the scheme pleaded guilty earlier.

The prosecution said Maxwell made real estate commissions from his deals and profited from fees and kickbacks arising from his role as mortgage loan officer. Maxwell claimed he was duped by others.

For Foster, of Plymouth, the ordeal began in 2006 when he received a mortgage statement by mail for a north Minneapolis house about which he knew nothing. A Bloomington property also was purchased in his name, and he and his wife say they lost their good credit as well as retirement and college funds as a result of the scheme.

Rochelle Olson • 612-673-1747