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**HEADLINE:** FREEDOM FOR BUSINESSMAN BECOMES A MATTER OF TRUST

**BYLINE:** Patricia Walsh STAFF WRITER

**BODY:**

Thirteen people speaking on behalf of Port Charlotte businessman Arnold Strom, including two of his purported fraud victims, told a judge Friday night that they think he can be trusted not to jump bail.

They said that Strom would pose no threat to the community if the judge lowered the \$ 1 million bail and Strom were to be released.

Even F.M. Donelson of Punta Gorda, a state witness who testified that Strom cannot be trusted, admitted that he would like to see Strom "make a lot of money and pay me back."

But Donelson told Circuit Judge Darryl Casanueva that, while it would be nice if Strom could repay the money, he doesn't trust the man to stick around for his own trial.

Casanueva said he would rule by Monday on the bail issue, after he reviews the evidence presented during the three-hour hearing Friday.

Donelson, a real estate and mortgage broker, said he helped Strom by getting a lender to buy a property in 1994. He said he never received his 10 percent lender fee because Strom told his attorney not to pay Donelson.

"I think he's a cheat and a crook, because he defrauded me deliberately out of \$ 90,000," Donelson said.

"He needed to get someone with a lot of money to come in and bail him out on a number of mortgages so they wouldn't either put him in jail or shoot him," Donelson said. ". . . He beat me out of a lot of money. Am I bitter? Yes. I don't like anyone who cheats me."

The 55-year-old Strom is accused of stealing millions from investors and home buyers in Southwest Florida, including many elderly persons.

According to the arrest warrant, investigators contend that Strom defrauded more than 100 people in Charlotte, Sarasota and Hillsborough counties out of more than \$ 3 million between 1987 and 1996.

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Strom's attorney, J. Michael Hussey of Fort Myers, told the judge that there was no evidence that Strom posed a physical threat to the community. He emphasized that Strom is innocent until proven guilty, and he gave the judge Strom's passport as a sign that his client would not disappear.

Strom told the judge that he would appear in court as scheduled. He also testified that he has no overseas bank accounts, that he works for his wife and has only \$ 2,000 in his personal bank account.

"The reason I'm employed by my wife is I had no money to build my own business," Strom said, referring to a nutrition business he helped create.

When Assistant Statewide Prosecutor Ramon de la Cabada asked Strom whether he had been cited for contempt for failing to appear for a subpoena in the past, Strom said that he could not answer that.

"Legal things I do not understand. I don't really know what you're talking about, subpoenas," he said.

The prosecutor asked Casanueva to keep the bail at \$ 1 million, saying that the high figure was simply commensurate with the amount Strom had scammed from people.

Strom, de la Cabada pointed out, returned to Florida from Nevada on Friday but waited until Sunday to turn himself in.

The prosecutor argued that releasing Strom on his own recognizance, as the defense requested, would financially endanger the community and would also increase the risk that Strom's fraud victims would not regain their money.

"He's basically put all the property in his wife's name and he says he has nothing. That's the whole nature of his scheme, your honor, looking for loopholes," he said.

If a lower bail is set and Strom is released, de la Cabada said, Strom should be restricted to travel in Charlotte County and his bail money given to the fraud victims if he fails to appear in court.

Strom remains at the Charlotte County Jail on one count of first degree racketeering, two counts of first degree grand theft and two counts of third degree theft. The charges were filed following a joint investigation by the Statewide Prosecutor's Office, the Comptroller's Office and the Florida Department of Law Enforcement.

**GRAPHIC: PHOTO (C);**

Arnold Strom is sworn in before testifying in a hearing Friday at the Charlotte County Courthouse.;

STAFF PHOTO/MATT BERNHARDT

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