



Hernando County Sheriff's Office

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Media Release

From: Denise M. Moloney
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Re: Detectives Make Arrest in Mortgage Fraud Case

Date: October 19, 2015

In December 2008, Rickey and Frances Shew of Brooksville filed claim with Farm Bureau Insurance regarding damages observed to the structure of their residence.

Per F.S.S. 627.707, Farm Bureau Insurance initiated a geotechnical investigation of the residence. In April 2009, the Shews were notified of the subsidence investigation. The report filed by the engineering company was concluded on September 14, 2009; it stated that “sinkhole activity is not a cause of the noted damage in the structure.”

In order to appease the Shews, Florida Farm Bureau Insurance Company requested a peer review of the engineering company’s report. The second engineering company, including a Professional Geologist and a Professional Engineer, agreed with the findings of the original engineering company. The damages at the Shew residence were not attributed to sinkhole activity.

Unhappy with these reports, the Shews filed suit against Florida Farm Bureau Insurance Company for what was policy limits. Yet another subsidence investigation was performed by a third engineering company. Their report, released on June 29, 2010, stated “sinkhole activity is the cause of structural distress at the Shew residence within a reasonable, professional probability.”

On August 16, 2010, the Shews were awarded the sum total of \$240,000 in a settlement with Florida Farm Bureau Insurance Company. The lawsuit was dismissed without prejudice on August 20, 2010.

On October 20, 2010, Florida Farm Bureau Insurance Company filed Hernando County Clerk document # 2010054791 reference the UES report confirming sinkhole activity pursuant to F.S.S. 627.7073 (2)(a). It should be noted that there are no Notices of Commencement regarding sinkhole remediation on file with the Hernando County Clerk. Additionally, there

are no sinkhole remediation reports or Engineer's Final Inspection Reports on file with the Hernando County Clerk regarding this property.

On September 16, 2010 Hernando County Clerk document # 2010049647 was filed in reference to the Satisfaction of Mortgage for the property belonging to Rickey Nelson Shew and Frances M Shew.

On June 6, 2015, Richey N. Shew and Frances M Snider-Shew entered into a contract to sell their home to Christopher and Kristi Jernigan. The Shews DID NOT disclose that the home had confirmed sinkhole damage and offered the home with an asking price of \$250,000 (full market value). The purchase price of \$229,000. was agreed upon with the buyers.

Both defendants turned themselves in at the Hernando County Detention Center on 10-16-15 at approximately 1:30 p.m.