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Prosecutors want court to reconsider Coast Bank victim verdict

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The federal prosecutor's office in Tampa has asked the 11th U.S. Circuit Court of Appeals in Atlanta to reconsider its decision to award victim status to the more than 150 people who lost money in the Coast Bank "skimming" scheme.

Philip Coon, former executive vice president at Bradenton's Coast Bank, admitted in a plea deal that he conspired with a mortgage broker to overcharge borrowers an extra point on various real estate loans.

He split the extra "skimmed" point with the mortgage broker, taking more than \$1.1 million, which he used to buy overseas vacations, expensive jewelry and other luxury items.

As part of the plea deal, the government agreed that Coast Bank, not the borrowers, was the single victim of the crime.

But Sarasota attorney Alan Tannenbaum, who represents more than 140 Coast loan customers, convinced the 11th U.S. Circuit Court of Appeals in December that the borrowers were victims under the federal Crime Victims Rights Act.

Federal prosecutors have filed a motion for a rehearing with the Atlanta court of appeals on the grounds that it had improperly characterized the borrowers as victims.

"The filing is notable if for no other reason than that it is the first time nationwide that federal prosecutors have joined forces with a criminal defendant to ask an appellate court to rehear a case in order to take away legally recognized rights of victims," Tannenbaum said Monday. "It is very inconvenient for the government to have victims of a crime at the table with the defendant."

Steve Cole, the spokesman for the U.S. Attorney's Office in Tampa, said there

would be no comment at this time.

"We are not going to speak out past what we filed," he said.

Coon, who with co-conspirator John Robert Miller is facing five years in prison, has threatened to back out of his plea agreement if the courts decide that Coast's borrowers -- not the bank itself -- were the victims of his crimes, his attorney said.

The federal district court in Tampa postponed this month's sentencing of Coon and Miller while prosecutors and Coon challenge the Atlanta court's finding that the borrowers are entitled to share in \$3 million in restitution.

"In this particular case the government wanted a quick and easy conclusion, which is what a plea agreement is, so they can have a press conference and say, 'See, we are out fighting crime,'" Tannenbaum said.

"Now the prosecutors are not cooperating with us and are unbelievably working with the defendant to fight us."

The 11th U.S. Circuit Court is currently considering the prosecution's petition for a rehearing.

"We're hoping they are just going to deny it and we'll move forward," Tannenbaum said.

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