

CPM Files Lawsuit Alleging Real Estate Investment Misappropriation Scheme

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Practice Areas

Securities / Financial Fraud

Today, Cotchett, Pitre & McCarthy filed a lawsuit on behalf of an aggrieved investor alleging a real estate misappropriation scheme. The Complaint alleges that Steven A. Brown and the companies he operates – Better Property Management and BFRF, LLC – lured investors to invest in supposed real estate deals using a classic “bait-and-switch” scheme. Brown and his companies caused investors to repose trust and confidence in the legitimacy and security of these deals through initial, successful deals of modest size. Once the investors trusted Brown and his companies, Brown induced follow-on investments of increasing size in conservative real estate projects. Contrary to Brown’s promises, however, there were no follow-on real estate deals. Instead of investing the money as promised, Brown took the money for his personal and business use for everything from salaries at his companies, to groceries and rent, to lavish family vacations to Panama. “As alleged in the Complaint, this is yet another example of negligence and outright fraud and deceit,” said Camilo Artiga-Purcell of Cotchett, Pitre & McCarthy, LLP, one of the attorneys representing the plaintiff. “Brown and his companies prioritized the pursuit of money over their duty of loyalty to investors and friends. This lawsuit seeks to make our client whole for the serious damage perpetrated by Mr. Brown and his companies.”