

# Hotel promoter dashes dreams

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where. "That's all been gone over and gone over and gone over," he said from his office in Florida. "We've proven that we're capable of doing this deal — that's all I care about."

Rockford city leaders said they know little about Fry.

MetroCentre manager Brad Walsh said questions about Fry's background were tempered significantly by Sheraton's apparent involvement in the Rockford deal. But Walsh agreed Fry's track record is muddled, at best.

"I can't seem to find a representative project that he's really put together," Walsh said.

Fry's critics contend no such project exists.

## Florida roots

About a half-hour north of the Tampa-St. Petersburg area, a bedroom community called Dunedin rests alongside Florida's scenic Gulf Coast. The population is 36,000 — one-fourth the size of Rockford.

There, in a modest office building, Bill Fry has established headquarters for his business enterprises: Seven Plus Developments Inc., Development Systems Associates Inc., Cal-Merc Enterprises Inc. He also has a business consulting firm in nearby Clearwater.

An occupational license issued by the city of Dunedin in 1988 lists Fry as a "consultant for hotel and resort developments."

He's not an active member of the Dunedin Chamber of Commerce but once tried to organize local merchants into a new association. After a couple of meetings, the group fell by the wayside.

Chamber of Commerce director Bob Bellavance said Fry remains "sort of an unknown."

"Very little has been heard of him," Bellavance said. "He's a very elusive, secretive type."

Said City Manager John Lawrence: "I didn't even know he was still here."

Fry has dabbled in real estate in the Dunedin area. In 1993, he sold a three-bedroom house for \$150,000 to be converted into a private retirement facility.

Jim Neidner, president of Park Place retirement home, said officials were pleased with the transaction.

"He seems to be a very honest, loyal person," Neidner said.

Fry had a brush with scandal in 1988 when he took a consulting job with the founder of a new cruise ship operation in Clearwater.

Royal Fiesta Cruise Line raised more than \$1 million but never bought a ship. Founder William Folz later was sentenced to 10 years in prison for racketeering and securities fraud.

Investigators say Fry was never suspected of wrongdoing.

A year later, Fry, through his Seven Plus Developments, proposed converting an abandoned oceanside college campus in Dunedin into a luxury hotel. He pitched his idea to city officials and announced plans to conduct feasibility studies.

When the project faltered, the property was sold to a European university to open a campus in Dunedin.

Real-estate broker Gerald Rehm said Fry's concept never seemed like a serious proposal.

"It was more of a promotional kind of thing," he said.

Fry, a licensed pilot since 1966, flies out of St. Petersburg-Clearwater International Airport. He leases a hangar there and uses a twin-engine airplane for business trips.

## Investors' doubts

Bob Cicco, 66, has spent more than 20 years in real estate. From his office south of Dunedin in Seminole, Fla., he has helped develop condominiums, hospitals and industrial parks.

Bill Fry swept Cicco off his feet.

Aboard Fry's plane, the two men in 1993 embarked on a tour of proposed hotel sites from Georgia to Oklahoma. At each stop, they met with excited mayors and civic leaders.

Fry paid all expenses during the two-week junket. Then he invited Cicco to join Seven Plus Developments as a partner and investor.

Cicco, with two associates, put up \$50,000 to join Fry's team. Organized as Rafor Development Partnership Inc., their assignment was to design and plan hotels.

After working weeks on architectural drawings and blueprints, Cicco said, he and others asked about getting paid. Instead of paychecks, Fry gave them another \$50,000 worth of Seven Plus stock.

Then, as the group began site work on the project in Florence, Ala. — about two hours south of



EDDY MONTVILLE/The Register Star

The proposed hotel site across from the MetroCentre is owned by Richard Imming, who says developer William Fry seems like a legitimate businessman.

Nashville, Tenn. — they discovered Seven Plus did not own the property.

"We were going to build everything," Cicco said. "We're all brilliant businessmen who were smooth-talked."

Marvin Flam, an architect in Rafor Development, said the group finally investigated Fry's background.

"We discovered that Mr. Fry had not built anything and had never developed anything," Flam said.

The group broke ranks with Fry and tried to alert other investors in 1995.

Cicco estimates that 80 investors had put \$4 million into ill-fated Seven Plus Development projects. To his surprise, most were reconciled to writing it off as a bad investment.

"The guy is a perfect stroker — the cleanest, most perfect stroker you ever met," Cicco said. "Bill Fry never put a dime in."

Fry described the clash with Rafor Development as an attempt to seize control of Seven Plus during his health problems. Although he was away from work only four months, he said, the company incurred serious debts and was in disarray when he returned.

"It was finally decided that the hostile takeover group was trying to destroy me and Seven Plus," he said.

In Florence, Fry's plan to finance acquisition of the site involved selling trees that would be cleared from the downtown property. The trees turned out to be virtually worthless.

The property's owner, Dan Hightower, is a Nashville physician who grew up in Florence. He had donated land a few years earlier for a municipal convention center. The proposed hotel site was adjacent.

From his office in Nashville, Hightower declined to discuss his negotiations with Fry. He said financing and other aspects of the deal simply never fell into place.

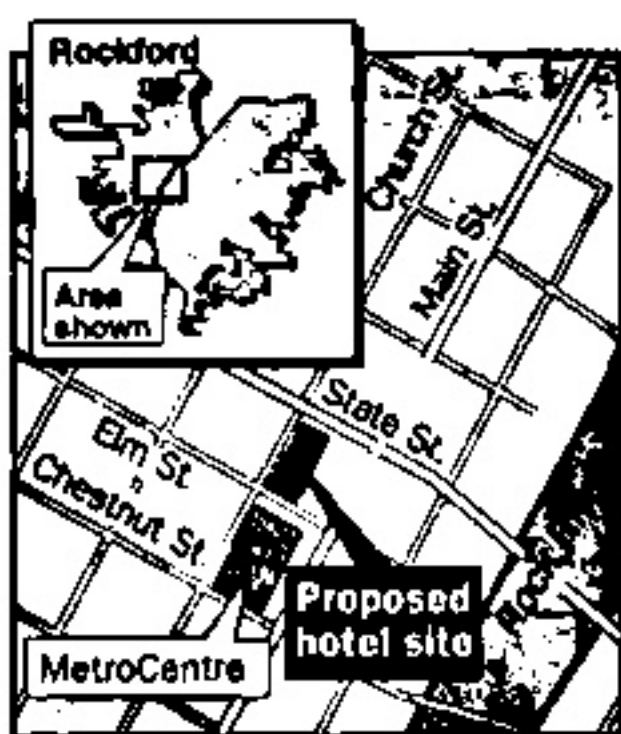
Referring to Fry, he said, "I know he tried real hard to put it together."

Some investors remain hopeful of seeing a return on their money.

James Coleman, 61, a Charlotte, N.C., construction consultant, said he has invested tens of thousands of dollars in Seven Plus Developments since meeting Fry eight years ago.

Coleman said he has never seen a finished project from Fry but was excited to hear about progress on the Rockford development.

"I think the guy is going to pull it off — I really do," he said.



WILL PFEIFER/The Register Star

Others have given up hope.

John Busbin, 67, a real-estate developer in Rome, Ga., said he loaned Fry more than \$30,000 three years ago and is still trying to collect on the debt.

Busbin said he has developed several hotels but none of Fry's efforts in recent years has succeeded.

"He has told me all kinds of stories — and never performed," Busbin said. "He's great. He could sell ice cubes to Eskimos."

Paul Eirman, 60, a businessman in Hudson, Fla., said Fry has promised several times to return his original \$5,000 investment. A friend who worked at Seven Plus encouraged Eirman to get involved, but the friend later grew concerned when numerous angry investors called looking for Fry.

In December 1995, Fry and other board members of Seven Plus Developments sent investors a memo listing nearly a dozen projects being considered, including one in Rockford. The memo cited obstacles being encountered and urged each investor to send another \$1,000, saying the company was "finally on the threshold of getting something in the ground."

"Your company is in urgent need of additional funds," it stated. "Please do your part to get us out of this crunch."

Three months later, Fry returned to Rockford to present his hotel proposal.

## Sheraton's role

Rockford's hopes for a major downtown hotel have been raised before.

In the mid-1980s, an Arkansas developer teamed with Holiday Inn to propose a \$19 million hotel near the MetroCentre. But the deal eventually collapsed.

In the summer of 1995, downtown hotel proponents went hunting for a new prospect.

At the forefront was Kane County businessman Richard Imming, whose father bought proper-

ty across from the MetroCentre in 1990. Two years later, his father died.

Imming began contacting the hotel industry's biggest names, including Hilton, Marriott and Sheraton. Only Sheraton was interested. Officials at the nation's seventh-largest hotel chain encouraged Imming and suggested a developer: Bill Fry.

Imming met with Fry, visited his office in Florida and introduced him to officials at Doyle Associates Inc., the Rockford real-estate brokerage marketing Imming's property.

From his office in Aurora, Imming recalls hearing about angry investors and other controversy in Fry's background.

"It's no surprise to me that he has some people who think he's a real bad guy," Imming said. "And you know something? I don't care. He hasn't been bad to me. I believe the guy is a legitimate businessman."

Sheraton, a Boston-based chain with outlets as close as Chicago and Madison, Wis., has expressed interest in Rockford.

The company has signed no franchise deal in Rockford but sent a representative with Fry in September 1996 to meet with City Hall and MetroCentre officials.

Franchising representative Jeff Schrader told the Register Star at the time the company had worked with Fry before, although he couldn't provide details.

Now, Schrader refers questions about Fry to Sheraton corporate officials. Those officials will not fully explain why they recommended Fry in Rockford.

Company vice president Sam Winterbottom, the person who originally spoke with Imming, said Fry has attempted a couple of projects under the Sheraton name. But none has been built. Winterbottom said he suggested other potential developers, too, assuming Rockford leaders would check a developer's background before doing business with him.

"We get contacted literally by dozens of developers weekly," he said.

Bob Morris, president of Sheraton's franchise division, said he was not familiar with Fry's business experience.

"His name has come up," Morris said. "I don't know the man personally."

When Fry unveiled his hotel idea, MetroCentre board members were skeptical. Remembering the Holiday Inn failure, they vowed to hold back until Fry provided financial plans and other details.

That changed when Fry

brought Sheraton to the table. MetroCentre manager Brad Walsh said officials felt reassured that Fry was a capable developer.

"The bottom line was Bill Fry has the propensity and wherewithal to make this happen," Walsh said. "That was the best reference I could find."

In September 1996, the MetroCentre struck a deal to give Fry guaranteed access to convention space if he develops the hotel. The deal would continue through 1997 while Fry negotiated the real-estate deal.

Fry has told city officials he will disclose details of his background and business organization when he submits a written request for assistance with the project.

Diane Voneida, the city's economic development director, has been in several meetings with Fry. Voneida said officials never check a developer's background until they receive a specific proposal. For now, the hotel project is just a pending transaction, she said.

"It's a deal between a private person and a private person," she said. "The city doesn't have any interest at this point."

Imming said efforts to research Fry's background are a waste of time. The only question that counts, he said, is whether Fry can deliver what he promises.

"We lost six months because Brad Walsh spent six months trying to dig up dirt on Bill Fry," he said.

Leaders in other communities similarly have been unable — or too uninterested — to check the track record of Seven Plus Developments.

The Rockford deal originally was promoted under the Seven Plus label. Fry later switched to Development Systems Associates, another of his Florida corporations. These days, he says the hotel's actual developer would be a third party, and he is only a "principal."

The network of corporations and partnerships confuses even some of Fry's associates.

Robert Trigg, a former board member of Seven Plus Developments, said he still has money invested in Fry, but he is not sure where the money is going.

Asked if he has a stake in the Rockford deal, Trigg said: "I honestly don't know the answer to that. Some are Seven Plus projects. Some are personal Bill Fry projects."

Others, it turns out, are neither.

## Portfolio questioned

The portfolio for Bill Fry is covered with colorful photographs of eye-catching buildings. Each appears to be a bustling center of activity and commerce. None is dated or labeled.

Inside, promotional materials for Seven Plus Developments offer a recurring theme: The company's services are so diversified that projects go "from concept to completion" with no outside assistance.

The packet continues with lists and more photos of hotels, restaurants and other facilities. Then comes the assertion that each facility was developed by "the various companies and affiliates of William J. Fry."

Some have been bought and sold so many times that tracing the original owners and developers is difficult.

Officials at Hilton, Sheraton and Ramada said they cannot verify Fry's credentials for that reason.

In other instances, developers or owners say Fry has claimed credit for someone else's achievements.

The 12-story Remington Hotel in Houston was built in 1981 by Dallas-based Rosewood Hotels Corp. Since a 1989 sale, the 230-room hotel has carried the Ritz-Carlton banner.

Robert Zimmer, as president of Rosewood Hotels in the early '80s, oversaw development of the Remington.

He said neither Bill Fry nor Fry's companies was involved.

Told that Fry's portfolio includes a color picture of the Remington, Zimmer replied, "I think this guy isn't for real."

A Pompano Beach, Fla., retirement center known as The Preserve also is featured in the portfolio. With its bright colors and elegant furnishings, the 300-apartment facility opened in 1991.

Architect George Mouriz, who designed it and worked on its development for seven years, said Fry was not a participant.

"I don't know of any Bill Fry," Mouriz said. "He is not a client of mine, and he had zero involvement in this project."

The portfolio claims Fry's involvement in about 20 restaurants in the Brown Derby chain. Established in 1941, the Cleveland-

based firm has spawned eateries in several states.

Brown Derby President Parris Curves, whose father founded the chain, said Fry's portfolio lists actual Brown Derby sites in Ohio, Pennsylvania and Florida. Fry developed none of them.

"I don't know anything about the man," Curves said.

Fry offered a business card identifying him as Brown Derby's director of franchise and leasing as evidence that he was involved with the company in the 1960s. He says he was strictly a consultant and never drew a salary.

Colleagues associated with Seven Plus do have connections to projects where he is accused of taking credit improperly, Fry said.

Robert Zarnegin, owner and developer of The Peninsula Beverly Hills, heard in 1992 that Fry was claiming an association with the posh Los Angeles hotel. The \$100 million project had been finished a year earlier.

The only connection Zarnegin could find was that an architect associated with Fry once worked for an architectural firm involved in the Peninsula project.

In a March 1992 letter, Zarnegin demanded that Fry destroy his promotional materials and retract claims that he was involved in the project.

"We will not permit you to cause disrepute to our hotel or to exploit its prominence for your own benefit," he wrote. "We are outraged that you have attempted to deceive others by taking credit for our hotel."

No mention of the Peninsula is included in the portfolio circulated in Rockford for Seven Plus Developments.

## Criminal probes

The Register Star's investigation found that Bill Fry has never been charged with a crime, but his actions have drawn the attention of several law enforcement agencies.

In 1992, the Wyoming attorney general sent a letter to a trust company allegedly being used by Fry to woo investors in an unspecified venture.

The letter warned that such activity might violate state securities laws.

"Due to the suspicious nature of your investment opportunity," the letter read, "I request an immediate response."

Assistant Attorney General Mark Moran, who handled the case, could not recall details or the outcome.

More recently, investors have filed complaints in Florida with the state police and the state comptroller's office.

Comptroller's investigator Joel Morin said Fry can claim he has not defrauded investors because he has gone through the motions of negotiating with landowners and meeting with civic leaders.

"The guy may be a bad businessman," Morin said. "But is he lying? No."

Florida State Police said their current investigation has developed within the past year.

Federal authorities also have examined Fry's activities.

The Internal Revenue Service last year placed liens on Fry's assets, citing an estimated \$18,000 in unpaid federal income taxes. The liens, which also mentioned Seven Plus Developments, were lifted earlier this year when Fry paid the taxes.

Fry addressed such problems in his written responses to Register Star questions.

He said Seven Plus once had as many as 80 investors, and some have become unhappy with Seven Plus. Almost none, he wrote, have a legitimate reason for wanting their money returned.

"I am sure we would all enjoy getting the return of our investment," he wrote.

He also said the unpaid federal income taxes accrued during his four-month bout with cancer. He said the debt belonged to Seven Plus, but he paid it out of his own pocket.

"I expected somehow or some way that the company would raise the money to pay the tax," he added.

The FBI scrutinized Seven Plus after hearing from disgruntled investors about a year ago.

FBI agent Mike Shea said he couldn't document any violation of federal law and forwarded the information to Florida state officials.

Shea, however, said he did question some of Fry's business practices.

"He's got a track record of never doing anything," he said. "I wouldn't invest a penny with the guy."