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Man With Home in Cruz Bay, St. John Sues Over Alleged Loan Scam After Losing Property in Rush Sale

John Nash alleges he was scammed out of \$23,500 while seeking a loan to cover a balloon mortgage payment. The loss forced him to sell his St. John property for \$1 million less than market value.

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Cruz Bay, St. John. By. V.I. CONSORTIUM

A man is suing several defendants for allegedly swindling him out of over \$20,000 in what is being described as a “loan scam.”

John Nash, a Maryland resident, owned property in Cruz Bay, St. John. The property had reportedly been purchased via a mortgage, and in 2023 a large balloon payment was coming due. According to the civil complaint, Mr. Nash needed to secure a new loan under more favorable

terms to be able to handle the debt.

SWH Partners, LLC, a company allegedly represented by Jeff Halverson – a resident of Florida – offered what the lawsuit called a “hard money loan” to pay off the pending mortgage and move forward under more favorable terms. The new loan reportedly required an upfront payment of \$30,000 to move forward, however that sum was negotiated downward to \$20,000, the lawsuit claims.

Mr. Nash wired the funds on August 10, 2023. Afterwards, the lawsuit alleges, other defendants named in the complaint – Jody Smith and Chris Walker – contacted Mr. Nash to demand a further \$3,500 in “document fees.” On October 16, this money was also reportedly sent via wire transfer, according to instructions.

With the date for the balloon payment on the existing mortgage drawing closer, Mr. Nash “became desperate to close the new loan or he would lose his Property,” the lawsuit claims. The defendants kept promising him that the funds would come in time. “Nash, having justifiably relied on Defendants (mis)representations [sic], continued to wait for the loan to close.”

In the face of assurances from the loan providers, Mr. Nash says that he sought an extension from the holder of his existing mortgage, which reportedly cost him over \$165,000 in penalties and interest.

“It finally became apparent to Plaintiff that Defendants had been running a con-game on him and that the promised loan did not actually exist,” the lawsuit claims. With foreclosure imminent, Mr. Nash said that he had to scramble to sell the property, receiving approximately a million dollars less than its actual value because of the haste in which he was forced to dispose of it.

“Despondent at losing his home, Plaintiff demanded Defendants return the \$23,500 to him,” the lawsuit claims. However, “Defendants continued their scam by continually promising repayment was coming only to never return the funds to him.”

The lawsuit claims that even then, the alleged scammers tried to convince Mr. Nash that they could close on the loan “to help him re-purchase the Property.”

Mr. Nash ultimately decided to insist upon the return of the money, and reportedly received assurances that this would be done. However, the defendants “then backed out of that promise, only to then agree to return only some of the funds and then only through a payment plan,” the civil complaint states.

Mr. Nash has never received any refund.

Mr. Nash's complaint is alleging breach of contract, breach of the duty of good faith and fair dealing, a civil conspiracy, fraud, tortious conversion, and unjust enrichment. He is asking the court to award damages under several categories, as well as to recover costs and attorney's fees.

As of press time, there has not yet been a response from the defendants. The matter is currently before Superior Court Judge Carol Thomas-Jacobs.