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INTERNATIONAL NEWS

EL SALVADOR

Firms ordered to repay loans

■ An offshore investment group won a \$30 million judgement against a group of Salvadoran companies in a dispute over payment of a loan stemming from the now-closed Hamilton Bank.

By JANE BUSSEY
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A Miami-Dade circuit court judge has ordered a Salvadoran textile and telecommunications group to repay nearly \$30 million in loans and interest from the failed Hamilton Bank.

The lawsuit involved a series of loans that were auc-

tioned off by the Federal Deposit Insurance Corp., after banking authorities seized Hamilton Bank in January 2002 in the largest bank closing in South Florida since Centrust Savings was shuttered in 1990.

LOANS ACQUIRED

After the FDIC sold off the bank's loans in the liquidation, an international investment group, Valat International Holding, eventually acquired three loans Hamilton Bank made to companies owned by the Safié family in El Salvador. Valat International, which

has headquarters in Northern Ireland, filed a breach of contract lawsuit in 2004 when the Salvadoran companies failed to pay interest on one loan or repay two lines of credit.

Circuit Court Judge Mindy S. Glazer issued a summary final judgement on Wednesday against four Salvadorans, Oscar Antonio Safié, his son by the same name, his wife and his daughter-in-law, and their companies: El Salvador Networks — a telecommunications company, and Rayones de El Salvador and Hilanderias de Exportación, both textile firms involved in the export

business.

The four family members, who live in El Salvador, had personally signed guarantees for the loans.

On top of the nearly \$30 million, Glazer also ordered the defendants to pay "reasonable attorneys' fees and costs."

Carolann A. Swanson, attorney for the Safié family and their companies, did not answer a telephone message left at her office.

Leoncio de la Peña, attorney for Valat International, said that the lawyers spent 2½ years litigating whether a court in South Florida had

jurisdiction over the case. The judge ruled that the case could be heard in Miami, a victory for Valat International.

SALVADORAN LAW

De la Peña said he believes his client will be able to collect the money because of a law in El Salvador that provides for the appointment of a pre-judgement receiver for a company involved in such a dispute.

"That person is appointed by the court to supervise the company" and make sure funds are preserved for judgement, he said.

IN BRIEF

● RUSSIA
TALKS WITH U.S.
HIT A STALEMATE

U.S. and Russian trade negotiators have failed to overcome obstacles in Russia's bid to join the World Trade Organization, raising the prospect that the effort may drag into 2007.

Both sides took tough bargaining positions in public this week. Igor Shuvalov, a top advisor to Russian President Vladimir Putin, said it might be time to suspend the talks because Russia could not make further concessions.

The United States insists it must reach an agreement that makes significant progress in tackling widespread copyright piracy in