



DAILY BUSINESS REVIEW

CISNEROS FAMILY MEMBER MILAGROS CISNEROS FAJARDO AGREES TO PAY \$9.25 MILLION TO END SUIT

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After fighting a multimillion-dollar judgment for more than a decade, a member of Venezuela's prominent Cisneros family consented during trial to pay a Venezuelan bank for defaulted loans.

Three days into a Miami-Dade Circuit jury trial last week, attorneys for Milagros Cisneros Fajardo agreed she would pay the full \$9.25 million amount demanded by Banco Latino.

As sole shareholder of the company Explotaciones Mineras de Venezuela, known as Exmivenca for short, Cisneros took out loans for her coal mining company and signed a \$2.5 million promissory note to the bank's U.S. subsidiary, Banco Latino International, in 1993. The bank claimed she failed to pay when the loans were due.

Banco Latino was represented by Diaz Reus & Targ partners Michael Diaz Jr., Gary E. Davidson and Carlos F. Gonzalez.

"The Cisneros family fought for over a decade to stop justice being served here," Davidson said Monday. "She had obligated herself to pay, and she just

didn't want to pay. In this day and age of banks taking hits of significant magnitude, this is a very significant signal that banks aren't always wrong."

Tew Cardenas partners Thomas G. Schultz and Bryan T. West represented Cisneros in trial. Through a spokeswoman, Schultz declined an interview and issued a statement saying, "Our decision to move forward along these lines was made with broader and longer term considerations in mind."

Runs on Venezuelan banks during a 1994 financial crisis caused the U.S. subsidiary to declare bankruptcy, but its parent company remained.

The parent in 1999 sued Exmivenca and Cisneros, who Davidson identified as the sister of Venezuelan media mogul Oswaldo Cisneros. The bank claimed she and the mining company defaulted and owed \$2.36 million for the loans, unpaid late charges and attorney fees.

The bank, then represented by Akerman Senterfitt, won in court before Circuit Judge Bernard S. Sharpiro in 2000 when he issued a \$4.39 million judgment after default against

the company, but Exmivenca was defunct. Attorneys sought to force Milagros Cisneros to pay based on her personal guarantees.

But she fought the bank claiming her ex-husband, banker Juan Perez Sandoval, fooled her into signing the documents, bank attorneys said.

Milagros Cisneros planned to have her ex-husband provide testimony at trial that mirrored what he said during a deposition, admitting to defrauding his ex-wife, according to Davidson.

But before bank attorneys rested their case, Milagros Cisneros' son and guardian, Juan Vicente Perez Cisneros, accepted the agreement before Miami-Dade Circuit Judge Maxine Cohen Lando, who issued final judgment Tuesday.

Schultz said the son controls all of Milagros Cisneros' assets and Circuit Judge Celeste H. Muir in probate court likely would approve the action.

A court transcript shows both sides were clear the agreement was not a settlement.

"This was great theater. This case was like something out of a family soap opera," Davidson said. "The bank in this case was simply a victim."