

DAILY BUSINESS REVIEW

INTERNATIONAL

Intensive document hunt results in trial concession

Michael Diaz, Gary Davidson and Carlos Gonzalez
Diaz Reus & Targ

After 10 years of document hunting in Venezuela and Miami, opposing counsel threw in the towel and conceded liability during trial, ending a long drama involving a bankrupt Miami Edge Act bank and a wealthy Venezuelan family’s mining company loan default.

The case against Milagros Cisneros Fajardo ended abruptly in a Miami courtroom in March when attorneys for the family agreed the client would accept the full \$9.25 million judgment sought by attorneys for Venezuela’s Banco Latino.

Cisneros, the sister of Venezuelan millionaire Oswaldo Cisneros, did not attend. But three days into the jury trial, her son and guardian, Juan Vicente Perez Cisneros, accepted the agreement before Miami-Dade Circuit Judge Maxine Cohen Lando, who issued a final judgment.

“This case was very much like a soap opera. There was a lot of background drama involving her two sons who came to work at the mining company,” said Gary Davidson, a partner at the Miami firm that represented the bank for the last five years. At one point Cisneros’ ex-husband, banker Juan Perez Sandoval, said he had exerted undue pressure on her to guarantee the loans to Exmivenca.

MOST EFFECTIVE LAWYERS 2011



Appellate attorney Carlos F. Gonzalez oversaw the pretrial motions, while Michael Diaz Jr. and Gary Davidson tried the case before the jury.

Banco Latino International, the Edge Act affiliate, claimed she and the mining company defaulted and owed \$2.36 million for the loans plus unpaid late charges.

She had guaranteed loans in 1993 from the bank for the family’s coal mining company. Runs on Venezuelan banks during a 1994 financial crisis caused the U.S. subsidiary to declare bankruptcy and eventually close, but its parent company remained alive. The bank sued in 1999.

The most difficult part of the case, Davidson said, was finding the original documents showing how the Venezuelan entity assumed the Cisneros loan from the Edge Act bank in the course of its bankruptcy

proceeding. Without the records the attorneys could not prove the bank ever held the debt.

“We did it eventually, but it took years of searching in Venezuela and here in the U.S. before we were able to locate documents in Spanish showing the transfer of this loan to Banco Latino International to Banco Latino. The next step is to collect the judgment. Part of it is tied up in real estate here in Miami. Part of it is tied up with others. We believe Mrs. Cisneros has assets,” said Davidson.

Davidson and partner Michael Diaz Jr. managed the pretrial aspects of the case and tried the case before the jury. Appellate attorney Carlos F. Gonzalez oversaw the pretrial motions, preserving the record for appeal.

Tew Cardenas partner Thomas G. Schultz, who represented Cisneros along with fellow partner Bryan T. West, issued a statement afterward saying, “Our decision to move forward along these lines was made with broader and longer term considerations in mind.”