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Mas, Navarro families join U.S. Century investors

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From left to right, brothers Gabriel Navarro and Marcel Navarro and brother-in-law Martin Pico.

Two of South Florida's most prominent Hispanic families are being added to the roster of local investors trying to recapitalize U.S. Century Bank: the Navarros, founders of the pharmacy chain, and the Mas brothers of MasTec.

Together, they beef up the Cuban-American cachet of the group eyeing the troubled, historically Cuban-American bank, based in Doral.

"We're really excited about the addition of these key families, influential families in South Florida," said Jimmy Tate, president

and chief executive of Tate Capital, who is one of the leaders of the investment group. "Both bring a level of integrity and expertise and business acumen to the bank."

Jose Mas, chief executive of publicly traded MasTec, said he and his two older brothers, Jorge, chairman of MasTec, and Juan Carlos, will have one of the largest investments in the bank, through their private equity vehicle, Mas Equity Partners.

"We think U.S. Century has tremendous potential," Jose Mas said Friday, "and we think it's so important to have strong community banks."

Similarly, Gabriel Navarro and his older brother, Marcel, along with brother-in-law Martin Pico, plan to invest in the bank through their family owned real estate investment firm, MMG Equity Partners, which carries their initials.

"I think there is a real opportunity over the next few years for a strong local bank," said Gabriel Navarro, whose family founded and grew Navarro Discount Pharmacy before selling a majority stake to MBF Healthcare Partners in 2007. "And the team that [Tate] has put together is a very strong team with obviously strong business ties to the community which will be able to leverage together as a way to grow the bank."

The two prominent Cuban-American families join a list of high-profile local investors who are indelibly linked as friends, family or business partners.

Along with Tate and his brother Kenny, co-owner of Tate Capital, the group includes Sergio Rok, president of Rok Enterprises; Jorge Perez, chairman and chief executive of the Related Group; Wayne Chaplin, president of Southern Wine & Spirits; real estate developer Scott Robins and his father Gerald; Perry Ellis International Chairman and Chief Executive George Feldenkreis and his son Oscar, president of Perry Ellis International; Alan Potamkin, co-chairman of the Potamkin Companies; Philip Levine, founder of Royal Media Partners; Paul Feinsilver and business partner Jimmy Klotz, owners of FMS Bonds; and Carlos Migoya, a former banker and current chief executive of Jackson Health System.

No longer part of the group: Dolphins owner Stephen Ross and former ambassador Paul Cejas.

In all, the investor group plans to inject \$50 million in capital into ailing U.S. Century, as well as bring in a third party to buy certain loans, including all \$95 million of U.S. Century's non-performing loans.

To date, the group has signed a definitive agreement with U.S. Century, and filed applications with federal and state regulators. The investors have also reached an agreement with the U.S. Treasury Department to pay an as yet undisclosed, negotiated amount that "significantly" exceeds \$6.3 million, to repay \$50.2 million in TARP funds that the bank owes, Tate said.

The group has also selected people who would join the bank's president and chief executive, Carlos J. Dávila, on the board: Rachel Sapoznik, president and chief executive of Sapoznik Insurance & Assoc.; Jeffrey Scheck, vice president of Scheck Group; and attorney Barry Somerstein, a shareholder at Greenspoon Marder.

If approved by shareholders and regulators, the deal to recapitalize U.S. Century, which has about \$1 billion in assets and 24 branches, could be completed by the end of the year.

But a significant hurdle remains: a resolution to pending shareholder litigation — a class-action lawsuit and a derivative lawsuit — related to alleged wrongdoings of the bank's current and past directors and management.

"We're hopeful that everybody comes to the table in good faith and takes the emotion out of the equation and settles the dispute between the parties," Tate said. "Our ability to fund and recapitalize this bank will give the shareholders their best opportunity to recapture their losses, in my opinion, and we're hopeful they see it the same way."