

WXPPost Vesco Real Estate Firm Sells Assets

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NEW YORK, June 15—

The empire of financier Robert L. Vesco is under such stress that a real estate company he and his associates control has reportedly sold off its most solid investments to "Shore Up" other parts of the beleaguered complex.

Vesco is the target of two federal arrest warrants issued in connection with his secret \$200,000 payment to President Nixon's re-election campaign last year. He is believed to be in Nassau, the Bahamas.

According to papers filed in federal court here, Property Resources, Ltd., which owns apartment houses and other property in Florida and elsewhere, liquidated more than \$40 million in certificates of deposit—almost the equivalent of cash—held at British banks in order to buttress Bahamas Commonwealth Bank, the Nassau keystone of Vesco's financial network.

The details of the sales became known this week when federal Judge Charles E. Stewart, Jr., signed an order temporarily freezing the assets of PRL. The company is a subsidiary of Investment Properties International, which in turn is owned by Value Capital, Ltd., itself a subsidiary of

Global Holdings, Ltd., and Global Financial, Ltd.

All the companies are headed by Norman P. LeBlanc, an aide of Vesco and a co-defendant in a Securities and Exchange Commission \$224 million civil fraud suit. LeBlanc, who did not answer the SEC charges, has been ruled in default. A hearing on the SEC's request for a permanent freeze of Vesco assets is scheduled for June 22.

While the court papers do not place a total value on the PRL assets because of the difficulty of valuing real estate, Investment Properties International was sold to the public in 1969 for \$100 million. In its last audited report, Dec. 31, 1971, IPI reported total assets of \$135.4 million.

Among the papers filed by the SEC, which has been attempting to freeze all the Vesco-controlled assets it can find, are affidavits from one current and one former employee of PRL. According to the SEC, they show "a pattern of corporate abuse which is intensifying as the other sections of Le Blanc's and Vesco's house of cards are collapsing."

One affidavit, submitted by David H. Warham, formerly controller of PRL and Value Capital Ltd, as well as treasurer of IPI—he resigned all the posts on April 1—dealt with the sale of the

certificates of deposit. Beginning in March, Warham said, \$40.75 million in certificates were transferred from the London office of the Royal Bank of Canada to the National Westminster Bank. The initial liquidation, \$4.5 million, was made in March—at a penalty of \$40,000 because they were liquidated before their scheduled expiration.

Authorization to deal with the money was transferred to Columbus Trust Co. of Nassau, a bank formerly owned by Le Blanc whose present ownership is clouded. Columbus Trust used the money to buy bonds issued by semi-autonomous agencies of the government of Costa Rica. The bonds had a face value of \$5.7 million. Among the disbursements made to cover the purchase, the Warham affidavit says, was a draft for \$2 million made out to Le Blanc personally.

In April, according to the Warham affidavit, \$31.7 million was transferred from London to Barclays Bank International in Nassau and was later ordered liquidated. "Concerned" that "a significant proportion" of the funds would be deposited in Bahamas Commonwealth Bank, Warham checked with other PRL directors, who said they were never advised of the transfer.

Another affidavit, by Law-

rence Wilkov, describes the way in which Vesco allegedly ignored outside offers to buy PRL properties, preferring to accept lower prices from associates.

According to Wilkov, who is vice president and general manager of several of PRL's Florida holdings, he had received a number of offers for Waterways, N.V., which owns 180 acres of land near Gulfstream Park in Hallandale, Fla. Although a number of offers were received for the property, Wilkov said he was instructed to meet with Ariel Gutierrez, the president of EHG Enterprises, a Puerto Rican construction company which owed Bahamas Commonwealth Bank \$6 million.

Wilkov said Gutierrez later wrote him that he could not proceed with the purchase.

LeBlanc, however, stepped into the picture, Wilkov said, and Gutierrez came back and completed the deal. The price was \$9.5 million, including a \$3.9 million certificate of deposit from Bahamas Commonwealth.

In another affidavit, Jack E. Sonnenblick, a New York real estate broker, says he offered \$10.3 million (later increased to \$10.5 million) for the property, which would have included \$7.2 million in cash, but never received a response to two letters and two cables.