

Huge Real Estate Deal

Arabs Bidding for Paris Hotels

Paris

Arab investors are negotiating the purchase of three of the poshest hotels in Paris—the Meurice, the Prince de Galles and the Grand—in what could be the city's biggest real estate transaction in history, it was learned yesterday.

They had been among the properties of Michel Sindona, an Italian financier whose empire collapsed under shady circumstances in 1974.

But now they are controlled by the state-owned Banco di Roma, one of the leading banks of Italy, which foreclosed on Sindona's assets after he defaulted on \$200 million of loans in late 1974.

Although the three hotels—and the Cafe de la Paix which is owned by the Grand—represent some of the choicest real estate in

Paris, they were said to be beyond the reach of most French investors.

Banking sources familiar with the hotel negotiations said the asking price is somewhere around \$40 million.

Named as the potential purchaser of the hotels in hush-hush talks with the Italian sellers was a company called the First Arabian Corp., grouping investors in Kuwait and Saudi Arabia.

The negotiations were described as being at an advanced stage. An informant said price was not so much at issue as the legal and fiscal implications.

The properties are retained through a complex network of holding companies. Sindona had put up his 40 per cent controlling interest in Generale Immobiliare, one of the largest real estate

companies in the world, as collateral for loans to bail out his Banca Privata in Milan.

But the money didn't save the bank. Investigations led to the issue of an arrest warrant on Sindona by the Milan authorities. Sindona now lives in New York.

Generale Immobiliare, which among other assets owns the Watergate hotel-apartment complex in Washington, controls 40 per cent of the stock of the Compagnia Italiana dei Grandi Alberghi, which, in turn, owns 88 per cent of Societe Nouvelle des Grands Hotels, which holds the Paris properties.

The hotels have been on the block for some months, the informant said.

New York Times