

Law 80 was violated, Said Controller

THE CUBAN CONNECTION IN THE CONTRACTS OF LICORERA DEL VALLE.

**A group of cuban-americans
manage at is will the distribution
contracts of liquor of Del Valle**

If its about to comply with the distribution contract of the products of Industria de Licores del Valle in USA, the corporation chosen to that purpose, the cuban-american Dana Wine & Spirits, should have sold 25.000 cases of nine liters each, before the past 16th of June. But it did not happen.

At this point, Dana Wine defaulted this goal. And on the contrary does have licorera in a difficult legal position, due to three irregular extensions granted to sustain the contract and in the other hand with the attorney Nicolas Gutierrez to register the trademark "Blanco del Valle", without any results. The distribution must started in September 2002, when by resolution #0956, the then

general manager Guillermo Ulloa decided unilaterally cancel the contract with the caleña corporation Rocasa S.A. And grant the contract to Dana Wine & Spirits in a controversial decision, due to the social connotations that at the moment implied such administrative decision. In fact one of the partners of Rocasa S.A. Was kidnaped by the guerrilla of ELN in the kilometer 18 of the sea road. To that it was added the inconveniences surfaced in the USA by the commercialization of a brand, similar to "Aguardiente Blanco del Valle", and the lack of support of Ulloa and ILV in the

promotion of the prodct, as it is of law. Nevertheless Rocasa S.A. Fulfilled with the contract in the first year. This was demonstrated by the Deputy of Del Valle, Rubiel Muñoz, in August 2003, when debated the issue in the plenary of the State Assembly.



GUILLERMO ULLOA T, ex manager of Licorera del Valle, it's the brain behind the contracts of the foreign corporations for the distribution of liquor of Del Valle. In the liquor stores in USA. Dana Wine distribute at the same time Cristal and Blanco.



**Rubiel Muñoz Valle del
Cauca's
Congressman**



Ulloa ya no reina

Los Reyes



Rafael Reyes (Left) Southern wine



Javier Reyes Dana Wine

Today Dana faces the challenge of position the brands of Licorera del Valle, because in reality although Ulloa and Gutierrez insist that there is a trademark register in USA, there is no resolution of the Department of Commerce, Patent and Trademark Office certifying it. In addition, the current general manager Stella Gonzales, said attorney Gutierrez did nothing (...) that money was lost, because he did not what he was hired for. This means that up to this date, Dana Wine did not even fulfill the legal requirements of the contract, as its is found in the investigation of the Controller of the State del Valle, who found irregularities in the distribution contract with Dana for the USA (see chart). In addition Southern Wine, as well as Dana Wine, face Popular Actions Suits for damaging the public funds,

administrative immorality and unduly celebration of contracts. Its clear their proclivity association to distribute at the same time Aguardiente Blanco, Cristal, Rum Trapiche and Ron Viejo de Caldas, when that distribution is forbidden by the contract. If the suits are won, could damage the finances of the State and also menace the retirement funds of 6.500 State retirees, since sales of liquor represent an important percentage of the \$6.800 millions by month to be paid.



DANA WINE'S PROCESS

DROP BY DROP

September 2002: Licorera cancel Rocasa's distribution contract.

December 2002: Licorera awarded US distribution to Dana Wine.

February 2003: Guillermo Ulloa granted the first extension to Dana Wine to fulfill the contract. !There are three now!

July 2003: The Assembly debate Ulloa for Dana Wine's contract and the registry of blanco's trademark.

June 2003: In the Court of del Valle there are law suits (popular actions) against Dana and attorney Gutierrez.

The State Controller Report



THERE IS NO LAUGHING MATTER. Analyzing the contract between Dana Wine and Licorera, the State Controller of Del Valle found that the three extensions granted to Dana Wine for the sale of the products of licorera, "violate the 80th Law of 1993". Therefore, the finances of del Valle managed by the Secretary of Treasury, Jose Arlen Carvajal (left), could be affected if the Governor Angelino Garzon (right) maintain the contract with the cuban-american company.

Who will be making a good deal will be the State of Caldas, represented by Governor Emilio Echeverry Mejia (center), the sales in the US of Ron Viejo and Cristal, made by Dana Wine and its partner Southern Wine, represented by Javier Reyes (son) and Rafael Reyes (father), respectively, surpass Blanco del Valle and Rum Trapiche. Abroad, the Valley "does not see one", said Daniel Palomino, president of the retired. He expressed with concern. The Controller also found other irregularities in Dana Wine's contract:

1. There are no previous studies to contract with Dana Wine. "A must by Law 80th, prior to selection"
2. Dana Wine did not credited experienced or distribution agreements ordered by the terms of reference.
3. It was not exercised previous administrative control, as it is mandate by article 65, third part of Law 80 of 1993.
5. Dana Wine's contract was executed without the fulfillment of previous requirements, Violating article 40 of 80 Law.