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Whirlwind financing deal helps company become major shareholder

Dealmaker: Attorney Seth P. Joseph

The Deal: In what ultimately will be a \$25 million deal, Fort Lauderdale telecommunications service provider Elandia loaned \$20 million to LatiNode Communications on Feb. 17 and will become majority shareholder after regulatory approval.

Details: LatiNode, a Doral-based wholesaler of international Internet voice service, is awaiting Federal Communications Commission approval that would hand control of LatiNode's license to Elandia. A decision is expected within two months.

LatiNode also is seeking \$5 million in other financing, which Elandia has agreed to match.

Elandia's bridge loan provides funds for expansion by LatiNode, which was founded in 1999 by Jorge Granados, Olivia de la Salas and Stephan Nathusius.

The companies entered a preferred stock purchase agreement that will close when FCC approval is granted, giving control of 80 percent of LatiNode's convertible preferred stock to Elandia, Joseph said. Proceeds from the stock purchase will repay the bridge loan.

The whirlwind financing was completed in about a week, involving several international jurisdictions including Argentina, Germany, Mexico, Colombia, Nicaragua and Guatemala.

Elandia, led by chairman Richard Gozia, is a holding company focusing on technology and telecom firms.

LatiNode ranked eighth on Hispanic Business magazine's list of fast-growing companies last year after ranking at the top in 2005 and 2004.

Background: Joseph, a shareholder in Carlton Field's Miami office, represented Elandia with firm shareholders Andrew "Josh" Markus, Steve Johnson and Carlos Mas. About 10 other Carlton Fields attorneys were involved. ■



Attorney Seth P. Joseph