

Serbian energy mogul Vojin Lazarevic and his Bosnian business partner Damir Fazlic planned to transform apparently worthless marshland near the Albanian port of Durres, 30km west of Tirana, into an international oil and gas terminal.

But the scheme has suffered a major setback after 15 hectares of land that the duo had bought at the Porto Romano site near Durres - purchased via a web of offshore companies - has been repossessed by Albanian banks, according to court documents lodged in Tirana. The Balkan Investigative Reporting Network, BIRN, has also learned from separate court proceedings in Belgrade that assets of one of the key companies in the development - Tirana-based Alpha Shpk - could also be taken as collateral by Intesa Bank as part of bankruptcy proceedings launched against Lazarevic's Belgrade-based holding company, Rudnap Group AD.

The firm, which was one of the biggest players in the Balkan energy market with a yearly turnover of 600m euros, recorded losses in 2013 and 2014 and has failed to repay a 21m-euro loan from Intesa.

Rudnap Group's auditors reported a "significant fall in the volume of trade in electricity" in the last quarter of 2014 and recorded no trade at all during December of that year.

This is far cry from its heyday between 2007 and 2011 when Rudnap was consistently among the three biggest importers and exporters of electricity in Serbia, signing off on energy trades worth 40m euros during that period.

BIRN has also discovered that Fazlic, who has a network of powerful allies including former Albanian Prime Minister Sali Berisha and US Republican grandees, had defaulted on a mortgage for his \$7m Washington DC penthouse.

The lender, JP Morgan Chase Bank, filed a "complaint for mortgage foreclosure" in October at the Superior Court in the US capital. These proceedings were halted in January, although the property is still listed as for sale.

High-flying Fazlics

Fazlic and his wife continue to rub shoulders with the Republican political elite in the US, with Fazlic posting photos of himself with presidential candidate Marco Rubio at a Republican event held in December.

Fazlic and his wife Amra, also photographed at the event, are keen backers of the Republicans.

Amra has donated more than \$12,000 to the 'Grand Old Party' since 2008, while Damir made a \$2,000 donation to Mitt Romney's failed presidential campaign in 2012.

Rubio left the presidential race on Tuesday following disappointing results in Florida.

Lenders chase debts

In Albania, Fazlic and Lazarevic's two companies, Crown Acquisitions and Alpha Shpk, have defaulted on two bank loans and have failed to pay construction company Vega Shpk for its work on their gas and oil terminal, according to court records obtained by BIRN.

Between 2006 and 2010, Fazlic bought 20 hectares of marshland on the edge of an existing energy park near the port of Durres.

The value of the land soared after Berisha, a close ally of Fazlic, made a prime ministerial decision to extend the boundaries of the nearby energy park to include his friend's new holdings, paving the way for its redevelopment.

Ownership of the land was later transferred offshore as Crown Acquisitions and Alpha Shpk were sold to a Cyprus-registered firm Altaria Research Limited, Lazarevic's holding company for Rudnap Group.

Fazlic, who remains a director of both Albanian firms, told BIRN in an interview last year that he retains 50 per cent of shares in both Albanian companies - Crown Acquisitions and Alpha Shpk through.

In the same interview, Fazlic said that he and Lazarevic had already invested 30m euros in the oil and gas terminal project but needed another 40m euros to complete it.

The plans, however, could now be sunk after it emerged that two Albanian banks have repossessed 15 of the 20 hectares due to unpaid loans following legal proceedings last year, court documents show.

Tirana Bank is now in the process of selling eight hectares to recoup an unpaid debt of 3.5m euros from Crown Acquisitions and Alpha Shpk.

Union Bank is auctioning seven hectares which were used as collateral for its 840,000 euro loan to Crown Acquisition.

At the same time, construction company Vega Shpk, which carried out preparatory work on the land, has successfully sued Alpha Shpk for 933,000 euros and requested permission to sell the same eight hectares of land currently being auctioned by Tirana Bank to recoup their losses.

Serbian woes

The duo's financial difficulties do not stop there. In March 2015, the Serbian-branch of Intesa Bank petitioned the Belgrade commercial court to open bankruptcy proceedings for Rudnap Group's bankruptcy over its failure to repay a 21m-euro loan, BIRN has discovered. Intesa holds collateral against the loan including agricultural land in Serbia owned by a Rudnap subsidiary, Rudnap Agrar, and the Tirana-based Alpha Shpk.

In response to Intesa's request, Rudnap Group itself applied to start bankruptcy proceedings the following month with a pre-prepared restructuring plan to deal with all its

debt.

The court has decided to deal with Rudnap's application first in order to weigh up claims from all creditors, although no date has yet been set for either proceedings.

Last year, BIRN revealed that in 2013 Lazarevic's Rudnap Group was at risk of default on two loans worth 27m euros to the Austrian Hypo Bank, which were then transferred to Martin Schlaff, the controversial Austrian mogul who had partnered Lazarevic in a Montenegrin luxury tourism development. In exchange, Lazarevic handed over his share of the as yet unbuilt project.

Washington DC court records show that Fazlic's penthouse apartment was in the process of being repossessed by lenders JP Morgan Chase Bank, although the proceedings were "dismissed by consent" on January 11, suggesting Fazlic and the bank have reached an agreement.

The 370 square-metre flat remains advertised for sale for just under \$6.5m on various Washington DC real estate websites. Estate agents describe it as "gorgeously and extensively renovated" with "an extraordinary mahogany library and climate-controlled wine cellar".

Albania's Tax Administration has also accused Fazlic of tax evasion in relation to an unpaid bill of 8,500 euros, freezing his accounts in the country until the debt is repaid.

Fazlic did not respond to BIRN's requests for comment on the various legal proceedings he faces in relation to debt recovery actions or on the fate of the Albanian oil and gas terminal project.

However the Rudnap Group issued the following statement: "Rudnap Group is already in the process of restructuring that involves negotiating with creditors on harmonization and agreeing to an acceptable plan.

"All projects are covered by this plan and their further development will be harmonized according to the agreement between the company and its creditors."

source: balkaninsight.com