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Brazil's Inepar to purchase InnoVida Holdings

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A subsidiary of Brazilian conglomerate Inepar has received approval to purchase construction panel manufacturer InnoVida Holdings for $500,000 cash, plus consideration for its $4 million bankruptcy claim against InnoVida.

Inepar subsidiary Milport Associates was the only bidder in a Chapter 11 bankruptcy auction for InnoVida, which was run by embattled Miami Beach entrepreneur Claudio Osorio.

The sale resolves one aspect of the controversy surrounding Osorio, but does not resolve allegations that he committed civil investor fraud.

Osorio is known as the former CEO of another failed company, CHS Electronics, which declared bankruptcy in 2000. He is also a well-known political fundraiser for such Democratic heavyweights as Hillary Clinton.

U.S. Bankruptcy Judge Robert Mark gave verbal approval for the sale in a hearing Thursday afternoon.

Other motions are pending in both this case and Osorio's personal bankruptcy to convert both Chapter 11 reorganizations to Chapter 7 liquidations. That conversion would strip Osorio of control over many of his remaining assets.

Antonio Amaral, an attorney for Milport, said Inepar is investigating possible uses for InnoVida's patents and assets. He said Osorio would have no role in that endeavor. Amaral said Milport and Inepar have other construction business pursuits, and the companies are evaluating whether to restart InnoVida's business model.

InnoVida had multiple factories in North Miami and overseas to produce

construction panels from composite fiber materials.

Mark Meland, the trustee in InnoVida's bankruptcy, said he was pleased with the sale because it provides some money for remaining creditors and removes some liability associated with InnoVida.

Meland said his remaining duties will include evaluating potential litigation targets for recovery of money.

Another creditor, CCH Housing, will receive $151,000 from the sale proceeds. It had a $4 million claim against InnoVida.

Remaining questions in the case include: What happened to millions of dollars in InnoVida money that Osorio had moved offshore?

A Miami-Dade Circuit Court judge gave control of InnoVida to Meland in March, after Osorio missed numerous court hearings and depositions. Osorio and his attorneys have tried to convince the courts and creditors that he had other potential investors that could have helped him restart InnoVida.