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Bank of America sues Sedano's CEO, former U.S. Century Bank directors

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Bank of America filed a lawsuit against three former directors of **U.S. Century Bank**, two of whom are executives at **Sedano's Supermarkets**, over a land loan in Florida City.

BofA (NYSE: BAC) filed the lawsuit on May 13 in federal court in Miami against GREC Homes IX LLC, [Agustin Herran](#), [Rosiel Herran](#), [Armando Guerra](#), [Maria C. Guerra](#), [Manuel Herran](#), [Nyria Herran](#), [Emiliano Herran](#) and [Mirian Herran](#). It seeks to enforce personal guarantees on a mortgage with \$17.4 million in principal outstanding.

[Manuel Herran](#) is the chairman of Hialeah-based Sedano's while his son [Agustin Herran](#) is president and CEO. [Armando Guerra](#) was formerly VP of Sedano's Pharmacy and is the son of the supermarket's former owner. Sedano's is one of the largest Hispanic-owned supermarket chains in the nation.

Attempts to reach them through Sedano's weren't successful.

[Manuel Herran](#), [Agustin Herran](#) and [Armando Guerra](#) were all previously directors at Doral-based U.S. Century Bank, where they received tens of millions of dollars of insider loans and leased a handful of branches to the bank. They also approved a large amount of land development loans. Even after accepting taxpayer bailout funds, the bank fell into "undercapitalized" status. However, U.S. Century Bank has a [pending deal to be recapitalized](#) by local investors.

The three are among the former directors of U.S. Century Bank named in a [minority shareholder lawsuit](#) accusing them of mismanaging the bank and improperly benefiting from insider transactions.

In the latest lawsuit, **Bank of America** says GREC Homes signs an \$84.25 million mortgage in 2005 with Bank of America to build Keys Edge, a 1,186-home project on 82 acres. The site, which is still vacant, is at the northeast corner of Southwest 344th Street (Palm Drive) and Southwest 192nd Ave. (Tower Road). The borrowers were able to get several extensions and reduce the balance of the loan, but they failed to fully repay it when the loan matured on March 25, according to the lawsuit.

The bank has not moved to foreclose on the property. Sometimes when a bank believes the loan guarantors have significant wealth, they will pursue the personal guarantees before the foreclosure.

Bank of America is represented in the lawsuit by Brian Dervishi and Peter Tappert, of Weissman & Dervishi in Miami.

Brian Bandell covers banking, finance, health care and education. Get the latest banking news with our free daily newsletter. [Click here to subscribe.](#)