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S.A. Company Wins Big In Contract Suit

By Guillermo Contreras

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A federal jury has awarded a San Antonio marketing company \$19.6 million in a contract dispute with Mexico's second-largest long-distance carrier.

The award against Avantel S.A. resulted after a trial in San Antonio before Senior U.S. District Judge William Wayne Justice of Austin. The case arose from a campaign in Mexico in 1997 that opened up the long-distance market to competition.

Officials of Teleplus Inc. alleged the company set up 18 sales offices throughout Mexico and spent more than \$1.3 million in door-to-door and business-to-business sales to secure tens of thousands of customers for Avantel, and that the Mexican company didn't pay up.

That put Teleplus out of business, said David Dunham of Austin, a lawyer for Teleplus. He said the company had more than 1,200 employees at its high point.

"It had about 100 employees prior to doing business with Avantel," Dunham said. "Upon doing business with Avantel, it hired — through affiliates — 1,200 more in Mexico."

Jurors ruled late Wednesday that Avantel breached its contract with Teleplus and found that the contract amount was roughly \$8.2 million. The jury also awarded \$11.4 million because of the "loss or destruction to Teleplus' business value."

Lawyers for Avantel could not be reached for comment.