K&M/KMR Sign Agreement to Develop SiHwa Co-Generation Project in South Korea

In June, K&M/KMR concluded a Memorandum of Understanding, and associated consulting agreement, to assist in the development of the SiHwa Power Project on behalf of Seohae Energy of South Korea, which will serve as the project management company. Project sponsors are Ssangyong Engineering and Construction Co. of South Korea, Marubeni Corporation of Japan and KMR Power Corporation of the United States.

The SiHwa Power Project, a 200 MW coal-fired co-generation facility, will be structured on a 20-year Build-Own-Operate (BOO) basis and is expected to attract up to $400 million in foreign capital. This new facility will be located in an industrial complex west of the capital city of Seoul. Steam will be provided to key industries in the complex with the electricity to be sold to the state-owned utility, KEPCO.

K&M senior vice president William Drotleff, representing K&M and KMR, signed the MOU together with representatives from Ssangyong and Marubeni. The MOU calls for approximately $100 million equity participation by KMR and Marubeni, with a 33% stake each in the Seohae Energy Company. Ssangyong will hold the remaining 34% stake. In addition, KMR and Marubeni will attempt to raise $300 million from the international financial market.

Ghana’s First IPP to be Developed by KMR Power

An agreement of support on behalf of the Ghanaian Ministry of Mines and Energy was signed by KMR Power to develop a 220 MW gas-fired, combined cycle power plant. This project represents the first IPP in Ghana and is a milestone in order to promote foreign direct investment.

The 220 MW Ghana Industries Power Project facility will be built, owned and operated by a KMR Power-led consortium that includes Emerging Power Development Limited of the United States and Marubeni Corporation of Japan. K&M is providing technical and financial advice and assistance in site selection.

Up to 100 MW of plant capacity will be used to supply Ashanti Goldfields Company Ltd., the primary sponsor of this project, which currently utilizes 80-84 MW for all of its operations. The remaining 120 MW will be sold to the Electricity Company of Ghana, the state-owned power distribution company, for resale to the country’s growing industrial and mining sector.

Construction is expected to begin after mid-1999, with completion anticipated by late-2001. In addition to KMR’s equity participation, K&M will provide consulting services to assist Seohae Energy in the structuring of key project agreements, while Ssangyong will provide engineering, procurement and construction services, and Marubeni will provide key equipment.

Successful development of the SiHwa Co-Generation Project will require preparation and negotiation of complex project agreements which appropriately allocate risks between the project sponsors, lenders and buyers, and ultimately lead to financial close.

Ghana continued page 3

SiHwa continued page 5
Message from the Chairman

Dear Friends of K&M:

Our ten year anniversary celebration prompted greetings from friends, colleagues, clients, teaming partners, and government officials from around the world. Your good wishes deeply touched me and provided inspiration to continue our expansion into new industry sectors where K&M can share the knowledge we have gained in developing and financing innovative private power projects with owners and developers of new water and telecommunications projects.

It is appropriate to pay tribute to the K&M employees who staff our field offices around the world. In an industry where field or project offices open and close at start up and completion, two K&M field offices have become key to our operations overseas. The Cartagena, Colombia office recently celebrated its five year anniversary (profiled in this issue), and the Cairo, Egypt office has become a cornerstone of K&M’s operations in the Middle East (to be profiled in our next issue). These two field offices have been at the forefront of developing critically needed power projects in Colombia and Egypt, and have grown to manage new projects in the telecommunications and water sectors.

And, as we look to the future, K&M launches into two new important markets, South Korea in Asia, and Ghana in Africa continuing our history of pioneering international competitively bid projects that pave the way for future economic development in emerging economies.

Michael H. Kappaz

K&M to Complete Bid Evaluation in Sri Lanka

In August, the government of the Democratic Socialist Republic of Sri Lanka selected K&M as its technical consultant to evaluate proposals received from private developers for a proposed 140-180 MW combined cycle BOOT power plant. This new facility is to be constructed at the Kelantissa power station complex, located in the northern part of the capital city of Colombo.

K&M will prepare the technical portion of the evaluation working with counterparts from the Ministry of Irrigation and Power and the Board of Investment.

K&M plans to complete the technical evaluation and submit its recommendations to the Ministry and the Ceylon Electricity Board by the fall of 1998 so that the selected developer and the GOSL can sign a letter of intent this year. The U.S. Agency for International Development is providing funds to the GOSL for the technical consultant.

This BOOT represents an important step in the introduction of privately financed infrastructure in Sri Lanka, and a significant new market for K&M. “We are pleased to assist the GOSL to structure and carry out a thorough and transparent bid evaluation for this project. K&M looks forward to forging a long term relationship that will help the GOSL attract critical new funding resources,” remarked K&M senior vice president William Drotleff.

For further information, contact K&M technical director Marty Tormey at K&M-Washington.

GHANA INVESTMENT CLIMATE

“...are winds of reform blowing through Ghana which offers hope to the rest of Africa,” remarked U.S. Secretary of Commerce William Daley as he kicked off the Clinton administration’s historic trade mission to Africa this spring.

Globalization, with all of its uncertainties, is touching Africa too. Indeed, the official visit was viewed as an endorsement of Ghana’s democratic and economic progress since embracing structural adjustment policies and economic reforms in the 1990s that have begun to turn the country around. New programs are paving the way for privatization and increased private investment.

There is great optimism among government and industrial leaders that Ghana is on the road to increased prosperity—lighting the way for Africa. Business, trade and investment are growing.

The Clinton administration’s African Growth and Opportunity Act, submitted to the U.S. Congress in late 1997, sets forth a new strategy for promoting economic self-reliance throughout sub-Saharan Africa and attracting private investment to this long-neglected continent. This landmark trade bill drew strong bipartisan support in the U.S. Congress, easily passing the House of Representatives in July. It was then sent to the Senate for approval.

Ghana has fully embraced the opportunity for bilateral cooperation. Vice President John Mills recently stated “The government will vigorously implement the Ghana Gateway project . . . to accelerate the country’s growth strategy and facilitate trade.”
Ghana’s IPP continued from page one

Ghana’s current energy crisis has put this project on a fast-track. Severe drought in the region since early 1998 has drastically reduced output by the country’s main power source at the 1,072 MW Akosombo hydroelectric dam by nearly 50%. This has forced Ghana to severely ration and load-shed supply to industrial and consumer users. Apart from a small 20 MW diesel plant in Tema, the 200 MW Takoradi plant is Ghana’s only other power station.

Although Ghana has been able to import electricity from neighboring Côte d’Ivoire to alleviate a portion of demand, the amount is far below requirements (20 MW during the day and 70 MW at night), is extremely expensive and has imposed a drastic reduction in industrial output. Côte d’Ivoire has attempted to supply electricity to neighbouring Togo and Benin who also depend heavily on Ghana’s Akosombo power station for their electricity.

Negotiations between the KMR consortium and the Ministry of Mines and Energy were concluded just prior to U.S. President William Clinton’s trade mission to Africa in March. KMR chief financial officer Denis Slavich, representing the consortium, signed this milestone agreement together with Ghana’s Minister of Mines and Energy, Fred Ohene-Kena. “It is their and our top priority to get this much needed power to the country as quickly as possible,” Slavich said. “This facility will increase capacity by 20 percent and will contribute significantly to Ghana’s economic growth. The project is an important step in the government’s efforts to promote the development of private power suppliers in Ghana,” Slavich continued.

The signing ceremony took place following a luncheon honoring the launch of the Ghana 100 Club. Organized by the Ghana Investment Promotion Center, membership consists of the top 100 corporate institutions in Ghana, including Ashanti Goldfields, and represents the emergence of a new entrepreneurial spirit following implementation of economic reforms within the past several years.

The luncheon was attended by members of the president’s delegation, including U.S. Secretary of Commerce William Daley and U.S. Secretary of Transportation Rodney Slater, as well as Ghanaian Vice President John Mills. Their remarks emphasized the importance of the growing trade relationship between the United States and Ghana, and recognized the contribution that KMR Power is making by developing this critically needed power facility so vital to economic growth. “KMR Power is proud to be in partnership with the Ghanaian people and Ashanti Goldfields in helping to meet Ghana’s ever growing energy needs as the economy continues to expand at a rapid rate. The positive attitude of all involved, including our Ghanaian partners, leaves no doubt as to why Ghana is commonly referred to as the gateway to Africa,” remarked KMR chairman George Kappaz.

Prior to the current energy crisis industrial users experienced frequent power outages due to transmission problems, there was a growing uncertainty about the state-owned utility’s ability to supply enough power, and prices were rising to an unaffordable rate. These conditions prompted Ashanti to seek a reliable power source for its own use.

Between November 1997, and March 1998, K&M/KMR conducted technical and financial evaluations of the project on behalf of Ashanti Goldfields Company to determine the optimal size, location and financing resources available for this new facility.

While Ashanti originally proposed a 100 MW captive facility, results of the evaluations revealed that a plant with a minimum of 220 MW, located in Tema, would be the most cost-effective. K&M/KMR recommended that Ashanti explore development of the larger plant and seek participation by other local industries and the state-owned utility in order to generate additional revenue by selling the excess power, while at the same time assisting Ghana to expand its generating capacity.

“Requirements are growing about 15% per annum and although Ghana is bringing new capacity on stream, like the Takoradi thermal station, it is lagging behind the increase in demand as a result of the national electrification process and new enterprises starting up,” observed Ashanti’s managing director for new business and planning Peter Bradford.

After thoroughly reviewing K&M/KMR’s recommendations, and projecting a strong growth in demand, Ashanti moved ahead with the project in order to bring the new plant on line as quickly as possible.

Since March, the K&M/KMR team has continued to provide technical and financial advice to the project, assisted with site selection, and moved forward with development of the project.

For further information contact Denis Slavich at KMR Power, or Frank Staszesky, Jr. at K&M-Washington.

“We are greatly concerned about Ghana’s energy shortage and its effects on industries and the economy in general…” Bill Clinton, President of the United States
VIETNAM PHU MY II, PHASE II
Six Bid for BOT Power Project

Vietnam's Phu My II, Phase II BOT power project attracted highly competitive proposals from six international consortiums representing 20 companies. Bids received offered a close range of design capacity, estimated at between 745 MW and 715 MW.

The Phu My II, Phase II project is the first BOT to be awarded by Vietnam on an international competitive bid basis.

The K&M evaluation team spent five weeks in Hanoi undertaking extensive analysis of technical and financial submissions. Further discussions are expected with the Ministry of Industry and other government organizations to gain government approval.

Since 1996, K&M has served as BOT consultant to this milestone project being developed in the Ba Ria Vung Tau Province outside of Ho Chi Minh City. Construction of the plant is expected to be completed by October 2001.

According to the Viet Nam News, with six BOT power plants to be operational within the next few years, Electricity of Vietnam expects to double current electricity and design capacity (respectively) to 30 billion KwH and 8,000 MW by the year 2000.

For further information contact K&M technical director Marty Tormey.
In February, a 16-member delegation representing the People’s Republic of China Ministry of Water Resources and various Chinese provincial and municipal water resources, institutes and educational organizations visited K&M’s headquarters in Washington, D.C.

K&M senior vice president, William Drotleff, led a full day briefing by K&M project managers offering insight into methods, approaches and achievements in the area of construction management for water and water treatment projects by American companies.

K&M presented case studies and highlights of several projects the company has completed, or is currently managing, utilizing two primary approaches:

- Engineer-Procurement-Construction Management/Turnkey Contractor, and
- Construction Management Consultant/Design Build Contractor.

The advantages of the two approaches were examined as outlined in the chart below:

<table>
<thead>
<tr>
<th>EP-CM/Turnkey</th>
<th>CMC/Design Build</th>
</tr>
</thead>
<tbody>
<tr>
<td>Greater control of design</td>
<td>Greater design innovation</td>
</tr>
<tr>
<td>Greater control of schedule</td>
<td>Potential for schedule savings</td>
</tr>
<tr>
<td>Greater control of costs</td>
<td>Potential for cost savings</td>
</tr>
<tr>
<td>Higher value added to project</td>
<td>Higher leveraging of services</td>
</tr>
</tbody>
</table>

K&M will assist Seohoe Energy to draft key project agreements including: the Project Company Formation Agreement, Power Purchase Agreement with KEPCO, Steam Supply Agreement with industrial buyers, Fuel Supply Agreement, EPC Contract, O&M Agreement, Land Conveyance Agreement, and Insurance Agreements.

In addition, K&M will provide advice regarding environmental and other permits, security requirements, and legal structure. On the financial side, K&M will provide detailed financial models, risk analysis, and debt and equity financing options.

While South Korea has been considered one of the world’s most promising emerging markets over the past decades, recent conditions have forced the government to scale back in many areas, including the energy sector. Economic growth has slowed from 8% to less than 1%, in 1998, resulting in revised plans to add new generating capacity. South Korea uses a combination of thermal (coal, oil and LNG at 62%), nuclear (36%) and hydroelectricity (3%) to meet demand. With growth expected to double in the next 12 years as the economy recovers, the SiHwa project will contribute significantly toward expanding supply while attracting critically needed foreign private sector investment in the country. For further information contact K&M technical director Marty Tormey or K&M project manager Henry Steingass at K&M-Washington.

K&M presenters also included John Rezaian, project manager, Loren Rodwin, project finance, Terri Towers, business development manager and Conal Duffy, proposal coordinator.

This exchange of information also focused on project finance structuring for infrastructure projects, highlighting how BOO/BOT methodologies can be applied to the water sector. K&M’s experience in developing innovative financing techniques that have attracted investors to developing countries throughout the world was shared.

Participants discussed how establishing a public-private partnership, where private technology, financing and operational expertise complements public responsibility to ensure safe, efficient and affordable access to clean water and wastewater treatment. This public-private partnership can maximize resources for project implementation and attract private investment while minimizing potential risks.

The seminar concluded with an exploration of potential opportunities for mutual cooperation.

Conclusions presented in a rare study conducted by the U.S. National Intelligence Council, predict that a severe water crisis is looming in China, the world’s most populous country. With a population expected to reach 1.5 billion by 2025, China is simply running out of water—which severely impacts its ability to grow crops and expand its industrial base.

The NIC report indicates that the Yellow River—China’s largest—failed to reach the sea on 260 days in 1997 with industrialization using most of the remaining water upstream. Aquifers are drying up; rivers, streams and lakes that were once thriving no longer exist.

Over the past decade, China’s economy has been among the fastest growing. Industrial use coupled with a migration from farm to city is already putting a strain on this scarce commodity.

Government officials are exploring means to mitigate a future crisis. The ability of China to meet its burgeoning water supply needs will be influenced by its success in attracting foreign investment, and that, in turn, offers challenging opportunities for innovative project structuring.
**In The News**

**COLOMBIA**

Mundo Electrico Colombiano “Termovalle” April-June

Global Power Report “Colombia’s Gas-Fired Plants Earn High Spot Prices, Ease Threat of Rationing” K&M Power 240 MW Termovalle Project, March

South America Report “Caribetell Goes On-Line in Cartagena” — KMTel Telecommunications Project, April

**EGYPT**

Middle East Economic Digest “Twenty Groups Line Up For BOOT Power Contracts” July

Electric Power International “El-Kureimat Powers Modern Egypt” — Plant Profile Summer 1998

Middle East Economic Digest “Bids to be Invited for US-Funded Telecoms Scheme” March

**GENERAL**

National Development/Desarrollo Nacional “Unlocking Nature’s Power Sources” — Al-Manah Power Station (Oman) April/May

Project Finance “The Middle East IPP Market” K&M (Jordan BOT consulting project; Tunisia BOT consulting project) March


In February 1993, K&M Servicios Técnicos (Colombia) Ltda., a spin off of U.S.-based K&M Engineering and Consulting Corporation, opened offices in Cartagena, Colombia to manage what the energy and financial world would come to recognize as the first non-recourse private power project in Latin America—the 100 MW Mamonal Power Project. Recognized by several prominent project finance publications as “The Most Creative Deal of the Year,” the Mamonal project truly launched the global reputation for K&M in the company’s early years. Mamonal resulted in an award-winning power project that reached financial close not only in an extremely difficult investment environment, but was completed and put into commercial operation in record time.

José Kappaz, an attorney, businessman and professor, headed the newly opened office. (See Meet Our Managers on page 11.) He managed day-to-day operations of the Mamonal Power Project. A committed team of engineers, construction managers, financial analysts and administrative staff were instrumental in making the Mamonal Power Project a success story that has been used as a model to develop new projects in other regions of the world.

Working with Colombian government and utility officials, the Mamonal project team consisting of K&MST, K&M Engineering, KMR Power, Rockefeller and Company, Chase Manhattan Bank and Proelectrica, achieved a truly remarkable milestone in the implementation of greenfield power projects in the developing world. It was made possible, in part, by the formation of a closed power purchasing group—Proelectrica, a consortium of local industries seeking a reliable source of electricity.

Indeed, when the Mamonal project was announced, it was viewed by international developers and financial institutions as “The Deal” that broke the financing logjam which would ultimately lead to a new wave of overseas development projects.

As the Mamonal project neared construction completion, K&M chairman Michael Kappaz, KMR president and CEO George Kappaz, and K&MST general manager José Kappaz were frequently called upon to present a project case study to numerous high level international infrastructure development conferences in order to share the lessons learned. With only a handful of IPPs that had reached financial close in the early 1990s, the Mamonal case study attracted a great deal of interest. Clearly, a new way of thinking had emerged. Mamonal demonstrated that financial close could indeed be achieved, even in an unproven market, when all aspects of the deal adhered to sound project structuring principles that address and mitigate all risks inherent in a private power transaction.

Several years later, in 1996, KMR Power launched another “first” for Latin America when it announced financial close for the 240 MW Termovalle Power Project to be developed in the Valle del Cauca at Cali, Colombia. This plant is the first private power project in Latin America to sell electricity output to a government public utility without government guarantees.

KMR’s Termovalle project is being developed in conjunction with equity partners Marubeni and Florida Power and Light. Other key players are K&M Engineering—
K&M on five years of success.

To blaze new trails together in Colombia!

Power Corporation

240 MW Termovalle Power Project
Cali, Colombia

This feature is unique to power project financings in Colombia, and has become a much-discussed topic in the U.S. and other developed markets.

The project has achieved initial operation in simple cycle and full operation is expected by the end of 1998.

Termovalle's construction financing was unprecedented in Latin America. It was achieved through an underwritten commitment for 100 percent of the project's debt requirements that was fully in place prior to bid submission. Permanent financing was obtained after award.

While Mamonal demonstrated that implementation of a project can be successful with the right structure in the absence of a detailed regulatory environment, KMR's Termovalle project is an example of what is achievable within a new and rapidly evolving regulatory framework. These new regulations included open access wheeling, a marginal cost dispatch system for all the grid-connected power plants, and a spot market for electric energy.

Termovalle will also sell excess electricity to industrial facilities and to the Bolsa (Colombia's open pool system). This feature is unique to power project financings in Colombia, and has become a much-discussed topic in the U.S. and other developed markets.

The project has achieved initial operation in simple cycle and full operation is expected by the end of 1998.

Termovalle, the latest power project in the KMR portfolio, was initiated in 1995. This 330 MW merchant plant, to be located in the greater Cartagena area, will sell electricity to the Bolsa. It will utilize two Westinghouse 501F turbines fueled by natural gas. The fuel will be supplied by Texaco-Colombia and transported under a long term contract by Promigas.

K&M, in joint venture with Westinghouse, will perform the turnkey construction. KMR is the lead developer and principal owner of the Termovalle project. The plant is expected to start construction by the 4th quarter of 1998. For further information, contact project manager Worth Edwards at K&M-Washington.

Caribetel, a new digital telephone system being developed in Cartagena by KMTel, was featured in the previous issue of KM News. It represents K&M's entry into the telecommunications market in Latin America. This new company was formed in 1997 to offer telephone, internet and cable services to local residents of Cartagena.

While many of our readers may be familiar with the projects K&M/KMR are managing in Colombia, it is important to reflect upon the remarkable success achieved primarily through the dedicated efforts of our employees, consultants and team members. It is fitting, on this fifth anniversary, to step back and remember what the people involved have brought to this formula. The success of these milestone projects would certainly be impossible without their enormous contribution.

K&M/KMR are proud to manage a growing portfolio of projects in the energy and telecommunications sectors of Colombia that are contributing significantly toward the country's growing economy and improving the living conditions of its local citizens.
In April, K&M Egypt hosted a gala reception at the Semiramis Intercontinental Hotel to introduce the company’s new senior vice president, William Drotleff, to Egyptian government and utility officials as well as representatives from the broad spectrum of K&M projects currently under development in Egypt.

Mr. Drotleff, who previously held the position of technical director, was named senior vice president of operations by the K&M board in December 1997. Although Mr. Drotleff has been integrally involved with a variety of K&M’s key projects since joining the company in 1992, he had not worked directly on the Egyptian projects.

The reception provided an opportunity to meet key personnel involved with the power, telecom and water projects currently underway in Egypt.

Project personnel in attendance included repre-
sentatives from the Egyptian Electricity Authority, Telecom Egypt (formerly ARENTO), U.S. Agency for International Development, Raytheon, Morrison Knudsen, GTE, REOL, General Electric, Toman, Aydin, MTS, Black & Veatch, AUC, Amoun, CEL, MKN, Lucent, Arab Engineering, ECG, Concord International, Orascom, Parsons, OSAF, CIB, Giza Cables, CDM, Artoc, EPS, and ECI.

With over 100 guests in attendance, it is not possible to print all of the wonderful photos taken, but we hope you will enjoy the collage presented below.

The entire K&M-Egypt staff joined in hosting a well-attended and enjoyable reception. It proved a valuable opportunity to make new acquaintances, put a name to a face, or simply recognize the contribution each participant is making toward growing the economy in Egypt.

“We at K&M are honored by the participation by representatives of our Egyptian clients, colleagues, and other friends at this welcome reception — including many who set aside other important activities to attend. Their courtesy reinforces our commitment to provide them with the outstanding services which they deserve and have come to rely upon,” remarked K&M senior vice president Bill Drotleff.
K&M/KMR executives participated in a variety of conferences, seminar roundtables, power delegation briefings, meetings and presentations. This offers opportunities to exchange ideas and share important experiences with counterparts, project developers and government officials throughout the world.

In May, K&M-Egypt hosted a seminar for the network planning proposal for Telecom Egypt at the Pyramisa Hotel in Cairo, with participation by over sixty individuals.

The seminar kicked off with welcoming remarks by K&M-Egypt Manager, outlining scheduled milestones and how they could meet Telecom Egypt’s needs. Then Ned Henson from MapCom explained the company’s M4 Mapping product and how it can be utilized to serve the system.

A workshop was held on the second day which gave Telecom Egypt employees an opportunity to discuss details pertaining to the application of the technology to the system.
As we honor the 5th anniversary of our K&M-Colombia office, it is fitting to pay tribute to the K&M manager who has so successfully overseen a growing portfolio of projects and activities in that country.

José Kappaz, an attorney, businessman and professor, joined K&M in 1992 at the launch of the 100 MW Mamonal I and II Power Projects. As general manager of K&M Servicios Técnicos (Colombia), Ltda., Mr. Kappaz’s extensive legal and administrative background proved extremely valuable as the company developed the first privately financed non-recourse power plant in Latin America. This project set the legal and regulatory framework for other independent power projects to follow in Colombia. Mr. Kappaz was instrumental in managing the Colombia side of activities leading to financial close of the transaction.

As construction began, he provided logistical support for the construction activities and served as in-country liaison to the project developer, KMR Power, during the start up and operation phase. Upon completion, Mr. Kappaz continues to oversee the operation and management contract for the Mamonal I and II Power Plants.

Since 1995, Mr. Kappaz has also been involved in the development of two new power projects, the 240 MW Termovalle Power Project in Cali, and the 330 MW Termocandelaria Power Project in Cartagena (profiled on pages 6-7).

In addition, he has served as legal representative to KMTel, assisting the newly formed company, Caribetell, to develop a new digital telecommunications system in Cartagena. Caribetell (profiled on page 7) is the first private telecommunications company to be launched in Cartagena.

Over the past five years Mr. Kappaz has been a frequent speaker at major international project development conferences presenting a case study of the Mamonal project, and has published essays on private law and high level management practices. As K&M and KMR have developed additional projects in the power, telecommunications and water sectors in Colombia, Mr. Kappaz has been a valuable asset to those efforts. And, his contributions to the local business community are significant. He is active in several organizations that are working to develop a strong, private sector driven economy in Colombia. He is a member of the Asociación Nacional de Industrias, Cámara de Comercio Colombo Americana y Cámara de Comercio de Cartagena, and a special representative of the Generadors Privados al Consejo Nacional de Operación Energética.

Prior to joining K&M, Mr. Kappaz was a senior corporate executive, private practice attorney, independent businessman and professor.

From 1984-1992, Mr. Kappaz was the Administrative Division Chief and Head of the Law Department for Comfenalco Corporation, a private benefits provider to over 2,000 affiliated companies serving 15,000 employees. Benefits included medical, education, transportation and day care. He was also in charge of the education division, a program serving over 10,000 students.

Mr. Kappaz practiced civil and commercial law from 1978-1984 when he represented national and multinational businesses, banks and financial institutions. From 1970-1978 he was the owner of men’s clothing and shoe stores as well as a partner in a construction materials company. In addition, he was a professor private law for ten years at the universities of Cartagena, Technology and Jorge Tadeo Lozano.

He received his doctorate in law from the University of Cartagena, and has completed post-doctoral studies in business administration and international law.