

AN OPEN LETTER TO THE PEOPLE AND THE GOVERNMENT OF SINT MAARTEN

Danger Ahead! Sint Maarten Tourism Economy under Attack.

On September 30th, 2014 Alegria Real Estate BVI, the new owner of Caravanserai Beach Resort in the Beacon Hill District, emailed over 2000 Caravanserai timeshare owners announcing that their timeshare leases would be canceled as of November 1st, 2014. These leases represent some \$20 million in total capital investment. A group of these owners immediately organized the Timeshare Owners of Caravanserai Association ("TOCA") to fight this illegal action by Alegria and its primary investor Ray Sidhom. TOCA wants the people and government of Sint Maarten to grasp the danger of the predatory business practices that Alegria and Mr. Sidhom are inflicting on Sint Maarten.

The action taken against TOCA and Alegria is not a private conflict. It is a fight for the future of the Sint Maarten tourism industry which represents 80% of the island economy. Many of these 2000 Caravanserai timeshare owners have left the island, never to return. This departure represents the loss of millions of dollars that used to flow annually into the St. Maarten economy since the opening of the Caravanserai Beach Resort in the 1990s.

The damage to the Sint Maarten economy is not limited to the loss of Caravanserai timeshare owner dollars. The word is out that Sint Maarten is not the "friendly" island that Sint Maarten businesses have spent years and millions of dollars to promote. Front-page articles on the "Caravanserai massacre" have appeared in *Timeshare Magazine*. Media in major Caribbean tourism markets such as Washington DC have covered this story. Potential timeshare buyers are going elsewhere to spend their investment dollars.

There are many other Caribbean countries ready to welcome their business. Cuba is now aggressively courting the tourism market with over 15,000 small "bed and breakfast" businesses already open for business. The large hotel and timeshare chains are certain to follow. This is all lost business to Sint Maarten.

The impact on the Sint Maarten economy is potentially catastrophic. Car rental companies, the recreational industry, restaurants, and retail establishments particularly jewelry stores to name just a few key Sint Maarten business sectors, will see their businesses decline. The Alegria plans, according to *The Daily Herald* article of May 30th, will target the "mega-yacht" community—a small group unlikely to spend money outside of the Alegria property itself or even to visit Philipsburg.

Yet local rumor has it that Mr. Sidhom is asking the Sint Maarten government to invest in the Alegria project. If true, it is a brazen attempt to get Sint Maarten to use public resources to subsidize its own economic demise. This is a very bad idea. Rather like asking a condemned man to bring his own rope to his hanging!

TOCA's efforts to stimulate action by the Sint Maarten government to protect their economy by enforcing timeshare regulations and ordinances already on the books have fallen on deaf ears. These laws require new owners of timeshare properties to honor the rights of existing timeshare owners. TOCA efforts to bring this issue to the attention of Economic Development and Tourism Minister Claret Connor have been ignored. TOCA's formal request under St. Maarten's open records regulations for a copy of Alegria's business license, including public disclosure of whether Alegria even has a license to operate a timeshare or hotel business, has been stonewalled. If the Sint Maarten government won't enforce its own laws protecting tourism investors, who will?

TOCA members love Sint Maarten and its truly friendly people. We are loathe to turn our backs on the island we love to just walk away grumbling as Alegria and Ray Sidhom expect. Instead TOCA continues to stay and fight this arbitrary and illegal action. But TOCA can't do this alone. Through this open letter we are asking for the support of the Sint Maarten people and the Sint Maarten business community, including the Sint Maarten Timeshare Association, to join TOCA in its pursuit of basic fairness and a level playing field for the average Sint Maarten citizen and tourist in the face of dangerous predatory business practices that unquestionably do serious damage to the Sint Maarten tourism sector and the island's overall economy. Join us in demanding that your Sint Maarten government enforce its timeshare laws and avoid a potential economic catastrophe. We need your help.

Good citizens and business leaders of St. Maarten unite! Demand that your government enforce its timeshare laws and avoid a potential economic catastrophe. Danger ahead!

Members of the Board for TOCA
(Timeshare Owners of Caravanserai Association)

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