

Lawsuit Seeks to Return Caneel Bay to the People of the Virgin Islands

(June 30, 2022, St. John, U.S. Virgin Islands) – EHI Acquisitions, LLC (“EHI”) and CBI Acquisitions, LLC, the operators of Caneel Bay Resort on St. John, Virgin Islands, filed a lawsuit against the United States today to settle ownership of the Resort. Caneel Bay Resort was forced to close after the 2017 hurricanes, and ownership disputes since then have prevented its rebuilding. In its lawsuit, EHI announced plans to settle its ownership of the land, rebuild the resort, and transfer ownership of the Resort to a trust for the benefit of the people of St. John and the Virgin Islands community.

As the complaint describes, EHI’s efforts to rebuild the resort since 2017 have been frustrated by failed negotiations with the United States. Meanwhile, “the resort’s closure eliminated jobs, income for residents, and revenue for the entire Virgin Islands community.” In 2019, the resort land reverted to EHI, but the United States has not recognized EHI’s ownership, leaving Caneel Bay Resort in limbo. EHI’s lawsuit seeks to eliminate the cloud over its ownership of the land. Resolving EHI’s ownership is essential to its ability to raise the funds necessary to quickly rebuild the resort.

EHI also announced in the complaint that it is “creating a charitable trust for the benefit of the people of St. John and the Virgin Islands community,” and plans to donate the Resort property to the trust. Once EHI gets the resort reopened, lease payments from the Resort operator will provide funds to the trust for local schools, affordable and work-force housing, and environmental preservation. At the end of the lease term, the Resort will be owned and controlled by the trust for the benefit of the people of St. John and the Virgin Islands community.

EHI made these further commitments in rebuilding Caneel Bay Resort:

- Open a cultural heritage center on the resort;
- Appoint senior managers who know and respect the Virgin Islands people and culture;
- Invest in education including high school and university-level courses in hotel management for local residents;
- Protect and preserve the natural environment, and conduct a cleanup of the resort land; and
- Incorporate more hurricane-resistant design and construction.

“The people of St. John ultimately want to see the resort open again, and to know that its owner is committed to supporting the Virgin Islands,” said EHI’s spokesperson Patrick Kidd. “EHI goes a step further with its commitment to rebuild the resort and return the land to the Virgin Islands people.”

The suit is filed in the District Court of the Virgin Islands, Division of St. Thomas and St. John.

Read the complaint www.caneelbay.com

CONTACT: EHI Acquisitions, LLC
Patrick Kidd (212) 439-1562
patrick.kidd@caneelbay.com