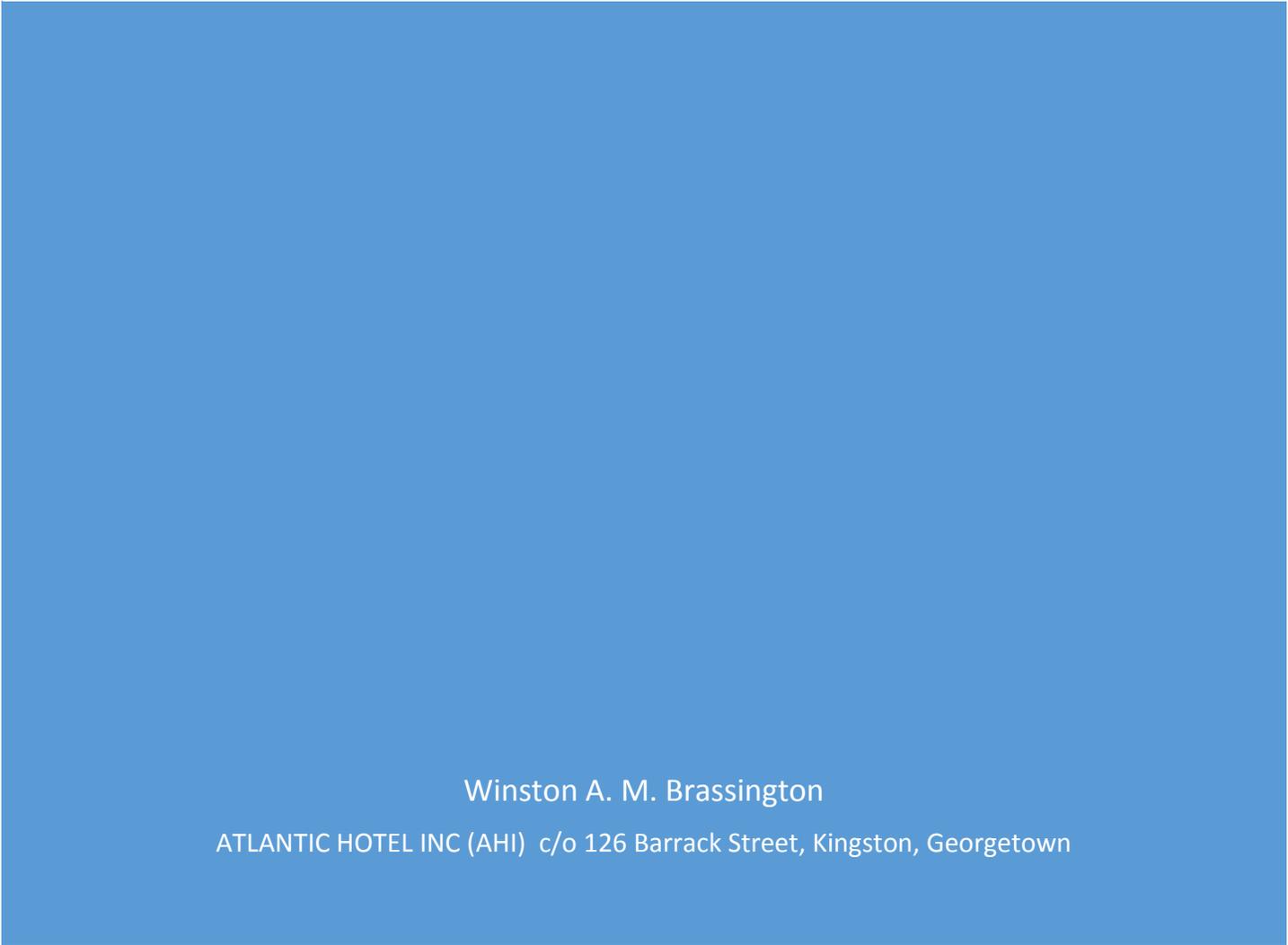




CHALLENGES TO DEVELOPMENT OF THE GUYANA MARRIOTT PROJECT

Winston A. M. Brassington

ATLANTIC HOTEL INC (AHI) c/o 126 Barrack Street, Kingston, Georgetown



Contents

Introduction 2

Current Status of Project 2

Key Challenges to the Project 5

 Parliamentary attacks to stop the project 5

 A plethora of opposition criticism 6

 Legal actions in the Guyana courts 10

 Competitor attacks 12

 Pliant, often biased and negative sections of the media 14

 Investors increased perception of Guyana risks due to failure of the opposition controlled Parliament to pass the Anti-Money Laundering (AML) Legislation 17

AHI Press Releases, Press Conferences and Information publication 19

Progress despite attacks on the project 20

Conclusion 20

Introduction

The Marriott Hotel will open in April 2015. From inception, many doubted that the Marriott Hotel project would ever become a reality. Even when Marriott announced in a Press Release in June 2010 that it was on board, many doubted that the project would be built. When it became clear in December 2011, at the sod turning ceremony, that the project construction was progressing, a deliberate and orchestrated attack on all aspects of the project started, intended to obstruct, delay, and derail efforts to realize the project.

The nature of the attacks can be classified in to the following categories:

1. **Parliamentary attacks to stop the project**
2. **A plethora of opposition criticism**
3. **Legal actions in the Guyana courts**
4. **Competitor attacks**
5. **Pliant, often biased and negative sections of the media**
6. **Investors increased perception of Guyana risks due it the failure of the opposition controlled Parliament to pass the Anti-Money Laundering (AML) Legislation**

This paper will develop and expand on each of the above to illustrate why the private sector financing of the project, was slow in being committed, and after committed, the delays in fully concluding same.

Current Status of Project

It is noteworthy that at the time of this paper, the following can be said about the project:

1. The hotel component of the project will open in April 2015.
 - a. This important milestone will represent the product of the construction complying with Marriott's design and construction standards. In fact, the hotel will be the most advanced high rise building in Guyana;
 - b. The construction cost is materially in line with budget;
 - c. The hotel will represent the largest conference/convention facilities, meeting rooms, restaurant/banqueting facilities, and quality hotel rooms in the country.
2. The hotel will be the first major international brand to come to Guyana in over 45¹ years:

¹ The Guyana Pegasus opened in 1969 as Guyana's first international hotel. It was de-flagged from LeMeridian in 2008 and become locally owned by a non-hotelier. Buddy's International, now Princess International is not considered a global hotel brand; Princess is noted for its casino. Many of the local hotels have sought to invest in the last few years following the start of the Marriott project to improve their offerings; this is good for the industry. Princess will also rebrand as a Ramada. The Guyana Pegasus has started re-furbishing its rooms with improvement to its main banqueting area and pool side offerings.

- a. Substantial local benefits can be expected:
 - i. Initial employment will be about 230 employees. Most of these persons have already been hired and are undergoing training; the entertainment complex is projected to open by year end and employ another 220 persons, bringing total employment from the project to over 450 persons.
 - ii. Local suppliers and service providers will benefit from the sale of goods and services to the hotel for its customers and food and beverage.
 - b. The hotel is expected to be the largest taxpayer in the travel and tourism sector, taking into account the substantial level of VAT and PAYE that will be paid on sales and employment.
3. The project has been undertaken in accordance with a full and transparent process. Throughout the entire process of this project, the Government/AHI has employed public advertisements to advance each stage of the project:
 - i. 2009—Advertisement for a Public Private Partnership, *“Request for Expressions of Interest (EOI) Joint Venture for Hotel Development.”*
 - ii. 2010—Advertisement for *“Pre-Qualification of Contractors”*
 - iii. 2012—Advertisement for a Supervision Firm *“Requests for Proposals”*
 - iv. 2012—Advertisement for *“Final Call for Expressions of Interest (EOI) to participate in AHI’s (Marriott Hotel Project) private equity.”*
 - v. 2012—Advertisement for *“Atlantic Hotel Inc. (AHI.) Requests for Expressions of Interest (EOI) from Casino/Nightclub/Restaurant Operators”*
 4. A full feasibility study has been conducted by a highly reputed international firm, called HVS International for the project. The Feasibility Study dated October 2012, shows that the project has an overall internal rate of return (IRR) of 11%. The Feasibility Study, excluding sections that contain commercially sensitive or confidential information, was released to the public in 2013².
 5. Several Caricom countries have invested in hotel projects as part of their national development. Trinidad and Tobago fully owns the Hyatt Regency and a portion of the Hilton. The Government of Barbados and Jamaica have also invested consistently over the years in various hotel projects. In Guyana, the rationale for the GoG commercial investment company, NICIL, investing in the hotel sector, recognized the following:
 - a. Without public investment, the ability to finance a major brand hotel, would not be possible.

² On Sept. 19th, 2013, AHI held a press conference on the project following which major sections of the Feasibility Study and other related information was released to the media.

- b. Guyana desperately needs to improve the quality of its hotel accommodations, which is a key driver in developing the travel and tourism sector and the multiplier effects from this.
6. Financing from Republic Bank Limited (RBL) of US\$27 M and from the equity investor of US\$8 M remains committed but financial disbursement has been partially delayed due to legal actions filed by the opposition:
- a. Debt Financing of US\$27 M. Despite having received final commitment from RBL announced in a joint Press Release by RBL and AHI,³ followed by full execution of all legal documents for the debt financing in October 2014, APNU opposition Member of Parliament Desmond Trotman, filed another legal action in December 2014, opposing the passage of the mortgages from AHI in favor of RBL:
 - o The mortgages are part of the asset-backed security package required by RBL for the debt financing.
 - o The effect of the opposition to the mortgages has served to (partially) delay the disbursement of the US\$27 M financing from the syndicated group of lenders led by RBL.

For the reason that the mortgages are only part of the security structure and the other form of security in the form of the debenture has been registered, a partial payout of US\$15.25 M of the total US\$27 M has been disbursed. The remainder of disbursement awaits resolution of the court matters or alternative resolution.

- b. Injection of US\$8 M by private equity investor. Since initial agreements were executed with the private equity investor in April 2013, it has always been a condition, that the injection of the equity was contingent on the conclusion of the commitments with RBL for the US\$27 M in debt financing. In May of 2014, following announcement of the conclusion of the commitments of RBL, the name of the investor group was released in a joint press release. Since that time, the investor has awaited the formal conclusion of the debt financing, which continues to be delayed as a result of the legal actions of December 2014. These outstanding litigations continue to delay, if not jeopardize, the investors injection of the US\$8 M.
- c. Interim Funding from NICIL to conclude the hotel. As a result of the continued legal and other attacks to delay the injection of the private financing, it has been necessary for NICIL to fund on an interim basis, a portion of the expected private financing. Had NICIL not provided bridge financing of the project, construction of the hotel would have stalled with resulting in deterioration of the asset and

³ Press Release of 24th of May 2014

escalation of costs to complete. As it stands currently, NICIL has advanced approximately US\$16 M in additional funds to allow the completion of the hotel. These funds will be reimbursed when the legal challenge to the mortgages is discharged. The additional funds advanced by NICIL as interim funding are NICIL owned funds, which are not derived from taxes, but are proceeds from the sale of investments owned by NICIL or dividend returns from NICIL investments.

Key Challenges to the Project

In the next six sections, we attempt to outline the major categories of challenges to the project that have served to deter, delay, and jeopardize the private financing for the project.

Parliamentary attacks to stop the project

Following a motion submitted to the National Assembly in August 2012 by Mr. Khemraj Ramjattan entitled: **“Public monies in the Marriott Hotel be halted until approval by the National Assembly,”** the motion was debated on December 17th, 2012.

MP Ramjattan sought to attack the hotel project and the role played by NICIL:

“NICIL has been, literally a slush fund for deals involving the powers that be and their favourites and friends. This company, headed by those members of the sultanate and controlled there with active encouragement of Government has diverted billions of taxpayers’ dollars away from the Consolidated Fund and therefore away from parliamentary scrutiny.”

“This use of NICIL by Government as an instrument for spending then through a sub-instrument called AHI to do so in that very irregular way is corruption in broad daylight. Taxpayers monies which are in NICIL’s accounts are going to be used to substantially underwrite the financing of this proposed hotel project.”

“The foregoing issues are compounded by a lack of viability as I mentioned. Many investments in the local hotel industry have gone bust because of low occupancy as well as the perennial issues of crime, unreliable and uncompetitive electricity, a dirty city, poor drainage which would retard any development for local tourism even amongst Guyanese who are longing to come back home, more less than foreign tourist.”

Hon. Minister Irfaan Ali:

“...the Hon. Member Mr. Ramjattan's sole intention in bringing this Motion to the National Assembly is to present a blockade on the development of this country; and the private sector has been loud in its endorsement of this project. For a matter of fact, a group of hoteliers endorse this project but we still see the Hon. Member Mr. Ramjattan

and the AFC, especially, on a prolonged campaign to block this development. It is not any secret that this prolonged approach by the AFC, in particular, is driven by self-interest, cemented in protectionism and they are doing it the great American tradition way, that is, by lobbying”

Prime Minister, Samuel Hinds:

“The question comes down to choice of development by the Government, yes, I would agree that maybe APNU would not have invested in the Marriott, the AFC would not have invested in the Marriott, but that is not the issue here, the issue is the Government has made the judgment that an investment in the Marriott is a key investment for this country ... one hotel alone of the order of the Pegasus is not enough for the tourism sector that is being developed in Guyana

Mr. Speaker the two issues on this matter here are procedures and processes of NICIL particularly with the Marriott, I notice that they reserve Clause now Number 1 speaks to NICIL in its entirety, it takes the opportunity to close or wanted to close down NICIL in its entirety, it has deviated from the subject of the debate here, which is about the Marriott Hotel project. The second thing of this debate is on the choice of investment procedure, it is a Government choice and we accept that APNU would have done something else and the AFC would have done something else but we could only honestly do what is our judgment. We cannot do APNU’s judgment or we cannot do AFC’s judgment.”

It is noteworthy to review the Hansard transcript⁴ of the debate that spans over 50 pages for the full debate. Suffice to say that the resolution resulting from the motion by the opposition is not legally binding on the Government, however, as would be expected, the motion and related actions of the opposition on the matter would give any serious investor reason to pause.

[A plethora of opposition criticism](#)

The opposition criticism of the Marriott project, particularly post 2011, has served to strongly discourage and then delay, private investment in the project. It is likely that in the recent history of Guyana, no project has ever been subjected to such a sustained and targeted attack by both the leaders of AFC and APNU and their various members. This criticism has been despite substantial information being laid before the Parliament on the project, invitations to the opposition for briefings on the project similar to what was done for the Amaila Falls project, debates organized by Government on alleged corruption and inviting the opposition to participate, debates in Parliament, and numerous Press Releases and press conferences by Government officials on the project.

The following table extracts some of the headlines that relate to opposition attacks.

⁴ <http://parliament.gov.gy/chamber-business/hansard/> [32nd sitting of 10th Parliament on December 17th, 2012 (pages 43 to 101)]



More specifically, these have included the following newspaper articles largely published in Kaieteur News and Stabroek News.

1.	1-Feb-15	Marriott agreement likely a breach of competition rules...AFC threatens review, sanctions over questionable agreement	Kaieteur News
2.	9-Oct-14	MP moves to court against Marriott ...says NICIL connived with Executive to avoid Parliamentary oversight	Kaieteur News
3.	27-May-14	Marriott hotel is born of fraud -Ramjattan .. Gives rise to justifiable suspicion of kickbacks	Kaieteur News
4.	18-May-14	Govt.'s move ahead with Marriott is contemptuous -MP Harmon	Kaieteur News
5.	28-Apr-14	Marriott Hotel controversy... APNU intends to flush out 'secret' investor -Granger	Kaieteur News
6.	13-Mar-14	'Brassington is not spending his own money , he must provide answers" -Harmon "Ramotar is in charge; he must insist that he does"	Kaieteur News
7.	12-Mar-14	No word on Marriott's financial closure-APNU claims govt still fishing for investor	Guyana Times
8.	25-Jan-14	The Marriott Hotel Saga... Opposition demands full details of "secret investor" during 2014 budget debate	Kaieteur News

9. 24-Oct-13	Private sector gravely concerned at APNU warning to Marriott financiers	Stabroek News
10. 24-Oct-13	PSC lashes out at statements on Marriott, Atlantic Holdings made by MP Harmon	Guyana Chronicle
11. 4-Oct-13	Interdict Winston Brassington-APNU	Kaieteur News
12. 22-Sep-13	Ramjattan says Marriott investor reps called him over opposition to project	Stabroek News
13. 18-Sep-13	Marriott Hotel now bordering on illegality-Joe Harmon	kaieteur News
14. 17-Sep-13	AFC wants forensic audit of Jagdeo Brassington assets ...'unknown private investor 'to take majority ownership of Marriott Hotel	Kaieteur News
15. 29-Jun-13	Demond Trotman moves to block transfer of Marriott Hotel land ...	Kaieteur News
16. 24-Feb-13	Marriott is a brazen corrupt exercise - Ramjattan	Kaieteur News
17. 15-Feb-13	Opposition entities picket Marriott Site	Kaieteur News
18. 11-Feb-13	Marriott Hotel project..... Guyanese right to work has been sold - opposition MP	Kaieteur News
19. 24-Nov-12	Ramjattan moves to stop unapproved funding for Marriott	Stabroek News
20. 23-Nov-12	AFC tables motion to halt public funding	Kaieteur News
21. 2-Nov-12	AFC seeking legal advice to halt Marriott project	Kaieteur News
22. 1-Dec-14	<i>Pawning of Marriott...</i> Govt. must make entire AHI and Republic Bank deal public -Prof. Thomas	Kaieteur News
23. 5-Aug-14	Chinese Labour at Marriott Construction... Sun and Sand's use of BK Intl. exposes Brassington's contempt for Guyanese – Harmon	Kaieteur News
24. 14-Mar-14	AFC notices "dip" in Bank of Guyana's int'l reserves -wonders if money was used to financial Marriott	Kaieteur News
25. 4-Oct-13	APNU warns Marriott financiers	Stabroek News
26. 13-Sep-13	BVI-based company offering to buy Marriott building - Ramjattan- gov't stil seeking \$\$ investors to finish project	Stabroek News
27. 5-Jul-13	NICIL's defence of Marriott land lease... Ocean front property not comparable to industrial sites-AFC	Kaieteur News
28. 14-Feb-13	AFC wants Marriott feasibility study to be made public - Nigel Hughes says country going back to colonisation	Kaieteur News
29. 19-Dec-12	Opposition motion to block Marriott funding has no binding	Chronicle

	force – AG	
30. 18-Dec-12	Opposite passes motion to block funding for Marriott Hotel	Guyana Times
31. 18-Dec-12	Motion moved to bring Marriott under scrutiny to Parliament	Stabroek News
32. 18-Dec-12	House votes: no more tax \$\$\$ for Marriott unless.....	Kaieteur News
33. 24-Nov-12	AFC's position on Marriott a defence of special interest – president	Guyana Times
34. 8-Nov-12	Clear as day govt. separating casino from hotel.....APNU	Kaieteur News
35. 20-May-12	Marriott Hotel an inflated project and a money laundering machine	Kaieteur News
36. 22-Apr-12	Marriott, CJA projects should be halted - AFC, APNU	Kaieteur News
37. 4-Apr-12	APNU will demand that NICIL be brought to books - Greenidge	Kaieteur News
38. 25-Mar-12	AFC even more convinced now that Marriott Hotel not feasible and taxpayers could be ripped off	Kaieteur News
39. 2-Feb-12	AFC eyes Parliament review of planned Marriott hotel	Kaieteur News
40. 14-Jul-11	Taxpayers' money should not be used to fund Marriott - AFC	Kaieteur News

The above are largely articles with headlines attributed to opposition leaders⁵. There have been numerous other articles that have referenced opposition statements. The overall theme of the opposition has been largely targeted at scaring away potential investors and raising the risk profile of the project. A number of these statements have been directly targeted at threatening investors, to the point, that the Private Sector Commission had to step in and condemn the opposition statements on private investment.

At times, the nature of the attacks as reported, have been scandalous and outrageous. Warnings to investors, suggestions of money laundering, fraud and corruption, illegalities, project will be halted, project not being financially feasible, have all been levelled against the project and potential investors.

It is therefore not surprising that the time taken to conclude the investment is a lot longer than planned for RBL and the GoG. RBL had early on in the syndication indicated that subscriber interest in the secured fixed rate bonds to be issued for the debt financing exceeded the US\$27 M required; however, over time, the roadblocks thrown up by the Opposition and special

⁵ Most of these were cover page headline stories.

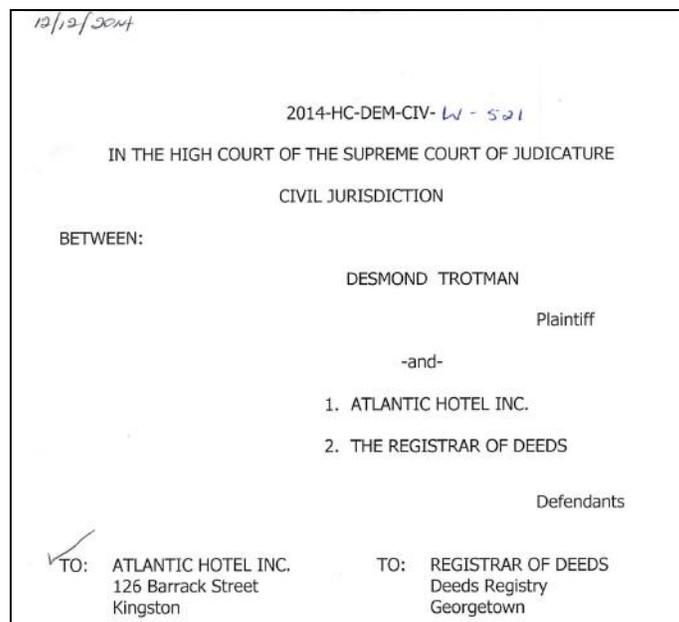
interest groups caused potential subscribers to withdraw or decline further consideration. This was further compounded by the failure of the Opposition controlled Parliament to pass the AML Bill and the likelihood of Guyana being blacklisted.

Legal actions in the Guyana courts

At least 3 legal actions have been filed against AHI or the Marriott project, as follows

1. Guyana Pegasus vs AHI (Action #242-W of 2012) filed on 2012-06-20
This matter is still ongoing although an interim solution has been found whereby AHI has built drainage on the Marriott property for the Guyana Pegasus.
2. Desmond Trotman vs AHI, NICIL (Action #137-S/2014) filed on 2013-07-05
Action #137-S/2014 was filed in July 2013. On February 17, 2014, this action was withdrawn following the withdrawal by NICIL of the lease⁶.
3. Desmond Trotman et al vs AHI, Registrar of Deeds [(1) Actions #263w/2014, (2) 518W/2014, (3) 520W/2014, (4) 521W/2014]. The first action was filed on the 5th of Dec 2014 while the other 3 were filed on the 12 December, 2014).

The four actions filed in December 2014 are on-going and have resulted in a delay to the registration of the mortgage for the property owned and leased to AHI.



⁶ When this legal action was brought, AHI and NICIL opted to have the AHI purchase option contained in the Lease Agreement between AHI and NICIL, exercised, on the basis that the condition was achieved. As such title was transferred to AHI via Vesting Order published in the Office Gazette.

Extract of legal action to stop to registration of the mortgage.

3) That you the said proponent have been unlawfully incorporated by the National Industrial and Commercial Investments Limited (NICIL) as a subsidiary of NICIL with the sole and predominant purpose of unlawfully diverting moneys "raised by Guyana" which should be paid into the Consolidated Fund, but are used for financing the construction of the Marriott Hotel a project not approved by Parliament.

4) That it is not competent for you the said proponent to mortgage the said property or any part thereof without the approval of Parliament or this Honourable Court.

5) The Opponent claims costs.

Sgd. Rex H. Mc Kay, S.C.
Sgd. Neil A. Boston
Sgd. Bettina Glasford
Sgd. Brenden Glasford
Attorneys-at-Law for the Opponent

Dated at Georgetown, Demerara,
This 3rd day of December, 2014

THIS NOTICE is issued by MR. REX H. Mc KAY, S.C., MR. NEIL A. BOSTON, MRS. BETTINA GLASFORD and MR. BRENDEN GLASFORD, Attorneys-at-Law of and whose address for service and place of business is at the office of Mc Kay and Moore, Attorneys-at-Law, lot 1 Croal Street, Stabroek, Georgetown."

In essence, an injunction against registration of the security.

It should be noted that given that long leases and mortgages and debentures have to be published, that the press and all interested parties can view these notices. Below are extracted some of the newspaper reports on the various court matters referenced above.

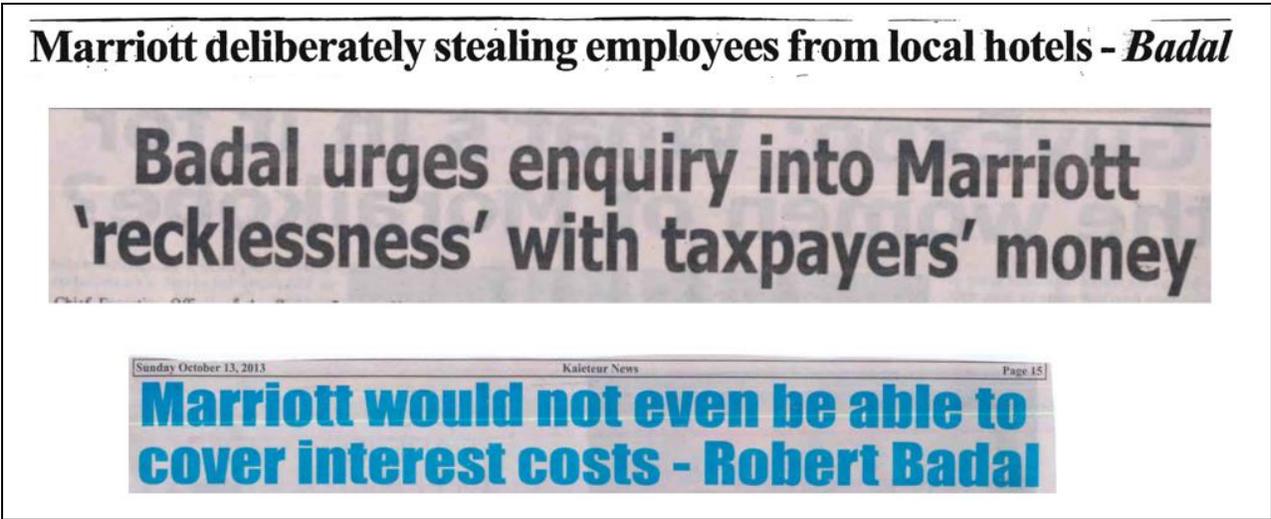
1. 6-Dec-14	Brassington attempts to take out US\$27M debenture on Marriott ...attracts immediate court action seeking injunction	Kaieteur News
2. 30-Nov-14	Brassington pawns Marriott, adjoining state lands for US\$29M	Kaieteur News
3. 29-Jun-14	Court case filed to block state funding of Marriott Hotel	Kaieteur News
4. 12-Feb-13	Letters: Come on Guyana.....do you need this hotel so badly	Kaieteur News
5. 25-Mar-12	Marriott owners (AHI) to pay G\$24,000 per month rent for 7 acres	Kaieteur News
6. 3-Dec-14	AHI slams Kaieteur News for inaccurate reporting -says Marriott Hotel was not 'pawned'	Guyana Chronicle

7. 6-Oct-13	Letter: Court action over the Marriott could permit critical information to be subpoenaed	Stabroek News
8. 15-Sep-13	Brassington denies Marriott building sale -says deal with investor in closing stage	Stabroek News
9. 4-Jul-13	NICIL defends lease fee for Marriott land	Stabroek News

It is clear that the actions of Mr. Trotman over the last two years have been deliberate and calculated to delay, if not derail, any private investment into the project.

Competitor attacks

Although the PSC and other hoteliers have generally supported the Marriott project, Mr. Robert Badal owner of the Guyana Pegasus Hotel has condemned the Marriott project, both in the courts, and in the public media.



2012 No. *942-10* DEMERARA
 IN THE HIGH COURT OF THE SUPREME COURT OF JUDICATURE
 CIVIL JURISDICTION

BETWEEN:

PEGASUS HOTELS OF GUYANA LIMITED (a
 Company duly incorporated under the laws of
 Guyana with registered office at Seawall Road,
 Kingston, Georgetown, Guyana)

ROBERT BADAL
 Plaintiffs

-and-

ATLANTIC HOTEL INC. (A Company duly
 registered under the laws of Guyana with registered
 office at 126 Barrack Street, Kingston, Georgetown,
 Guyana)

WINSTON BRASSINGTON
 Defendants
 Jointly and Severally

AUTHORITY TO ATTORNEYS-AT-LAW

I, **ROBERT BADAL** of D'Aguiar's Park, East Bank Demerara, in my personal capacity and as Proprietor and Managing Director of **PEGASUS HOTELS OF GUYANA LIMITED**, Seawall Road, Kingston, Georgetown, the above-named Plaintiffs do hereby authorise **MR. KHEMRAJ RAMJATTAN** and/or **MR. KHEMRAJ RAMJATTAN**, Attorneys-at-Law herein to act as my Attorneys-at-Law and also the Attorneys-at-Law for **PEGASUS HOTELS OF GUYANA LIMITED** and to do all acts and things necessary herein, and to receive all sums of money payable to us and to give good and valid receipts thereof on our behalf.




 ROBERT BADAL
 Proprietor and Managing Director of
PEGASUS HOTELS OF GUYANA LIMITED

Dated at Georgetown, Demerara
 This *26th* day of June, 2012

1.	12-Feb-15	Guyanese are continually overtaxed in the Hotel Industry - Hotelier Robert Badal	Kaieteur News
2.	28-Jan-15	Marriott deliberately stealing employees from local hotels- Badal	Kaieteur News
3.	16-Jan-15	AHI issues cautionary warning ...Pegasus's Robert Badal not to be taken Seriously	Chronicle
4.	15-Jan-15	Govt. rejects Pegasus offer from Marriott's US\$8M equity... Pick up US\$8M cheque from my lawyer -Badal	Kaieteur News
5.	15-Jan-15	Badal not serious with offer to invest US\$8M in Marriott-AHI	Guyana Times
6.	6-Dec-15	Pegasus' Robert Badal makes about turn on Marriott project ... now sees viability of project , declares belated interest in investing	Guyana Chronicle

7. 11-Dec-14	Locals want \$8M Marriott equity	Kaiteur News
8. 11-Oct-13	Badal urges enquiry into Marriott 'recklessness' with taxpayers' money	Stabroek News
9. 11-Oct-13	Letter: Marriott would not cover its interest cost	Kaiteur News
10. 19-May-13	Letters: Robert Badal, Khemraj Ramjattan and Glenn Lall living in the past	Guyana Times
11. 1-Mar-13	Rob Badal looking fuh Chinese workers	Guyana Times
12. 21-Feb-13	Letters: Marriott, Pegasus markets will not be the same	Chronicle
13. 20-Feb-13	Opposition, media out to destroy over 200 Guyanese jobs in Marriott project - motive appears to be protecting Pegasus Hotel	Guyana Times
14. 19-Dec-12	Pegasus owner accused of leading crusade against Marriott	Guyana Times
15. 7-Aug-12	Badal flays private sector stance on Marriott	Stabroek News
16. 31-Jul-12	The society needs to back Mr. Badal	Kaiteur News
17. 30-Jul-12	Government responds to Mr. Badal on the Georgetown Marriott hotel	Chronicle
18. 28-Jul-12	Letters: I borrowed to purchase Pegasus and do refurbishment and that's how it should be with Marriott, President Jagdeo	Stabroek News
19. 24-Jul-12	Badal afraid of Marriott - Jagdeo	Stabroek News
20. 8-Apr-12	Badal spends US\$8M to upgrade Pegasus	Kaiteur News
21. 7-Aug-10	Badal flays private sector stance on Marriott	Stabroek News
22. 31-Jul-10	The society needs to back Mr. Badal	Kaiteur News
23. 28-Jul-10	I borrowed to purchase Pegasus and so refurbishment and that's how it should be with Marriott, President Jagdeo	Stabroek News
24. 23-Jul-10	Pegasus Hotel blasts Marriott deal	Kaiteur News

[Pliant, often biased and negative sections of the media](#)

Most of the articles below have been cover page headlines. As can be seen, there has been a general absence of objectivity, balance, and fairness, on the part of certain media houses.

Dem boys seh...
**Parliament got a
special cell fuh Brazzy**

**MARRIOTT PROJECT
REPRESENTS BLATANT THEFT**

Dem boys seh
**Marriott money
getting some cat fat**

*Court action over the Marriott could permit
critical information to be subpoenaed*

1.	6-Jan-15	Questions continue over Marriott deal, opening date	Stabroek News
2.	19-Dec-14	Mystery surrounds source of Marriott money ... US\$8M equity investor in limbo -NICIL boss admits	Kaieteur News
3.	7-Dec014	US\$58M Marriott to be sold in 10yrs for US\$76M	Kaieteur News
4.	3-Dec-14	Brassington continues to hoodwink nation on Marriott	Kaieteur News
5.	15-Sep-14	Govt. not worried Chinese firm may do substandard work on Marriott - despite company's poor performance in Trinidad	Kaieteur News
6.	5-Sep-14	Marriott Hotel's private investors yet to put a dollar - Brassington still seeking partners -Source	Kaieteur News
7.	12-Jul-14	Marriott begins recruitment of senior staff...being advertised worldwide	Kaieteur News
8.	9-Jun-14	Goalsarran pillories Marriott 'deal'-says US\$8M giving HK investors two-thirds of US\$100M hotel	Stabroek News
9.	1-Jun-14	NICIL seeks to hoodwink nation over Marriott ownership	Kaieteur News
10.	28-May-14	Fallout from Marriott "giveaway" MPs aim to close loopholes for future ventures	Kaieteur News

11. 28-May-14	Rohee becomes hostile when questioned on Marriott deal ...after reading statement welcoming investor	Kaieteur News
12. 26-May-14	Controversy continues to embroil Marriott... Private investors have no experience in Hotel Industry -their business include lottery, mining	Kaieteur News
13. 13-Mar-14	Brassington dodges questions on Marriott Hotel ... display rude, vulgar behaviour	Kaieteur News
14. 25-Feb-14	Letter: The Marriott Hotel is at a bad site	Kaieteur News
15. 23-Feb-14	The Marriott Hotel is at a bad site-Engineering expert	Kaieteur News
16. 12-Jan-14	Georgetown Marriott Hotel... Brassington 'MUM' on Financial closure, casino operators	Kaieteur News
17. 16-Oct-13	Dem boys seh: Brazzy playing dead fuh de Marriott funeral	Kaieteur News
18. 9-Oct-13	In 10 yrs unnamed private investor to rake in US\$46M On US\$8M Marriott investment -GRA to get nothing for 10 years	Kaieteur News
19. 7-Oct-13	'Jagdeo, Brassington have led us into a cul de sac from which there is no easy exit" -Chris Ram	Kaieteur News
20. 25-Sep-13	Marriott Project represents blatant theft	Kaieteur News
21. 23-Sep-13	Sell-Out of the Nation's Interest	Kaieteur News
22. 21-Aug-13	Marriott Puzzle	kaieteur News
23. 12-Jun-13	Marriott Hotel Obstructs beam from lighthouse	kaieteur News
24. 15-May-13	Marriott investors remain alien, but Gov't says deal 'closed' on financing	Kaieteur News
25. 14-Mar-13	Marriott's financial arrangements unheard of in the Caribbean – Ram	Kaieteur News
26. 13-Mar-13	Any buyer of Marriott will have to pay far more than US\$51M - Chris Ram	Kaieteur News
27. 5-Mar-13	\$200M reportedly doled out for Marriott's supervision - but no evidence of tenders	Kaieteur News
28. 26-Feb-13	No evidence Marriott's contractor registered in Guyana - Brassington's "unrestricted" powers "unthinkable"- Chris Ram	Kaieteur News
29. 26-Feb-13	Are Chinese convicts working on Marriott?Brassington offers "no comment"	Kaieteur News
30. 24-Feb-13	Letters: The regime playbook on racial politics is a diversion from their unrighteous act on the Marriott issue	Kaieteur News
31. 23-Feb-13	Real Marriott plan exposed.....Gov't to give hotel to unnamed private investors	Kaieteur News
32. 20-Feb-13	Marriott Hotel protest..... Govt. statement is nothing but nasty politics	Kaieteur News

33. 20-Feb-13	Letters: What role did Mr. Gerry Gouveia play with endorsing Marriott?	Kaieteur News
34. 19-Feb-13	Marriott Hotel is a complete sellout - Christopher Ram	Kaieteur News
35. 14-Feb-13	Brassington dodges questions on Marriott tender process	Kaieteur News
36. 12-Feb-13	This Marriott Project is clouded with secrecy and controversies	Kaieteur News
37. 6-Jan-13	Guyana Marriott costs three times more than Jamaica	Kaieteur News
38. 24-Dec-12	Cricket, football and the Marriott Hotel project	Kaieteur News
39. 23-Dec-12	The Marriott Hotel motion is not illegal	Kaieteur News
40. 13-Dec-12	Letters: The Marriott Hotel is a classic case of the misuse of state funds	Kaieteur News
41. 30-Oct-12	Letters: The Marriott Hotel project is all about the self-enrichment of a few	Kaieteur News
42. 24-Oct-12	Brassington seeks to outsource casino, restaurant and night club	Kaieteur News
43. 31-Jul-12	Govt. undermines private sector success with proposed Marriott - Corbin	Kaieteur News
44. 29-Jul-12	Proposed Marriott will kill the local hotel industry	Kaieteur News
45. 13-May-12	Marriott Feasibility Study under 'Lock and Key'	Kaieteur News
46. 15-Apr-12	Brassington misleads nation on Marriott deal	Kaieteur News
47. 29-Mar-12	Marriott project is a grand Ponzi scheme in the making	Kaieteur News
48. 18-Mar-12	Proposed Marriott Hotel..... Gov't secures private investors ahead of taxpayers \$\$\$	Kaieteur News
49. 27-Nov-11	Republic bank not putting any money in Marriott project	Kaieteur News
50. 24-Nov-11	When the other hotels are cab horse	Kaieteur News
51. 24-Nov-11	Robert Persaud knows all of the Marriott investors	Kaieteur News
52. 22-Nov-11	Republic Bank and that Marriott investment	Kaieteur News

[Investors increased perception of Guyana risks due to failure of the opposition controlled Parliament to pass the Anti-Money Laundering \(AML\) Legislation](#)

As a result of the CFATF and FATF review of Guyana and the various statements of blacklisting, both potential lenders and investors have been scared away from Guyana. Specifically, one large regional bank, was prepared to invest a large sum in the fixed rate bonds, and cited the AML issues as the reason it could not proceed.

The private investor, ACE Investments Limited, became extremely concerned about the potential risks of operating a casino in a jurisdiction about to be internationally black-listed and the resulting impact on the reputation on their officers, who are officers of publicly traded

companies in Hong Kong. This concern led both ACE and NICIL, to enter into discussions with Marriott about operating the casino and other parts of the Entertainment Complex resulting in an agreement with Marriott, who currently operate 6 casinos worldwide, to agree to operate the Entertainment Complex including the casino on a similar arrangement as the hotel. This action will ensure that Marriott's international reputation and experience will be brought to bear to ensure the very highest standards of operation for the casino and Entertainment Complex.

The above is despite an active and serious effort on the part of the Government and major civic organization to seek to achieve passage of the AML Bill as chronicled below.

- i. The Original AML/ CFT Act was passed in the National Assembly and subsequently assented to, by then President, Bharrat Jagdeo, on August 14, 2009.
- ii. The Act was fully supported by the PPP, PNC and AFC (no objections or abstentions were made by any of the Parliamentarians in attendance).
- iii. In 2011 a number of recommendations were made to bring Guyana into compliance with CFATF and presented to Parliament by Government.
- iv. On May 7, 2013, the Opposition requested the amendments be examined by a Special Select Committee of the National Assembly.
- v. The Committee held 16 meetings ending on October 22, 2013 which the Opposition boycotted.
- vi. The Opposition did not submit ANY amendments to the Committee, all amendments to the bill, the core of the committee's work, were done solely by Government.
- vii. The Amendments were presented to Parliament on November 7, 2013 and were subsequently voted down by the one seat majority Opposition. This led Guyana to be backlisted by FATF.
- viii. Government re-tabled the Bill on Dec 12, 2013.
- ix. The bill was again sent to the Special Select Committee for review and consideration with the understanding that FATF (the parent body of CFATF) would review and make a decision Guyana would be blacklisted at their plenary meeting held on February 13 and 14, 2014.
- x. The Committee determined that the amendments to the bill would be ready by Monday February 10.
- xi. One week before the February 10 deadline the Opposition walked out of the meetings and later, once again boycotted the Committee meeting.
- xii. AFC representative Kemraj Ramjattan boycotted the Committee meeting altogether.
- xiii. Up to that point there were no written submissions of proposed amendments to the Bill by the Opposition.
- xiv. At 9 PM, the night before the Bill was scheduled to be put before the National Assembly for a final vote, APNU, while still in committee drafted their Amendments.
- xv. The Amendments by the Opposition do not comply with FATF requirements, are, in some cases, a contradiction to the principle Act of 2009, and in cases where there is no contradiction, only applies to the principal Act and not the Amendment Bill.

The following organizations released statements in favor of passing the AML legislation:

- i. ABCE Diplomatic Corp.
- ii. Public Service Commission
- iii. Georgetown Chamber of Commerce and Industry
- iv. Guyana Bankers Association
- v. Guyana Manufacturing Services Association
- vi. Guyana Insurance Association
- vii. Aircraft Owners Association of Guyana

AHI Press Releases, Press Conferences and Information publication

Throughout the process of designing and building the Marriott project, the Government has been open and transparent, recognizing at times, that the project was still under development or that certain aspects of it were of commercially sensitive nature.

In June 2010, Marriott publicly announced it would be embarking on a hotel in Guyana. In December 2011, there was a public sod-turning event. In February 2012, Mr. Ramjattan asked a series of questions on the project [(Notice paper #12, (Q9, Opp9) published in Parliament on 15th Feb 2012)]. On 15th March of 2012, the Minister of Finance issued a full reply (the facts of which remain materially accurate to this day) and released a series of project related documents including the construction contract, copies of the tax agreements covering all of the incentives for the project, and copies of the lease agreements for the land.

Additionally, the Government convened a series of debates in 2012 on major issues including the Marriott and invited the opposition to participate.

Further, on a number of occasions, the Government offered to do a closed door briefing on the Marriott project similar to what was being done on the Marriott over the 2012-2013 period. The opposition never took up the Government on this offer.

Below is a list of press releases issued by AHI/NICIL/GOG⁷ that are available on the NICIL website:

Press engagement	Release Date
1. Winston Brassington (WB) Letter to Editor	9-Jan-15
2. Interview: Kit Nasimento / Brassington	19-Dec-14
3. AHI responds to "Locals want \$8M Marriott equity"	15-Dec-14
4. PR response to "Brassington pawns Marriott"	2-Dec-14
5. PR: AHI pledges to investigate oil dumping	22-Oct-14
6. Interview: Kit Nasimento/ Brassington	11-Jun-14
7. REISSUED: Ad explaining financing structure	31-May-14
8. AHI announces Marriott's new GM: Roberto Grisi	28-May-14
9. AHI and RBL joint press release announcing Marriott Investors	24-May-14

⁷ There are other releases which have been issued but the above are the recent ones

10. WB presentation to the CDB on PPP's	8-May-14
11. AD explaining financing structure	4-Oct-13
12. PR Explanation of funding Marriott	4-Oct-13
13. Press conference at NCN studio	19-Sep-13
14. PR: BVI based company offering to buy Marriott building	13-Sep-13
15. SN article: Marriott not an easy sell	6-Sep-13
16. PR Response to Desmond Trotman	3-Jul-13
17. AHI GAPE speak to students on Marriott Engineering	8-May-13

Progress despite attacks on the project

It should be noted that despite all of the attacks on the project, the following have been achieved:

- a) The Marriott brand has been secured;
- b) The hotel is being built in line with budget and to Marriott standards and will open in April 2015;
- c) The hotel is underway in employing app 230 Guyanese persons picked from a total of over 3000 applications, in an extremely open and transparent process;
- d) A private equity investor has been found and an agreement executed with this investor; the investor was cleared by both Marriott and Republic Bank and announced publicly in 2014;
- e) US\$27 debt financing committed and all legal documentation executed to allow disbursement; of this US\$15.25 M disbursed by certain of the investors in the debt syndicate;
- f) Following the fallout from the failure to pass the AML Bill, Marriott has agreed to be the operator of the Entertainment Complex;
- g) Based on the Feasibility Study and the full compliance of Marriott with applicable tax laws, AHI is poised to be the largest taxpayer in the hotel and hospitality sector.

Conclusion

The delay in injection of the debt financing and equity financing can be directly linked to the opposition led legal action that has prevented the mortgage security from being registered. Once these matters are concluded, it is expected that the remainder of the financing will be concluded.

The organized and sustained attack on the Marriott project and the prospective investors have increased the risks for private sector participation. Opposition and media attacks have sought to discourage, delay, obstruct, and prevent, the flow of any private investment into the project. At the same time, the same parties have attacked the investment NICIL is making into the project, and the interim funding, which was only necessitated by the direct obstruction of opposition legal actions to prevent the security being put in place.

Given that all of the corporate investors have Boards of Directors that have to operate in a diligence manner when it comes to investment, the legal actions have called for considerable legal reviews and opinions on the project. Some investors have progressed and injected their funds in the interim; other are still reviewing the legal issues.

Suffice to say, the opposition actions to stop the Marriott project will not prevent the hotel from opening. The hotel will open in April of this year. However, it cannot be lost that the opposition attacks on all major projects such as the Berbice Bridge, Amaila Falls, Marriott project, etc. will give any private investor, including local financial institutions⁸, reasons for pause, when investing in any project that has Government involvement.

In essence, our investment climate will be scarred for some time as a result of these actions.

⁸ Guyana's banking sector has the equivalent of over US\$1 B in liquidity that is available for investment in the economy once the enabling conditions and risks are acceptable to the banks. Scaring investors such as the banks from investing into PPP projects, will result in less of our savings being invested in the economy and will contribute to the low level of bank assets loaned out (app 40%). The greater the share of banks assets invested in loans, the greater the likelihood that they can afford to lower lending rates, with the consequential benefits on the economy.