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VI Small Businesses Haul \$62 Million in Loans From CARES Act, Including \$5 Million for the Ritz-Carlton

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Robert Moore **April 28, 2020**

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The Ritz-Carlton in St. Thomas

The luxury Ritz Carlton St. Thomas and an affiliate company that caters to upscale Caribbean travelers took in more than \$5.5 million from a federally backed loan fund intended for small businesses devastated by the COVID-19 crisis.

The haul by RC Hotels (Virgin Islands) Inc. and Island Time Watersports (Caribbean) LLC amounts to eight percent of the total \$62 million in loans awarded to VI businesses. Gov. Albert Bryan on Monday announced that a total of 240 Virgin Islands businesses had so far latched onto the U.S. Small Business Administration Paycheck Protection Program lifeline designed to keep small businesses afloat and employees on the payroll until the coronavirus pandemic subsides. “I

want to encourage all small businesses to please take advantage of this program,” he said.

Some details about the Paycheck Protection Program (PPP) loans, however, were disclosed in corporate regulatory filings over the past week. More than small businesses are tapping into the PPP.

News began circulating a week ago that publicly traded companies, including national restaurant chains like Ruth’s Chris Steakhouse and Shake Shack had received tens of millions of dollars in PPP loans. Three publicly traded real estate investment trusts owned by Dallas billionaire Monty Bennet took in \$58.7 million in loans under the small business rescue fund.

The Ritz Carlton St. Thomas and Island Time Watersports, known locally as Cruz Bay Watersports, are a part of Bennet’s real estate empire. The Consortium reviewed dozens of pages of U.S. Securities and Exchange Commission (SEC) filings for Bennet’s Braemar Hotels & Resorts Inc. and Ashford Inc. to determine how deep they reached into small business loan funds.

According to the April 24th Form 8-K filing by Braemar Hotels & Resorts, the Ritz Carlton St. Thomas was expected to received a loan of just over \$5 million from the Arkansas-based Centennial Bank. Two days earlier, Bennet’s Ashford Inc. submitted an SEC Form 8-K listing the Cruz Bay Watersports loan in the amount of \$466,804. This, too, was a Centennial Bank loan.

The SBA does not publicly identify recipients of Paycheck Protection Program loans. Only the macro numbers (240 loan recipients and \$62 million in loans) mentioned by Mr. Bryan are available for the territory.

The PPP just reopened on Monday to a crush of new applications for an additional \$310 billion in forgivable loans that have new rules to help insure the money helps the small businesses it is supposed to. The initial \$349 billion allotted for the PPP was exhausted in under two weeks, leaving thousands of businesses, include many in the VI, desperate for help weathering the storm.