

Image not found or type unknown

Cane Bay Partners' David Johnson is Largest Shareholder in St. Croix Energy

Business / **Published On November 24, 2021 04:56 AM /**

Ernice Gilbert **November 24, 2021**

Image not found or type unknown



David Johnson is largest sharholder in St. Croix Energy. By. VIA FACEBOOK

St. Croix Energy, the fledgling company that won last week's bid for the Limetree Bay Refinery on St. Croix, is owned in large part by David Johnson, the longtime St. Croix businessman best known for Cane Bay Partners VI, according to multiple sources who spoke to the Consortium on the condition of anonymity.

St. Croix Energy won the bid [during a Thursday auction](#) in bankruptcy court in Texas for the south shore facility which had recently restarted after investors aligned with ArcLight Partners and EIG poured more than \$4 billion into the refinery. It was shutdown following a massive flare incident on May 12, and soon after filed for bankruptcy.

St. Croix Energy offered no comment when reached by the Consortium.

Mr. Johnson is well known on St. Croix and is said to be worth tens of millions of dollars. As co-owner of Cane Bay Partners, Mr. Johnson and partner Kirk Chewning have given back extensively to St. Croix, where their Economic Development Authority company is based. Their benevolence became more pronounced with the formation of Cane Bay Cares, which over the years has donated handsomely to many important [causes](#) on St. Croix.

But the two men allegedly run a company [accused of making millions of dollars](#) a month in small loans to financially strapped people, charging more than 600 percent in interest a year, according to a [2014 Bloomberg investigation](#). More recently, in April 2020, a class action lawsuit was filed against Mr. Johnson and Mr. Chewning for the same alleged practice of operating payday lending programs across the U.S. that exact exorbitant interest rates on customers. Because many U.S. jurisdictions have banned the practice, Cane Bay Partners allegedly circumvent the bans by using Native American tribes as conduits, essentially evading usury laws, according to the April 2020 class action lawsuit.

The lawsuit, Manago v. Cane Bay Partners VI, [alleges](#) that Cane Bay Partners through a company named MaxLend, "violated the Racketeer Influenced and Corrupt Organizations Act (RICO) as well as various states' usury laws and consumer protection statutes." It also alleges that the men were "unjustly enriched and engaged in civil conspiracy."

According to the lawsuit, "Beginning in 2013, MaxLend began offering high-interest short term loans that charged up to 841.4532% annual interest on short term loans of up to \$2,500. These loans are purportedly governed by tribal law because MaxLend purports to be controlled by the Tribe."

The plaintiffs are residents of Maryland, Florida, Texas, North Carolina, Oregon, Michigan, and South Carolina who obtained loans from MaxLend via the internet, according to the lawsuit.

The plaintiffs "bring claims on behalf of themselves and a national class of United States residents who entered into loan agreements with MaxLend, and subclasses comprised of the respective residents of each state where the named plaintiffs reside," according to court documents.

The plaintiffs according to the lawsuit are seeking "compensatory and treble damages, disgorgement of illegal gains, injunctive relief, and attorneys' fees and costs from the Cane Bay Defendants and injunctive and declaratory relief from the Tribal Defendants in their official capacities only."

Mr. Johnson and Mr. Chewning have been consistent in their stance that Cane Bay Partners is not a lender. On the company's website, Cane Bay Partners has as its offerings consulting, portfolio management and [a host of other services](#).

Governor Albert Bryan on Monday said St. Croix Energy has the full backing of his administration as the nascent company works to restart the facility. Mr. Bryan also said his administration would exert 190 percent effort to that end, including the signing of an agreement with the Environmental Protection Agency for a safe restart.

But the governor has expressed concern relative to whether St. Croix Energy has the funds needed for restart. "I'm pretty happy that local people own it now," Mr. Bryan said while speaking during his administration's weekly press briefing. "I know these guys who make up St. Croix Energy and I'm pretty proud about that fact. However, I am a little concerned I must say about the resources

needed to get it up and in operations." Mr. Bryan made known that a meeting has been scheduled for later this week with St. Croix Energy.

A meeting was also planned for Tuesday with EPA Deputy Director Janet McCabe, Mr. Bryan said, where the refinery and other matters were to be discussed. "We're going to be giving 190 percent of our effort to get this [restart of the refinery] move through the EPA safely. We want to see a restart of the refinery — it's a priority of my administration. But we want to do so in a safe manner. We don't want to have the kinds of things that we had before with residents experiencing smells or sprays, or any kind of residue coming off the refinery," the chief executive said.

"So just a little concern in terms of the money it's going to take in order to get it up and going, but they have our full support, and they have our full support in terms of getting this EPA agreement signed," Mr. Bryan concluded on the matter.

© Viconsortium 2024