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# Financial Firm Seeks Waiver of Full Employment Requirement From EDA, Citing Headwinds Caused by Covid-19

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The V.I. Economic Development Authority Board on Thursday approved a waiver of the full time employment requirement for Salt Pond Holdings, LLC for the period Jan 1, 2023, to December 31, 2023, after the firm said the Covid-19 pandemic had taken a toll on its business.

Salt Pond is a Category IIA service business that provides private merchant banking and family office services, including stock or securities trading and financing operations for businesses located outside the USVI.

In relation to their decision, the board found it was “not practical at this time for Salt Pond Holdings to effectively maintain the full-time employee requirement set forth in its certificate due

to the decrease in their financial activities."

Salt Pond was granted a waiver from five full-time employees to a minimum of two for the period Jan 1, 2023, to December 31, 2023. Employment requirements are mandatory as part of the EDA's tax incentive programs, and these requirements are determined based on a number of factors, including size of firm and business category, among others.

William Erbey, speaking on behalf of Salt Pond, stated that Covid-19 has had a substantial negative impact on his businesses during the last two years.

"In March of this year, I sold five of my six tech start-ups for a loss of \$40 million for which Salt Pond Holdings was providing administration services," he said. "Said services represent 80 percent of Salt Pond Holdings' workforce. My remaining tech company is revenue positive and at break even, by 2024 it should be performing nicely."

Mr. Erbey stated further that Salt Pond's securities portfolio had also been adversely impacted by Covid-19.

The board was concerned about the three employees who will be affected by the change. In response to members' questions, Mr. Erbey stated that one of the five employees would not be returning to work since said employee will be on long-term disability due to surgery. On February 6, another employee was due to retire. The third employee would be given two months' notice and severance pay.

"I expect that by the end of 2024 we'll be able to resume our full employment of five personnel," Mr. Erbey said. He later added that more staff could be hired before the end of the two years, "depending on how fast the business recovers."

Mr. Erbey further stated that once things were improved, Salt Pond would go to the University of the Virgin Islands to recruit recent graduates with computer science or accounting degrees.

"That could be a way we could offer full-time employment for college graduates here," he said.

Salt Pond representatives were encouraged to contact the V.I. Department of Labor, who "may be able to help" with recruiting by Gary Malloy, vice chair of the EDA board and current Labor commissioner.