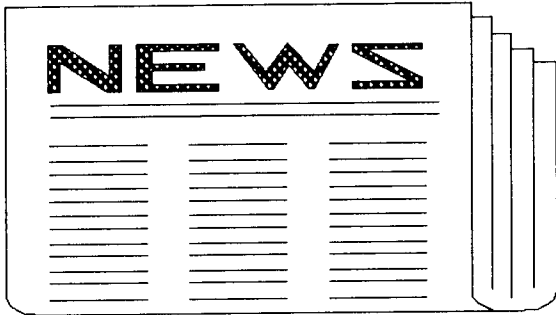


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PRESS RELEASE

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**REDFIELD SAYS CLOSURE OF 'THE CLUB' CALLS FOR
BETTER CONSUMER PROTECTION MEASURES**

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REPUBLICAN SENATOR HOLLAND L. REDFIELD II TODAY SAID THE TERM "BUYER BEWARE" HAS COME HOME TO ROOST FOR VIRGIN ISLANDS CONSUMERS WITH THE SUSPICIOUS, SUDDEN CLOSURE OF THE CARIBBEAN WHOLESALE CLUB.

REDFIELD SAID HE WAS RELUCTANT TO COMMENT ON THE UNANNOUNCED CLOSURE OF THE YEAR-OLD BUSINESS IN ESTATE PETER'S REST. "THERE ARE TIMES TO SAY 'I TOLD YOU SO,' AND I GUESS THIS IS ONE OF THEM." THE SENATOR SAID HE FIRST BROUGHT ATTENTION TO THE CLUB'S QUESTIONABLE BUSINESS PRACTICES ON FEBRUARY 21, 1992, WHILE HE WAS CHAIRMAN OF THE CONSUMER PROTECTION COMMITTEE.

REDFIELD CITED INITIAL CRITICISM DIRECTED AT HIM FOR BEING TOO OVERBEARING ON THE WAREHOUSE FOOD OPERATION BUSINESS, WHICH OPENED IN LATE MARCH LAST YEAR. "AT THE TIME, I MOVED QUICKLY TO STOP THE SALE OF MEMBERSHIPS IN THE CLUB UNTIL IT WAS PROPERLY LICENSED. FURTHER, I CALLED FOR AN OFFICIAL, JOINT INVESTIGATION BY LICENSING AND CONSUMER AFFAIRS (LCA) AND THE JUSTICE DEPARTMENT TO DETERMINE IF THE CLUB'S MEMBERSHIP PRACTICES WERE LEGAL," HE SAID.

"NOW, MY WORST FEARS HAVE IN FACT COME TRUE. THE PRINCIPALS OF THE COMPANY HAVE APPARENTLY FLED THE TERRITORY, THE BUSINESS IS CLOSED AND PADLOCKED, AND ITS OBVIOUS THAT MANY CRUCIANS HAVE LOST THEIR INDIVIDUAL CLUB MEMBERSHIPS AND ANY OTHER MONEY THEY HAD INVESTED IN IT," REDFIELD SAID.

THE INVESTIGATION CENTERED ON FOUR QUESTIONS POSED BY THE SENATOR: 1) WHETHER THE CLUB HAD ALL NECESSARY PERMITS AND LICENSES FOR A WAREHOUSE FOOD OPERATION; 2) COULD MEMBERSHIPS BE SOLD IN ADVANCE FOR A BUSINESS NOT OFFICIALLY IN EXISTENCE; 3) COULD MEMBERSHIP MONIES BE USED TO FINANCE CAPITAL EXPENSES INCURRED BY THE OWNERS, THUS MAKING THE MEMBERS SHAREHOLDERS IN THE FIRM AS WELL; AND 4) IS THERE ADEQUATE PROTECTION FOR CONSUMERS, AFTER HAVING INVESTED MEMBERSHIP MONEY IN THE PROPOSED BUSINESS, TO RECOUP THEIR MEMBERSHIP MONIES IF THE BUSINESS FAILS.

“IN LIGHT OF THE FACT THAT MANY CRUCIANS HAVE LEARNED A HARD LESSON WITH THE CLOSURE OF THE CLUB, THERE APPEARS TO BE A PATTERN DEVELOPING WITH REGARD TO CONSUMERS’ DEPOSITS BEING TAKEN WITH NO RECOURSE FOR RECOVERING THEIR MONEY,” SAID REDFIELD, REFERRING TO RESIDENTS WHO GAVE MONEY AS DOWN PAYMENT FOR CUSTOM-BUILT HOMES TO A LOCAL DEVELOPER, ONLY TO BE EMBROILED IN A FRACAS WHEN THE DEVELOPER FAILED TO CONSTRUCT THE HOMES AS PART OF THE AFFORDABLE HOUSING PROGRAM. “THIS IS ESSENTIALLY THE SAME THING THAT HAPPENED WITH THE NOW-DEFUNCT FOOD CLUB,” REDFIELD SAID.

REDFIELD CALLED ON THE LCA DEPARTMENT, THE EXECUTIVE BRANCH AND HIS SENATE COLLEAGUES TO WORK TOGETHER IN DEVELOPING SAFEGUARDS FOR CONSUMER DEPOSITS SOUGHT AND ACCEPTED BY FOR-PROFIT MEMBERSHIP ENTERPRISES. “WE MUST USE THIS UNFORTUNATE REMINDER FROM THE BUSINESS WORLD TO COMPEL US TO WORK ON PROTECTIVE MEASURES FOR THE CONSUMER,” HE SAID.

THE SENATOR SAID HE BELIEVES GOVERNMENT HAS A FUNDAMENTAL RESPONSIBILITY TO PROTECT CONSUMERS WHO PATRONIZE BUSINESSES, WHICH ARE GIVEN LICENSE TO OPERATE BY THE GOVERNMENT. REDFIELD SAID THE CONSUMER ALSO MUST UNDERSTAND THAT THE TERM “CAVEAT EMPTOR,” OR LET THE BUYER BEWARE, IS NEVER MORE MINDFUL THAN WHEN ENGAGING IN BUSINESS TRANSACTIONS WHICH CALL FOR MONEY UP FRONT BEFORE SERVICE IS RENDERED.