

LETTERS TO THE EDITOR

7/28/10

Wasted dollars on litigation

To the Editor,

In 2005, local businessman Thomas Roos lost possession of the Newport Regatta Club ("the Regatta Club"), on Goat Island as a result of litigation initiated by the Goat Island condominium Association's ("Association"). It was widely reported in the local press and a topic of discussion for many months around Aquidneck Island. As many of us thought then, and now know as a result of two recent court decisions, the 'facts' presented by the Associations during the years of litigation (1999-2005) leading to the ejection were unsupported.

Three months ago, we learned that the court dismissed the Associations' claims of malfeasance by Mr. Roos and outright rejected their characterization of him as "a reckless rogue, rushing headlong and unprincipled through these complicated transactions without a nod to applicable law" That decision was clear in stating that Mr. Roos followed the advice of his attorneys, some of the most prestigious in the state, and that he was advised that everything he did complied with the law and was within his rights.

And there is more.

When the Associations sought to eject Mr. Roos and his entities from the Regatta club in 2005, Mr. Roos had no choice but to seek the protection of the Bankruptcy Court on behalf of his operating business,

IDC Clambakes to safeguard the brides who had scheduled their weddings for that summer. Upon learning that Mr. Roos was seeking the bankruptcy court's protection, the Associations proceeded to file a suit against IDC Clambakes seeking \$3.5M, alleging the business had been trespassing on the Associations property since 1998. As a result, Mr. Roos was required by the bankruptcy court to set aside \$3.5M 'just in case' the Associations were successful. He complied with the court and 'gave up' \$3.5M to the court, which remains in an escrow account to this day.

In a decision just last month, the bankruptcy court denied the trespass claims by the Associations. The court held that the Associations are not entitled to any monetary damages because Mr. Roos reasonably relied upon the Associations' and unit owners' consent to operate the Regatta club. This makes sense as the Associations and many of the unit owners held events and weddings there and truly did not believe they had any right to the property, myself included. Here are the exact words of the court: "For the period in question, and as to that single issue [of whether or not the Association accepted the fact that Mr. Roos owned and operated the property], there is unmistakable apparent consent...I find as a fact and conclude as a matter of law that the Association plainly

and continuously manifested apparent consent for IDC Clambakes [dba the Newport Regatta Club] to operate the Regatta Club on the Reserved Area from March 1 [1998] until April 8, 2005."

These recent Court decisions call into question not only the truthfulness of the Associations' claims but also why the Associations' Boards, who are elected to represent the unit owners' best interests, unilaterally decided to spend more than \$1.9M persecuting Mr. Roos with bogus claims. This \$1.9M could have been used to beautify and maintain Goat Island but instead is being used to line the pockets of a law firm. To this day, there is no transparency and we have no input into how our money is spent by the 'check-writers.' This has to change.

In our estimation, approximately \$1.9M of our money has been spent pursuing a few people's legal vendettas. I want to know who and what this has been spent on. I've previously demanded accountability for every nickel spent by 'the few' on this wasteful chain of litigation and I see no reason why this Board, who supposedly represent me, cannot be more transparent as to how they are spending our money.

Terry Moy

Unit 1214, Capella South
Condominium, Goat Island South