

**Virgin Islands Economic Development Commission
Decision Meeting of Thursday, June 24, 2021
Summary Report Out**

During the Virgin Islands Economic Development Commission (“VIEDC”) Decision Meeting on Thursday, June 24, 2021, the Governing Board heard recommendations from staff regarding two (2) application matters and two (2) compliance matters in Executive Session and voted as follows:

Executive Session:

Action Items:

Applications:

1. Lotus Holdings, LLC – New Application

Lotus Holdings, LLC (“Lotus”) seeks VIEDC tax incentive benefits as a Category IV - Financial Service Designated Services Business for its provision of family office services, investment management and consulting services, venture capital management and investment, business management and consulting, and international commercial distribution of locally designed products. Lotus Holdings has established two wholly-owned, disregarded subsidiaries, Lotus Family Office, Inc. and Danadis Fashion House, LLC, through which it will provide its services. All clients of Lotus will be located outside the USVI.

On March 15, 2021, Lotus filed an application with the Virgin Islands Economic Development Commission (“VIEDC”) for tax incentive benefits. Lotus commits to employ five (5) non-owner full-time employees. Lotus states it will invest a minimum of One Hundred Thousand Dollars (\$100,000.00) in the benefited. Lotus will be located on the island of St. Thomas.

The Governing Board voted (4 – 0) to:

1. Find Lotus Holdings, LLC, is deserving of a grant of tax exemption incentives.
2. Grant Lotus Holdings, LLC tax incentive benefits at one hundred percent (100%) of the tax incentives authorized by law for a period of 20 years in accordance with the provisions of V.I. CODE ANN., tit. 29, chapter 12.
3. Require the grant of incentives exclude Danadis Fashion House, LLC for the following reasons:
 - a) While there would be qualitative benefits should this business operate in the U.S. Virgin Islands, there are currently insufficient economic benefits to the U.S. Virgin Islands by including this business under the certificate of incentives.
 - b) The lines of business are distinctive and combining the two lines of business on the same certificate without a minimum employment commitment of 10 full-time employees circumvents the intent of the statute.

4. Advise Lotus Holings, LLC its decision does not prevent Danadis Fashion House, LLC from reapplying for tax incentives in the future.

2. RapierMed, LLC – New Applications

RapierMed, LLC (“Rapier”) seeks VIEDC tax incentive benefits as a Category IV - Financial Service Designated Services Business providing family office services, investment management and consulting services, research and product development and business management and advisory services. Rapier’s clients will be located outside the USVI.

Rapier commits to employ a minimum of five (5) full-time employees. Rapier states it will invest a minimum of One Hundred Thousand Dollars (\$100,000.00) in the benefited business. Rapier will be located on the island of St. Thomas.

The Governing Board voted (4 – 0) to:

1. Find RapierMed, LLC is deserving of a grant of tax exemption incentives.
2. Grant RapierMed, LLC tax incentive benefits at one hundred percent (100%) of the tax incentives authorized by law for a period of 20 years in accordance with the provisions of V.I. CODE ANN., tit. 29, chapter 12, subchapter 1.
3. Grant RapierMed, LLC an extension of time to satisfy the minimum full-time employment requirement as follows:

Applicant/Beneficiary shall employ a minimum of three (3) full-time employees, including one (1) non-voting member employee, within one (1) year from the date its Certificate is signed by the VIEDC Chairman, or within one (1) year from commencement of benefits, whichever is later. Applicant/Beneficiary shall hire an additional two (2) full-time employees within two (2) years from the date its Certificate is signed by the VIEDC Chairman, or two (2) years from commencement of benefits, whichever is later, for a total of five (5) full-time employees, including one (1) non-voting member employee, after two (2) years.

4. Require RapierMed to submit evidence to VIEDC from the applicable taxing authority that George M. Rapier III has filed and paid all taxes, penalties and interest or has satisfactorily entered into an agreement to pay the taxes and demonstrate that Applicant/Owner is current with the agreement, prior to the execution of the Certificate.

Compliance:

1. Flying Fish Group, LLC – Termination of Tax Incentives

Flying Fish Group, LLC (“Flying Fish”) was approved for tax incentives on June 18, 2015 to operate a Category IV Financial Designated Services Business providing family office services for the Heffernan family, providing a range of services including business management and consulting, investment management and advisory services, venture capital management and investment, trading in stocks or securities and back office accounting

and administrative actives. All operations were to be conducted from the Beneficiary's office in the U.S. Virgin Islands, and all of its clients were to be located outside the U.S. Virgin Islands.

On March 19, 2018, a request for a voluntary termination of benefits effective January 1, 2015 was filed with the VIEDC. The VIEDC Governing Board previously approved Flying Fish's requests for suspension of benefits for the periods January 1, 2015 to December 31, 2016 and January 1, 2017 to December 31, 2017 on August 16, 2016 and February 14, 2017, respectively.

The Governing Board voted (4 – 0) to:

- Grant Flying Fish Group, LLC's request to terminate its Certificate of Tax Incentive effective January 1, 2015 and administratively close the file.

2. Thriving Charities Advocates, LLC – Extension of Time to Meet Deadline

Thriving Charity Advocates, LLC ("Thriving Charities") was approved for tax incentive benefits on March 28, 2019 as a Category IV Financial Designated Services Business to provide financial management and consulting services, compliance and related back office services to clients located outside the U.S. Virgin Islands.

On May 25, 2021, a request for a one (1) year extension to June 3, 2022 to meet Thriving Charity's minimum full-time employment of five (5) employees was filed with the VIEDC.

The Governing Board voted (4 – 0) to:

1. Grant Thriving Charity Advocates, LLC an extension of time to June 3, 2022 to meet its minimum full-time requirement of five (5) full-time employees.
2. Require Thriving Charity Advocates, LLC to adhere to all other standards and special provisions/conditions of its Certificate of Tax Incentives approved on March 28, 2019.
3. Require an Order to Show Cause why its Certificate should not be revoked, suspended, or modified be issued to Thriving Charity Advocates, LLC pursuant to 29 V.I.C. § 722 should Thriving Charity Advocates, LLC not comply with the aforementioned.