

PRESS RELEASE

Los Claveles Committee – Owners Fight Back

In 2015, Ivan Pengelly of WimPen, who were the appointed administrators for Los Claveles along with several other resorts in the Canary Islands, sold his shares to OnaGrup, who he judged were the best company to help improve the rental income for blocked and unsold villas in the resorts. All the resorts were suffering from an aging population of owners and an increasing number of debtors. This sale to OnaGrup was subject to a confidentiality agreement.

Once the sale was complete, Ivan Pengelly announced the sale to the resort owners. While there were a few 'bumps in the road' and much anxiety by owners in most of the resorts, calm and measured negotiation with OnaGrup resulted in amicable and mutually agreeable arrangements for the continued management of the resorts. With the exception of Los Claveles that is.

A Los Claveles committee meeting, on the casting vote of the Chairman, decided to terminate WimPen's contract. A subsequent General Meeting voted 329 to 236 to retain Wimpen, however this result was overturned by proxy votes, including the chairman's discretionary proxies. The final voting was 863 for termination with 823 against.

"We believe this decision was premature and we want to challenge the Claveles committee and way they have handled this dispute", said Roger Barrow, chair of the newly formed opposition working group. "It has led to the most acrimonious of disputes, with owner set against owner. The dispute has now launched into an expensive arbitration and legal battle, when the committee could have followed the simple and straightforward process to appoint a new administrator, a process set out in the constitution."

"It was a knee-jerk reaction which we believe owners will regret," said Mr Barrow.

So, what is the situation now? While everyone awaits the full outcome of the arbitration and legal appeals, Wimpen, now without a contract, have continued as Acting Administrators, successfully managing the resort. They look after the finances, maintenance, cleaning, resort improvements and employ the staff. Owners still must pay their maintenance to WimPen to gain access to their villas.

"The club committee are also demanding payment with threats that owners are acting illegally and risk losing their membership if they don't", said Marilyn Fry, the group's secretary. "This leaves owners bewildered, confused and very anxious. Some have paid twice to Wimpen and the Club, a few have successfully obtained a refund from the club. But for owners, this is a very unsettling situation".

"There is also an unsatisfactory level of secrecy in the club", continued Mrs Fry, "With owners who criticise or oppose the committee's actions banned from the owner's website and social media, which is heavily censored".

So, what is the solution? The opposition working group are setting out to challenge the owners' committee and believe that by giving WimPen a new contract, owners can regain control and should then allow Wimpen time to show what they can do before following the correct process to either continue with WimPen or appoint a new administrator.

"We all want the same thing in the end," said Mr Barrow. "A happy and efficient resort that operates as successfully as all the other resorts in WimPen's portfolio."