

## Summary of Dispute

True Blue Development (“True Blue”), along with two affiliated entities and its U.S. Shareholders, have brought an arbitration before the [International Centre for the Settlement of Investment Disputes](#) (“ICSID”) against the Government of Grenada. The arbitration is based upon [the bilateral investment treaty between the United States and Grenada](#).

The dispute concerns True Blue’s development of the Kimpton Kawana Bay Resort located in Grenada over Grand Anse Beach and the Caribbean Sea. [It was to be a 5-star resort project consisting of four buildings](#). The project was to be financed through Grenada’s Citizenship by Investment Programme, which allows qualifying investors to purchase interests in real estate in exchange for Grenadian citizenship. In 2017, the Government of Grenada approved an approximately US\$99 million budget for the development of the resort.

For the next three-plus years, True Blue developed its resort. Work was progressing substantially, with three of four buildings nearing completion and the fourth underway. The project’s units were selling out and the resort looked set to open in 2022, despite the Covid-19 pandemic. In August 2020, Grenada re-confirmed the \$99 million project budget. [Grenada’s Prime Minister, Keith Mitchell, was highly complementary of the project in an October 2020 tour of the site](#): “I certainly want to compliment Warren [Newfield] and his team for initiating the concept and even going further than in fact originally thought.”

But the Grenada Government then started to squeeze the resort development. In December 2020, Grenada withdrew the August re-confirmation of the US\$99 million budget. Grenada left it unclear whether that withdrawal impacted the earlier budget but, after True Blue attempted to negotiate a solution, Grenada’s Prime Minister Mitchell made clear that True Blue would not be allowed a US\$99 million budget.

Starting in 2019 and carrying into 2020, Grenada sought to impose a requirement that restricted the use of Citizenship by Investment Programme funds to a percentage of development costs. Again True Blue sought to resolve this situation amicably, only for the Grenada Government to impose unilaterally a limitation on the use of Citizenship by Investment Programme funds to construction costs (which form only approximately 38% of total development costs).

Grenada finished its squeeze of the resort development by electing not to provide a final decision on applications made by Kawana Bay’s Citizenship by Investment purchasers. The statute governing Citizenship by Investment applications provides for a final decision on an application within 60 days of submission, yet 37 of Kawana Bay’s applications have been in process more than 100 days, of which 29 are over 120 days, and 7 are over 200 days.

The Government of Grenada tried to cover up its actions by making vague, unidentified accusations of “discrepancies.” But Grenada never told True Blue any specifics about these alleged discrepancies for months. Grenada finally came up with pretextual reasons in May 2021, accusing True Blue Development of siphoning funds—to True Blue Services, an affiliated company (also a Claimant in the arbitration) used to handle construction and other contracting so as to separate the land owning company (True Blue Development) from the construction risks. The Government of

Grenada had known about True Blue Services for years, repeatedly approving tax concessions so that True Blue Services could import goods needed for the Kimpton Kawana Bay project.

True Blue and the other Claimants accuse the Government of a number of treaty breaches, including a breach of fair and equitable treatment, a breach of national treatment and the most-favoured nation clause, and an indirect expropriation.