

**IN THE DISTRICT COURT OF THE VIRGIN ISLANDS
DIVISION OF ST. THOMAS AND ST. JOHN**

Berne Corp. and B & B Corp., Twenty-one Queens)	
Quarter, Inc., Miller Properties, Inc., Equivest St.)	
Thomas, Inc., Robert Schmidt, Kim Holdsworth,	)	CIVIL No. 2000-141
Robert Schmidt Development Corp., and Dori P.	)	CIVIL No. 2000-167
Derr, The Cyril V. Francois Associates, LLC, Shell	)	CIVIL No. 2001-151
Seekers, Inc., Charles W. Consolvo, Linda B.	)	CIVIL No. 2001-155
Consolvo, Snegle Gade Associates LP, Charles W.	)	CIVIL No. 2001-181
Consolvo as Trustee of the Yvette B. Lederberg Trust,	)	CIVIL No. 2001-196
Arthur B. Choate, Stewart Loveland, and Stacy	)	CIVIL No. 2001-197
Loveland, Elizabeth Sharp, Lindon Corp., Gordon L.	)	CIVIL No. 2001-228
Coffelt, Soraya Diase Coffelt, and One Stop, Inc.,	)	CIVIL No. 2001-057
)	
Plaintiffs,)	
	)	PROPERTY TAX LITIGATION
vs.)	
)	
GOVERNMENT OF THE VIRGIN ISLANDS, ROY)	
MARTIN, in his official capacity as Tax Assessor,)	
and the Board of Tax Review,)	
)	
Defendants.)	
)	

**PLAINTIFFS’ OBJECTION TO REPORT OF
SPECIAL MASTER AND REQUEST FOR HEARING DATE**

COME NOW Plaintiffs BERNE CORP., B&B CORP., MILLER PROPERTIES, INC., ROBERT SCHMIDT, KIM HOLDSWORTH, ROBERT SCHMIDT DEVELOPMENT CORP., DORI P. DERR, and ELISABETH SHARP, by and through their undersigned counsel of record, and object to the report of Special Master Joe Hunt for each of the reasons set forth below. Plaintiffs further respectfully request that the Court set this matter down for a hearing after allowing the parties sufficient time for discovery on the issues raised in this Objection.

This Objection is made pursuant to Rule 53(f)(2) of the Federal Rules of Civil Procedure. Pursuant to Rule 53(f)(1) the Court is required to give the parties notice and an opportunity to be heard, and may receive

evidence with respect to said Objection. Pursuant to Rule 53(f)(3), this Court is required to decide *de novo* all objections to findings of fact made or recommended by the Special Master, and must decide *de novo* all objections to conclusions of law made by the Special Master.

Objection 1

The Berne Settlement Agreement specifically required the Berne properties to be included in the required independent validation of the reassessment project. There is no indication in the Report of the Special Master that this was done.

Objection 2

The Berne Settlement Agreement specifically required that the Special Master conduct an independent review of up to 10% of properties subject to reassessment. There is no indication in the Report of the Special Master that this was done.

Objection 3

Plaintiffs object to Observation 1 of the Report on the grounds that, upon information and belief, all commercial property valuations have not been completed, specifically including, without limitation, valuation of large commercial properties, large hotel and resort properties, and special use properties. Plaintiffs further object to Observation 1 of the Report on the grounds that all owners of commercial property have not been provided with impact statements or other notices of proposed reassessment and have not been provided the opportunity, either formally or informally, to discuss proposed reassessed values with the Tax Assessor or BearingPoint or to comment on any inaccuracies in the proposed reassessments.

Objection 4

Plaintiffs object to Observation 2 of the Report on the grounds that residential property valuations have not been completed. Specifically, reassessments have not been completed for certain timeshare developments, certain condominium developments, owners of large undeveloped parcels, and certain residential owners for which the Tax Assessor and BearingPoint were unable to locate tax maps. Plaintiffs further object to the conclusion that the reassessed values are at acceptable levels of accuracy. Plaintiffs further object to the conclusion that all property owners were provided with a meaningful opportunity to discuss the proposed reassessed values or that the Tax Assessor and BearingPoint took appropriate steps to address inaccuracies in the data used to generate the reassessed values.

Objection 5

Plaintiffs object to Observation 3 of the Report on the grounds that reassessments of all condominium and time-share developments have not been completed, notices have not gone out to all owners, and all owners have not been afforded an opportunity to either formally or informally challenge errors and inaccuracies in assessed values.

Objection 6

Plaintiffs object to Observation 5 of the Report on the grounds that valuations and assessments for tracts larger than 2 acres have not all been completed and not all owners have been sent impact statements or notices of proposed assessments.

Objection 7

Plaintiffs object to the statement in Condition 1 that the revaluation is complete and that it meets the requirements of the Berne Settlement Agreement and this Court's Order of May, 2003. Plaintiffs further object to the conclusory statement that the system meets or exceeds industry standards. Plaintiffs further object to the conclusory statement that the assessment system has the capability of performing reliable and credible mass appraisals for assessment purposes. Plaintiffs are informed and believe that the valuation model does not conform to industry standards for tax jurisdictions similar to the Virgin Islands, that appropriate audits of raw data sufficient to insure statistical accuracy have not been conducted, that complete and accurate validation studies have not taken place, and that additional conditions necessary to project completion set out in the Special Master's Report of June 15, 2005, have not been met.

WHEREFORE, Plaintiffs respectfully request that, in accordance with the requirements of Rule 53 of the Federal Rules of Civil Procedure, this Court set this matter down for hearing on Plaintiffs' objections at a time convenient to the Court's calendar.

DATED: April 9, 2008

Respectfully Submitted,

/s/ James M. Derr
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CERTIFICATE OF SERVICE

I certify that on this 9th day of April, 2008, I electronically filed the foregoing document with the Clerk of the Court using the CM/ECF system, which will send notification of such filing to:

Carol Thomas-Jacobs
Assistant Attorney General
Department of Justice
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