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**Seismic Event: Ashcroft Alliance Re-takes Telemedia
Fri, June 24, 2011**



In a week when government took over the power company, tonight, that is reduced to small news because the phone company, Telemedia is back under the control of the Ashcroft Alliance. That is the consequence of a judgment handed down at 4:00 pm in the Court of Appeal. It found that

the Government takeover of BTL in August of 2009 was unconstitutional - principally because it did not satisfy the definition of acquisition for a public purpose.

We have the whole story - right up to when former Chairman of the Executive Committee Dean Boyce went back to the company's headquarters on St. Thomas Street to effect the takeover.

But we begin outside the courtroom a few minutes after 4:00. The judgment is 150 pages long but Justice Alleyne only delivered the bottom line: the appeal was allowed and the takeover was unconstitutional. We spoke to the Attorneys for British Caribbean Bank and The Telemedia Employees Trust - both functionaries of the Ashcroft Alliance - outside the courtroom.

Jules Vasquez

"What is the consequence of what happened in court just now?"

Eamon Courtney, attorney



"Well, Jules, first of all we have not been able to read the decision. As you can imagine its nearly 150 pages, but the most fundamental decision is that the amendment to the Belize Telecommunications Act by which the government took control of Belize Telemedia Limited has been struck down by the Court of Appeal. It seems to me to be a triumph for the rule of law, for the independence of the judiciary. What this signals to one and all is that you may hate Michael Ashcroft, you may hate anybody but you are still subject to the constitution of this country; you cannot take private property to satisfy some personal grudge that you have with an individual. That has no place in a democracy and the decision of the Court of Appeal gives life to that principle."

Jules Vasquez

"Godfrey does this have the effect of reversing the acquisition/nationalization of BTL and how does that work out in practical terms?"

Godfrey Smith, attorney



"Well as you might have heard the judge says that the acquisition

**Godfrey Smith**

act and order have been declared unconstitutional, null and void. Null and void means it was never of any effect from the beginning and therefore cannot stand. The obvious effect of that is that the shareholders whose shares were acquired are effectively restored as the legitimate shareholders of BTL."

Jules Vasquez

"From your knowledge of legal strategy will they ask for a leave? Can a stay of execution, I should say, be asked for in a case such

as this?"

Eamon Courtney, attorney

"Well the Prime Minister has indicated that they would appeal, so I would anticipate that he is going to take the case to the Caribbean Court of Justice. Insofar as a stay is concerned, there are formidable obstacles that the government would have to overcome if they were to try to get a stay. I don't know if they are going to do that but it would be a very difficult thing. What they would in effect be asking a court to do is notwithstanding the fact that the law is unconstitutional - they would be asking the court to stay that situation; i.e., to maintain an unconstitutional position. I think that is highly unlikely to happen."

Jules Vasquez

"So who will be running BTL on Monday Mr. Smith?"

Godfrey Smith, attorney

"Well if you were to ask me to make a guess I would say Dean Boyce and whoever his management team were will be running BTL on Monday."

Adele Ramos, Reporter

"Will there be a suit for damages or for other financial claims?"

Eamon Courtney, attorney

"I think that's a good question Adele. I think first of all the shareholders and management would have to go back into the company and see what has happened. If indeed there has been any damage suffered by the shareholders then they would have to consider their position."

Jules Vasquez

"Does Mr. Boyce go over to BTL now and eject the present executive chairman, board and whoever from office?"

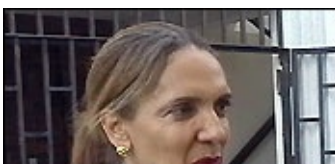
Godfrey Smith, attorney

"At this very moment I am not sure what Mr. Boyce's plans are. We will need to consult, as you can imagine, right after we leave from here and find out what decision he intends to take."

And apparently they didn't need to discuss much - because as they left the courtroom at 4:30 - Dean Boyce and Godfrey Smith, along with former director Phillip Zuniga went straight over to Telemedia's Corporate Headquarters on St. Thomas Street.

They pulled up there around 4:30 - and proceeded to go directly into the lobby, presumably to demand entrance - as the newly restored owners.

They did not have a court order - but no coercion was necessary - after a brief chat with security, they were allowed upstairs - re-taking the company they left in August of 2009, 22 months later. It is as dramatic an event as we have reported on this year - but when we spoke to attorney for Government Lois Young - she was mater-of-fact about the loss.

Lois Young, attorney for Government

"The declaration was granted that the appellants prayed for and I believe that that means that the companies that had BTL before now own it back again so we are back to monopoly status, because the people who owned BTL before are the ultimate owners of Speednet so..."



Lois Young

Jules Vasquez

"So now the acquisition is reversed?"

Lois Young, attorney for Government

"That's correct."

Jules Vasquez

"And we can expect Mr. Boyce et al to resume control of BTL?"

Lois Young, attorney for Government

"I have no idea what they are going to do."

Jules Vasquez

"Are you surprised at the outcome?"

Lois Young, attorney for Government

"It's taking a while for it to come down and various thoughts were going through my mind and in the end I was sort of neutral. I had no idea after all that time."

Jules Vasquez

"Are you able to seek a stay of execution or something while the government appeals this?"

Lois Young, attorney for Government

"I'll take some instructions and see what my client has to say."

Jules Vasquez

"But isn't it a matter of some urgency for your client?"

Lois Young, attorney for Government

"I don't know. I don't know what they are going to do; we are going to have a meeting now I am sure and decide what to do."

Her client is the government of Belize and we'll have comment from the prime minister shortly to see what he plans to do. But while they plan - the general staff doesn't know if it's coming or going.

The musical chairs ownership has caused all kinds of psychic chaos at the company this evening with employees uncertain about what lies ahead. And according to reports, Chief Operating Officer Karen Bevans was sent home - we did see her leave at about 5:00 but she told us she was simply asked to stay home until they contact her.

We did speak with Executive Chairman Net Vasquez - who was installed in August of 2009. He left the building when news of the judgement came out. He said, with the acquisition nullified, he simply went home:...

Net Vasquez, Executive Chairman BTL



Net Vasquez

"Well immediately I decided that it is appropriate for me to leave. I put my files in my briefcase and came home. I thought that was the right thing to do."

And late this evening - just before newstime - we managed to speak with the Prime Minister via telephone. He was circumspect about what has to be seen as a damning loss for his government - here's what he had to say:

PM Dean Barrow

"I was disappointed but not disheartened. This is our system, this is how it works, everybody has a right to go to court and all of us including the government must respect decisions of the court. I haven't haven't have a chance to digest the judgment and so I can't say whether I think the court was legally right or legally wrong. But the fact is it pronounced the decision that it did and unless and until we are able set that aside and have to respect it."

Jules Vasquez

"Now, were you surprised that the takeover or the re-assumption of control was effected immediately?"

PM Dean Barrow

"No I would have expected that from Ashcroft and I had to consider beforehand in the eventuality that we did lose how I will treat with that. Now the judgment was for immediate effect but the order has not yet been shared and so I suppose technically we could have said 'no we stop you from taking over back until you share the order' but I didn't think that we should play it that way. I thought that in order to signal to the population at large our absolute respect for the decision of the court that we should allow them to as it were move on that decision immediately. I didn't see that there was anything useful to be gained from keeping them at bay. That might have turned ugly, that might have turned nasty, we might have had to use the police and I didn't think that we would gain anything by that."

Jules Vasquez

"So will your government immediately seek to have the effect of the judgment stayed?"

PM Dean Barrow

"The answer to that is that I have to consult with the lawyers. I have to consult with the Cabinet. I would say preliminarily yes but not having been able to read the judgment - not having been able to consult properly with government's attorney I don't know what the chances are going to be of successfully obtaining a stay and I want to consult - I want to be sure that we are not going to go on some futile legal effort, I really do need to take proper advice and so I will limit my answer to what I have just said preliminary, yes, but that can change depending on the legal advice that I get."

Jules Vasquez

"Sir do you accept this as a major and consequential loss for your government both in terms of optics that Ashcroft has won decisively strategically as well. So much effort has been expended - so much money has been out in the legal campaign to retain BTL and now at least for the time being it's thrown asunder."

PM Dean Barrow

"It is what it is. But I..optically - it is a setback. For me I hope and believe that people will see to uphold national dignity - to uphold national sovereignty In fact we have come away now with a situation in which the accommodation agreement is gone and that is what triggered the whole thing and so an Ashcroft controlled BTL will be subject to the PUC, will be subject to competition, will be subject to VOIP. From that point of view it was absolutely worth it to stick up for the fact that there can be no foreigner - nobody at all who can come to this country and proceed in a manner that suggests that that person is bigger than the government and people of the country. The fact that in terms of the narrow issue of control of the company we have lost, as I said its disappointing. It's a setback but I will not allow that to cloud the real issue which is that there is no price too big to pay in terms of standing up for Belizean sovereignty and Belizean dignity."

Jules Vasquez

"It sounds almost like you are satisfied with the state of things, the accommodation agreement having been expunged."

PM Dean Barrow

"Well yes because the accommodation agreement - the consequence of it having been expunged are just as I described a while ago - competition on the local persons with carrier licenses can now be free to offer voice as well as data. We are now totally at liberty to bring in a real Digicell for example or any other telephone company that is prepared to come in and compete. So without a doubt in terms of cheaper rates for real competition and the quality services that that will produce it was worth it without a doubt from that narrow point alone, but I am saying that as well there is the psychological aspect of things - the spiritual aspect if you will, the aspect that has to do with national sovereignty and dignity and strength as a people and from that point of view it was worth

every penny that we spent, it was worth every battle that we fought and I do make the point that it's not necessarily over yet."

And while the Prime Minister weighs his next decision carefully - it is apparent, he is not going to run to Parliament tomorrow or Monday for that matter and enact a new law re-acquiring the company.

And while days to come will tell what Government will do, and what the Ashcroft Alliance will do now that it's back in charge, Taken on the whole, the impact of this cannot be overstated - and it is a story that will develop well into next week.

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