

Algarve News

APARTADO 108, PRAIA DA LUZ, 8602 LAGOS CODEX, ALGARVE. PUBLISHED MONTHLY. No. 41. NOVEMBER, 1980

Bogus Advertisement. Alleged Blackmail.

MYSTERIOUS GOINGS-ON AT VALE DO LOBO

ON OCTOBER 15 *Correio da Manhã* printed an article alleging irregularities and illegalities in the conduct of Vale do Lobo, Lda.

On the same day, an advertisement in *Diário de Notícias* called for a meeting of Vale do Lobo's creditors. It was signed: "John Margetts, Liquidatário, Vale do Lobo, Lda."

But Margetts is not the liquidator; he is Vale do Lobo's General Manager. Furthermore, he did not place the advertisement. Although it was typed on a Vale do Lobo letterhead and was signed "John Margetts", THE SIGNATURE WAS NOT HIS.

And Vale do Lobo is NOT in liquidation.

Correio da Manhã ran another article the next day ... and the next, and the next. Between October 15 and October 24 there was scarcely a day went by on which this publication did not have something critical to say about Sander van Gelder and Vale do Lobo.

Samples:
The owner of Vale do Lobo (Sander van Gelder) is an extraordinarily bad manager — completely ignorant of basic business methods. He has created around him distrust and irritation."

"There is a climate of terror in Vale do Lobo."

"Vale do Lobo is on the verge of collapse."

"A financial scandal of international repercussions and grave consequences for our country is about to break."

"The Polícia Judiciária know of a large number of cases of speculation in land, sale of hypothetical land, and renting of houses which do not exist."

"Flagrant cases of illegal import and export of foreign exchange are the subject of a rigorous enquiry by the Bank of Portugal."

"An auditors' report prepared by Coopers and Lybrand was later changed on Sander van Gelder's instructions."

"Sander van Gelder is planning to leave the country."

"Negotiations are going on in London to sell Vale do Lobo to Club Méditerranée."

Obviously a responsible and

respected newspaper like *Correio da Manhã* does not print such accusations unless it believes them to be correct.

However, Algarve News decided to listen to what van Gelder had to say. We interviewed him on October 20 and again on October 23. Here are his answers to our questions.

Is the Company in a bad financial position? No. Vale do Lobo Lda has assets in excess of four million contos, with debts of some 300,000 contos.

Did the Company make illegal financial transactions? No. All financial actions have been strictly legal and carried out with the knowledge of the Bank of Portugal and the cooperation of other Portuguese banks.

Are investigations being carried out by police or other authorities? Not to the Company's knowledge.

Was the Coopers and Lybrand report tampered with? Only in so far as corrections were made to the first, draft report.

Are Mr and Mrs van Gelder planning to leave Portugal? No. Their home is in Vale do Lobo; their children go to school there. They will, however, be away on holiday during November.

Were the Company's Portuguese bank accounts frozen? No.

Is there a "climate of terror" in Vale do Lobo? Of course not. Any one is free to wander around the development and judge for themselves.

THIS FAKE ANNOUNCEMENT SPARKED UGLY RUMOURS

VALE DO LOBO, LDA.

REUNIÃO DE CREDORES

Por motivos de liquidação da Empresa de Vale do Lobo, Lda., com sede em Vale do Lobo, Almansil, Algarve, convocam-se, com urgência, todos os credores, para uma reunião a realizar na próxima sexta-feira, dia 17, às 10 horas, na sede desta empresa, em Vale do Lobo, Edifício da Administração, Sala de conferências.

VALE DO LOBO, LDA.

John Margetts
(Liquidatário)

Is there a deposit account in Holland into which buyers of property are asked to make payments? Yes. This is arranged as a convenience for buyers and is known to the Bank of Portugal. It is simply a "passing through" account. The sums so deposited are later imported into Portugal with import licences.

Sander van Gelder then made an extraordinary statement.

A "group" of people, he said, are intent on forcing Vale do Lobo into liquidation. By spreading harmful propaganda, they hope to bring construction and house sales to a halt, and then themselves pick up the Company's assets for a very low price.

Van Gelder further alleges that some important documents were stolen from his office, after which an attempt was made to blackmail the Company into handing over the business of villa rentals, restaurants

and catering, and land and villa sales.

These people, said Sander van Gelder, do not have any scruples in spreading lies and falsifications with the sole objective of damaging the Company.

In the presence of the Company lawyer, Mr van Gelder then gave Algarve News the names of five men who, he alleges, are conspiring to take over the Company. It would be improper to print the names here, but we can say that four are former executives of Vale do Lobo Lda and the fifth is the director of a villa rental agency.

During the three years since Sander van Gelder bought the Vale do Lobo development from the British company, Costain, he has made spectacular progress — improvements of all infrastructures (water pumping installations, sewage system, roads, gardens, etc.); telephone system; bus service; security organisation; new reception building with 24-hour service; improvements to golf course and clubhouse; new tennis centre with 12 all-weather courts; new supermarket; new restaurants (Olympus, Pizzeria, Bistro); new bars (Bon Vivant, Favo Pub, Marina snack bar, Leisure Centre bar, Olympus bar); Kasbah night club; and a rental system that is said to have brought in 3 billion escudos in foreign currency.

But these achievements have been gained against a background of hostility and mistrust.

Sander van Gelder blames himself for this. "I tried to do too much too fast," he says. "And Vale do Lobo property owners and other local people say they were not properly informed of the Company's plans."

Ironically, although the Company's public relations have been appallingly bad, this is the side of the business that van Gelder loves best. But he explains: "I came from a dynamic Company in a dynamic country (Holland), and I expected that business could be conducted here in much the same way and at the same pace. I realize now that I should have moved into a lower gear and carried out my plans for Vale do Lobo more gradually."

Those plans still exist, however, and — despite his present problems — van Gelder says he is looking to the future with confidence. "I have a strong feeling that the present government will support companies like Vale do Lobo Lda.

Despite persistent rumours that Vale do Lobo is on the verge of collapse, Sander van Gelder is still "thinking positively" ...