

Estimated Costs incurred by MCST in the Current Round of Legal Actions

It is necessary for Residents to know the cost, as ultimately, they are the ones to foot the bill. I am making an estimate, as I do not have access to the actual amounts



Gardens@Bullion:Heliconia Psittacorum

Order to pay costs to Appellant:

1. The High Court has directed MCST to pay a cost of \$22,000 to the Appellant, plus disbursements. It has also directed the STB to award costs to the Appellant based on its standard rate.
2. Since the High Court awarded \$22,000 based on a 1 day trial, the costs at STB is likely to be considerably higher. The STB trial lasted 10 days, and based on an award based on just



50% of the High Court costs ordered, the STB costs could amount to about \$110,000.

Estimated legal costs incurred by MCST:



3. The amount of legal costs to be paid to the Appellant is estimated at around \$132,000.

4. Since costs ordered to be paid on a

standard basis is estimated to be at approx 60% to 70% of actual legal costs incurred, the MCST is estimated to have incurred legal costs of around \$190,000.

5. Total legal costs incurred by MCST (own costs and cost orders made) is estimated to be around \$322,000.

Cost of Compensation to affected 14th floor Residents:

6. There are 14 affected 14th floor Residents, and the amount of their claims is not yet known. If no agreement is reached with them, then there will be another round of legal costs, but if agreement is reached, I estimate compensation to be

between \$200,000 to \$500,000. The compensation sum is IN ADDITION TO the MCSTs legal costs and cost orders,



therefore the total amount to be paid by SPs is between \$520,000 to \$820,000, which is about 20% of what we have in the sinking fund, a very large sum.

Source of funding for the \$520,000 to \$820,000:

7. The amount that has been paid/needs to be paid has to come from somewhere. Since the MCST has to bear the cost, it will come directly from the funds of MCST, i.e. from money owned by SPs. The MCST has not provided info to SPs on the source of funding for the \$520,000 to \$820,000 estimated to have been incurred. Part of the needs may have already been paid.



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Because of the issue, SPs now stand to lose from \$520,000 to \$820,000, approx 20% of our available balance in the sinking fund. This is a very large amount. There is not enough money in the management fund to defray the loss. After reading the BMSMA, I have severe doubts whether the MCST is empowered to disburse

the loss from the sinking fund and if this is not possible, then the loss will have to be funded thru a special assessment on SPs. The special assessment could amount to approx \$1,500 per SP, assuming all SPs pay same amount.

Because of the very large loss, SPs are urged to voice their displeasure openly and loudly at the EOGM. Alone, we can't do anything, but together we can force the Council to stop all unauthorized activities and fully comply with laws.