

**UNITED STATES DISTRICT COURT
DISTRICT OF MARYLAND
SOUTHERN DIVISION**

In re SANCTUARY BELIZE LITIGATION

No: 18-cv-3309-PJM

**TEMPORARY RECEIVER'S PRELIMINARY INTERIM PLAN FOR THE RESERVE
DATED MARCH 11, 2019**

**TO: THE HONORABLE PETER J. MESSITTE, UNITED STATES DISTRICT
JUDGE, TO THE PARTIES AND THEIR COUNSEL, AND OTHER PARTIES IN
INTEREST:**

Pursuant to the Court's direction, attached hereto as Exhibit A is the Temporary Receiver's Preliminary Interim Plan for the Reserve dated March 11, 2019.

Dated: March 11, 2019

By: /s/ Gary Owen Caris

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EXHIBIT “A”

**Robb Evans & Associates LLC
Temporary Receiver of
Ecological Fox, LLC. et al.**

**TEMPORARY RECEIVER'S PRELIMINARY INTERIM PLAN FOR THE RESERVE
MARCH 11, 2019**

At the March 1, 2019 hearing the Court asked for the Temporary Receiver's (Receiver) input on an interim plan as to the real property development in Belize known as the Reserve.

The Receiver believes that prior to a final resolution, it will be necessary to create and quantify a potential revenue stream going forward, given the present illiquidity of the receivership estate¹ and in order to attract potential developers or investors in the event the Federal Trade Commission (FTC) prevails in the underlying lawsuit. In doing so, it will also be necessary to determine those consumers who want to retain an interest in their lots in the Reserve and those consumers who no longer want to retain an interest in their lots in the Reserve. As set forth below, the Receiver believes that an interim claims quantification process can immediately begin as to those lot owners that no longer want to retain an interest in their lots. This will also assist lot owners in making their determination.²

Toward this end, the Receiver proposes that it communicate with all known current and former lot owners and set forth an "opt in/opt out" process. Those that opt in will retain an interest in their lots in the Reserve. Those that opt out will no longer retain an interest in their lots in the Reserve. Lot owners will be advised that the prior suspension of lot payments will be lifted as to those opting in and those opting in will be required to immediately begin making lot payments to the Receiver pursuant to the terms of their existing contracts with the Receivership Entities.

The Receiver's preliminary proposal for claims determination and calculation,³ which will also be communicated to all former and current lot owners, is as follows:

If a current or former lot owner wishes to opt out, such lot owner will receive an allowed claim for the amount of their documented expenditures and will relinquish all interest in their lot. Procedures will be proposed and implemented with respect to documenting expenditures in order to properly quantify allowed claims. However, the procedures will be proposed and implemented only after and in the event that the FTC prevails in the litigation.

¹ The Receiver is also considering other ways to address the liquidity issue.

² The Receiver is still evaluating potential claims of investors and consumers who expended funds in connection with other offshore developments. This interim plan does not address those issues.

³ "Allowed claims" as that term is used herein, will not become final until and unless the FTC prevails in the underlying litigation.

If a current lot owner wishes to opt in, a determination of whether and the extent to which such lot owner will receive an allowed claim will be deferred until such time as the litigation is resolved and only in the event that the FTC prevails in the litigation.

If former lot owners wish to opt in they will be given the opportunity to select a new lot⁴ and will receive credit toward the price of the lot for any money previously paid to the Receivership Entities. They also will be required to immediately begin making lot payments pursuant to a new purchase agreement. A determination of whether and the extent to which such a lot owner will receive an allowed claim will be deferred until such time as the litigation is resolved and only in the event that the FTC prevails in the litigation.

Former lot owners with “buy back” agreements will be given an allowed claim for their documented expenditures less any amounts already paid back by the Receivership Entities. Those consumers who have a “buy back” agreement that specifies a credit for a future lot purchase will be given the choice of opting in or opting out as set forth above.⁵

The Receiver would use the revenue stream to fund receivership expenses, including essential operations at the Reserve. Those operations include security and maintenance. No Reserve development activity would be funded. The revenue stream could also potentially be used to fund pro-rata payments to claimants in the event that the FTC prevails in the litigation.

The Receiver’s long-term intention is to seek a capable developer or investor to purchase the property in the event that the FTC prevails in the litigation.

Respectfully Submitted,

/s/

Robb Evans & Associates LLC
Temporary Receiver

⁴ If the former owner’s lot has not been resold, that former owner would have the right to choose that unsold lot.

⁵ There may be other permutations of “buy back” agreements the Receiver has not seen. If those exist, they will be addressed consistently with the principles outlined in this plan.