

UNITED STATES DISTRICT COURT
DISTRICT OF MARYLAND
SOUTHERN DIVISION

In re SANCTUARY BELIZE LITIGATION

No: 18-cv-3309-PJM

**SECOND APPLICATION FOR EXTENSION OF TERM OF RECEIVER PURSUANT
TO STIPULATED JUDGMENTS**

Robb Evans & Associates LLC, Receiver (“Receiver”) brings this second application for an order extending the Receiver’s term pursuant to five stipulated judgments: (1) Stipulated Order for Permanent Injunction and Monetary Judgment Against Defendants Frank Costanzo and Ecological Fox LLC and Relief Defendant Deborah Connelly (Doc. 668) (“Costanzo Judgment”) entered on November 6, 2019; (2) Stipulated Order for Permanent Injunction and Monetary Judgment Against Defendants Brandi Greenfield and BG Marketing, LLC (Doc. 788) (“Greenfield Judgment”) entered on January 9, 2020; (3) Stipulated Order for Permanent Injunction and Monetary Judgment Against Defendants Rod Kazazi and Foundation Partners (Doc. 789) (“Kazazi Judgment”) entered on January 9, 2020; (4) Stipulated Order for Final Judgment Against Relief Defendants Angela Chittenden and Beach Bunny Holdings LLC (Doc. 819) (“Chittenden Judgment”) entered on January 14, 2020; and (5) Stipulated Order for Permanent Injunction and Monetary Judgment Against Defendant Michael Santos (Doc. 820) (“Santos Judgment”) entered on January 14, 2020 (the Costanzo Judgment, Greenfield Judgment, Kazazi Judgment, Chittenden Judgment and Santos Judgment are collectively referred to as the “Stipulated Judgments”).

Each of the Stipulated Judgments provides, among other things, that the Receiver is directed and authorized to take control of specified “Receivership Assets” to be turned over to the Receiver thereunder and to liquidate the Receivership Assets to the extent necessary to do so. Each of the Stipulated Judgments further provides that periodic disbursements shall be made to the Federal Trade Commission (“FTC”) and, upon liquidation of all Receivership Assets to be turned over to the Receiver thereunder, all net proceeds shall be paid to the FTC. Finally, each of the Stipulated Judgments provides that the Receiver must complete its duties thereunder within 270 days of the entry of the Stipulated Judgment, but any party or the Receiver may extend the Receiver’s term for good cause.

Under the Costanzo Judgment, the Receiver was to complete its duties by August 2, 2020. Under the Greenfield Judgment and Kazazi Judgment, the Receiver was to complete its duties by October 5, 2020. Under the Chittenden Judgment and Santos Judgment, the Receiver was to complete its duties by October 10, 2020. Pursuant to the Order Granting Application for Extension of Term of Receiver Pursuant to Stipulated Judgments (Doc. 1072) (“First Extension Order”), the Court extended the Receiver’s term under the Stipulated Judgments to October 10, 2021.

The Receiver requests that its term be extended again, so that the Receiver’s term under each of the Stipulated Judgments runs through October 10, 2022, which would be one year from the last day of the Receiver’s term provided under the First Extension Order. There are several reasons why good cause exists to extend the Receiver’s term under the Stipulated Judgments.

First, this is a unitary receivership estate, so it would be burdensome and inefficient for the Receiver to wind up duties with respect to different defendants at different times. In addition to serving as Receiver under the Stipulated Judgments, the Receiver is also serving as Receiver under other judgments and orders too. *See e.g.* Doc. 1112 (judgment against the defaulting

defendants) and Doc. 1194 (judgment against Andris Pukke, Peter Baker and Luke Chadwick). Notably, those judgments have no time limit on the Receiver's term. The Receiver should serve until the entire receivership estate is wound up at one time and the Receiver obtains a single discharge.

Second, because of the unitary nature of the receivership estate, the Receiver has not been making periodic distributions to the FTC under these separate Stipulated Judgments. In fact, the FTC has proposed a comprehensive redress plan for defrauded consumers with the goal of, among other things, disbursing the net assets collected by the Receiver and the FTC, including those which constitute Receivership Assets under the Stipulated Judgments. Even assuming the redress plan is approved by the Court in the near future, one year is the minimum amount of time needed to fully implement the plan.

Third, while the Receiver has taken into possession and, where appropriate, liquidated most of the Receivership Assets under the five Stipulated Judgments, there is still at least one significant Receivership Asset left to be liquidated under the Stipulated Judgments. The multi-million dollar mansion at 104 Kings Place, Newport Beach, California ("Kings Place Property"), a Receivership Asset under the Chittenden Judgment, has not been liquidated, but is in escrow to be sold. The Receiver intends on bringing a motion to approve the sale of the Kings Place Property soon.

Finally, the Receiver anticipates being replaced by a successor receiver pursuant to the Receiver's recently filed Statement and the Federal Trade Commission's motion to appoint a new receiver (Docs. 1293 and 1294). It would be appropriate to allow the successor receiver sufficient time to perform its duties under all applicable orders, including the Stipulated Judgments.

For these reasons, the Receiver respectfully requests that the Receiver's term under the Stipulated Judgments be extended until October 10, 2022, which is one year from the final day of the Receiver's term under the First Extension Order. The Receiver has conferred with the FTC and it has no objection to this request. There is no prejudice to any of the stipulating defendants or other parties in interest, because this request does not enlarge or modify any of the Receiver's duties as negotiated by the defendants under the Stipulated Judgments and it does not expand or modify any of the obligations of the defendants under the Stipulated Judgments. The Receiver respectfully requests that the Court grant this Application and enter the proposed order submitted concurrently herewith.

Respectfully submitted,

Dated: October 8, 2021

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