

UNITED STATES DISTRICT COURT
DISTRICT OF MARYLAND
SOUTHERN DIVISION

In re SANCTUARY BELIZE LITIGATION

No: 18-cv-3309-PJM

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

Robb Evans & Associates LLC, Receiver (“Receiver”) brings this 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 is to complete its duties by October 10, 2020.

The Receiver requests that the Receiver’s term be extended under the Stipulated Judgments so that the Receiver’s term under each of the Stipulated Judgments runs through October 10, 2021 which would be one year from the term provided under the Chittenden Judgment and Santos Judgment.¹ There are several reasons why good cause exists to extend the Receiver’s term under the Stipulated Judgments.

¹ The Receiver apologizes that, through oversight, this request is brought two months late under the Costanzo Judgment and two days late under the Greenfield Judgment and Kazazi Judgment. To the extent necessary, the Receiver’s proposed order provides that the extension of the Receiver’s term be *nunc pro tunc* to the original final date of the Receiver’s term provided in the Stipulated Judgments. As explained herein, there is no prejudice to any party in interest in extending 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. 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 is in the process of drafting, with the assistance and input of the Receiver, 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. Finally, while the Receiver has taken into possession and, where appropriate, liquidated most of the Receivership Assets under the five Stipulated Judgments, there are still some Receivership Assets left to be liquidated under the Stipulated Judgments. Most notably, the multi-million dollar mansion at 104 Kings Place, Newport Beach, California, a Receivership Asset under the Chittenden Judgment, has not been liquidated.

For these reasons, the Receiver suggests that the Receiver's term as provided in the Stipulated Judgments be extended until October 10, 2021, which is one year from the date of the Receiver's term provided under the Chittenden Judgment and Santos Judgment and likely the minimum amount of time needed to implement a redress plan for the benefit of the consumers who have been harmed by the Defendants' conduct. 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 stipulating defendants under the Stipulated Judgments. The

Receiver respectfully requests that the Court grant this Application and enter the proposed order submitted concurrently herewith.

Dated: October 8, 2020

By: /s/ Gary Owen Caris

Gary Owen Caris, Calif. Bar No. 088918
Admitted Pro Hac Vice 11/30/18
BARNES & THORNBURG LLP
2029 Century Park East, Suite 300
Los Angeles, CA 90067
Telephone: (310) 284-3880
Facsimile: (310) 284-3894
Email: gcaris@btlaw.com

By: /s/ James E. Van Horn

James E. Van Horn (Bar No. 29210)
BARNES & THORNBURG LLP
1717 Pennsylvania Avenue, NW,
Suite 500
Washington, DC 20006
Telephone: (202) 289-1313
Facsimile: (202) 289-1330
Email: jvanhorn@btlaw.com

Attorneys for Receiver, Robb Evans &
Associates LLC

18286618v1