IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MARYLAND
SOUTHERN DIVISION

In re SANCTUARY BELIZE LITIGATION	No: 18-cv-3309-PJM

FEDERAL TRADE COMMISSION'S OPPOSITION TO THE PUKKE DEFENDANTS' PROPOSED ORDER

The Federal Trade Commission ("FTC") opposes the Pukke Defendants'[1] proposed order, DE 1417-1 ("Pukke Order"), and instead urges the Court to enter the FTC's proposed order, DE 1404-2 ("FTC's Proposed Order"). Importantly, the Pukke Defendants admit three key predicates in their recent filing: (1) "the Court's injunctions prohibit[] the [Pukke] Defendants from having any further involvement with Sanctuary Belize"; (2) it is appropriate for this Court to order the sale of "all Sanctuary Belize properties"; and (3) the "proceeds" of that sale should be used to pay "the net amounts [the Pukke Defendants] owe."[2] As a result, there is no reason to return any assets to the Pukke Defendants—known fraudsters with a history of hiding and diverting assets, *see, e.g.*, DE 1020 at 19-22, *including Pukke himself who was just indicted*[3] *for embezzling Sanctuary Belize assets*—and no reason to entertain their complicated

[1] Andris Pukke, Peter Baker, John Usher, Global Property Alliance Inc., Sittee River Wildlife Reserve, Buy Belize LLC, Buy International Inc., Foundation Development Management Inc., Eco Futures Development, Eco-Futures Belize Limited, Power Haus Marketing, Sanctuary Belize Property Owners' Association, and the Estate of John Pukke. *See* DE 1391 (these Defendants adopting the "Pukke Defendants" moniker).

[2] *See* DE 1417 at 2 ("The third [purpose] is to implement the Court's injunctions prohibiting the Represented Defendants from having any further involvement with Sanctuary Belize by ordering them to sell all Sanctuary Belize properties returned to them and applying the proceeds to the net amounts they owe.").

[3] *See United States v. Pukke*, No. 23-cr-168 (S.D.N.Y.); https://www.justice.gov/usao-sdny/pr/belize-real-estate-developer-charged-embezzling-investor-funds (press release).

and unnecessary reporting provisions. Because the Pukke Defendants seemingly agree that the assets should be liquidated for the benefit of consumers, it makes sense to enter the FTC's Proposed Order as soon as possible so that assets can be liquidated and returned to consumers by a trustworthy agent of the Court while minimizing receivership expenses caused by delays, which harm both consumers and the Pukke Defendants.

I. No Assets Should Be Returned to the Pukke Defendants.

It would be inappropriate to "return" assets to the Pukke Defendants just so that they can then liquidate those assets for the FTC's benefit, with no apparent limitations or oversight regarding timing or sufficiency of any such sale, as they propose. DE 1417 at 2; DE 1417-2 ¶ 7. While serving no purpose, this would give the Pukke Defendants the opportunity to divert, hide, secrete, or diminish these assets before making any payments. Indeed, their history of unlawful conduct and financial mismanagement is precisely why this Court created the receivership in the first place,[4] and the Fourth Circuit affirmed. DE 1377-1 at 39-40. Leaving assets in the Receiver's care is safer and easier, as well as legally justified. It is consistent with the Fourth Circuit's ruling to ensure compliance with the injunctive relief.[5] Moreover, the Pukke

[4] DE 539-1 at 57 ("Given the strong evidence of the diversion and dissipation of funds by SBE principals, in particular Pukke's history of diverting and hiding assets and his clandestine role of pulling all the strings for the development, there is a distinct possibility that the Reserve's assets would dissipate absent a Preliminary Injunction and asset freeze."); DE 539-1 at 56 (receiver is necessary to ensure the assets are "responsibly managed").

[5] DE 1377-1 at 40 ("Here, the appointment of the receiver was ancillary to effectuating the permanent injunctions imposed under the Sanctuary Belize judgment. The receiver was the district court's means of ensuring that further FTC Act and TSR violations would not occur and that Pukke would not continue to profit from these deceptions.").

Defendants have admitted that they cannot manage the assets, DE 1417 at 2,[6] and Pukke and the corporate defendants are legally prohibited from selling the assets.[7]

Their demand that the Receiver "return" "all assets" is also problematic because, among other things, it fails to identify what assets should be returned (e.g., would this include assets from settlements or those already paid to the Receiver), to whom, and what claim that particular defendant has on the particular asset.[8]

II. Additional Receivership Reporting Requirements Are Pointless and Would Waste Money.

Imposing additional reporting requirements on the Receiver—an agent of this Court, *see, e.g.*, DE 1194, Section VI—makes little sense. The Receiver already provides regular reports of its activities, including assets it has marshalled, liquidated, and spent. *See, e.g.*, DE 219, 400, 513, 562, 722, 955, 1077, 1271, 1334, 1335, 1342, 1343, 1365, 1366, 1378, 1379, 1412, & 1413. The Pukke Defendants, who are represented by counsel, can review the Receiver's filings to fully understand the receivership and its assets. Because the Receiver is entitled to compensation for its work, ordering additional burdensome reporting is not only unnecessary but would reduce the value of the remaining assets in the estate and, as a result, the funds that could ultimately reduce the Pukke Defendants' financial obligations.

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[6] The Court also ordered that the assets should remain with the Receiver as a result of the injunction and the Fourth Circuit's ruling. *See* DE 1398. The Pukke Defendants' inability to manage assets extends to Kanantik-related assets in addition to Sanctuary Belize-related assets. DE 1194, Section I; DE 1112, Section I.

[7] DE 1194, Section I (real estate ban); DE 1112, Section I (real estate ban).

[8] The Receivership has been, with the Court's blessing and as affirmed by the Fourth Circuit, a unitary receivership controlling all assets of the various receivership entities and receiving certain settlement funds. The Pukke Order says nothing about how the Receiver would go about distributing assets, particularly given costs and fees the Receivership has incurred and been paid for from the receivership estate. Additionally, different parts of the Pukke Order refer to "assets," "property," and "Sanctuary Belize properties" as if these have distinct meanings without describing what they are and how they would or could be applied.

III. The Pukke Defendants' Financial Obligations Are Not Reduced Because Consumers Were Not Further Harmed During the Pendency of This Case.

The Court should reject the Pukke Order provisions requiring the Receiver and the FTC to calculate the amounts consumers were "contractually bound to pay" during the pendency of the case. As the FTC explained in its Reply in Support of Motion to Reform and Reaffirm the Final Orders, DE 1408, the Pukke Defendants do not get "credit" for consumers not being forced to make additional payments on fraudulently induced contracts. DE 1408 at 9-10. Rather, if consumers had made additional payments, this would have *increased* the Pukke Defendants' liability. Additionally, if the Pukke Defendants believe the lack of payment would offset their financial obligations, they were required to present these arguments at trial to reduce their judgment and did not do so.[9] They cannot do so now.

IV. The Pukke Defendants Owe $120 Million and Andris Pukke Separately Owes $340 Million.

The Pukke Defendants have come nowhere close to satisfying any meaningful portion of their financial liabilities. The FTC has not yet received significant payments of any type and consumers have not received any distributions.[10] DE 1113 ¶ 4 (contempt sanction must be "transfer[red] to the FTC" and additional credit is only given for "amounts, if any, distributed to consumers"). Pursuant to some settlements, the FTC has received relatively small payments from other defendants. *See* DE 668 (Frank Costanzo settlement); DE 788 (Brandi Greenfield settlement); DE 789 (Rod Kazazi settlement); DE 820 (Michael Santos settlement); DE 819 (Angela Chittenden settlement). The Receiver has marshalled other assets and received certain

[9] DE 1020 at 156-57 (explaining burden shifting analysis); *FTC v. BlueHippo Funding LLC*, 762 F.3d 238, 244-45 (2d Cir. 2014) (burden shifting applies to contempt sanctions).

[10] The Receiver is proposing an initial distribution, which the FTC supports and would reduce the Pukke Defendants' obligations once made.

payments through various settlements,[11] but the Pukke Defendants do not receive credit for those amounts unless and until those funds are turned over to the FTC or distributed to consumers.

Current calculations show that the Pukke Defendants owe approximately $120 million, jointly and severally, based on either or both the contempt sanction and the Default Order (DE 1112), taking into account both the payments the FTC has received and accrued judgment interest. *See* Declaration of Nicole Vincent Christ ¶ 13. In addition, Pukke owes approximately $340 million from the original AmeriDebt judgment, accounting for both amounts previously collected and distributed to consumers as well as significant judgment interest that has been accruing since 2006. *Id.* ¶ 10. As a result, even if the Receivership's funds counted, as the Pukke Defendants contend, they do not come anywhere near satisfying their liabilities. DE 1412 at 21 (ECF pagination) (Receiver's most recent report showing total cash recoveries of $44,491,401, with $24,716,927 remaining on hand).

V. Conclusion

For all these reasons, the Court should not enter the Pukke Order. Instead, the Court should enter the FTC's Proposed Order, which will result in a well-managed and efficient liquidation of assets for the benefit of consumers, who deserve to be compensated for the Pukke Defendants' wrongful conduct. Indeed, because the parties apparently agree that the assets should be liquidated, *see* DE 1417 at 2, it makes sense to enter the FTC's Proposed Order and begin this process as soon as possible.

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[11] DE 352 (John Vipulis settlement, with payment to Receiver); DE 559 (order permitting the Receiver to maintain and use the Vipulis proceeds to manage the estate); DE 607 (Atlantic International Bank Ltd. settlement, with payment to Receiver).

Dated: April 12, 2023

Respectfully Submitted,

/s/ Benjamin J. Theisman
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Benjamin J. Theisman (btheisman@ftc.gov)
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Federal Trade Commission
600 Pennsylvania Ave., N.W., CC-9528
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202-326-2551 (Cohen); -2223 (Theisman); -3167 (Erickson)

Counsel for the Federal Trade Commission

Certificate of Service

I hereby certify that on April 12, 2023, I caused to be served the foregoing, and all related documents, through the Court's electronic filing system ("ECF") and otherwise on the following people and entities by email at the email addresses provided:

Gary Caris and James E. Van Horn, counsel for the Receiver, by ECF or at gcaris@btlaw.com and jvanhorn@btlaw.com;

John B. Williams, by ECF or at jbwilliams@williamslopatto.com, counsel for Defendants;

Neil H. Koslowe, by ECF or at nkoslowe@potomaclaw.com, counsel for Defendants;

Shon Hopwood and Kyle Singhal, by ECF or at shon@hopwoodsinghal.com and kyle@hopwoodsinghal.com, counsel for proposed intervenors

/s/ *Benjamin J. Theisman*

DECLARATION OF NICOLE VINCENT CHRIST
Pursuant to 28 U.S.C. § 1746

I, Nicole Vincent Christ, hereby state that I have personal knowledge of the facts set forth below and am competent to testify about them. If called as a witness, I could and would testify as follows:

1. I am over 18 years old and currently reside in Maryland.

2. I received a Bachelor's Degree from Salisbury University and a Master of Arts degree from the University of Maryland. I am now a Program Manager in the Division of Consumer Response and Operations at the Federal Trade Commission ("FTC") responsible for managing the FTC's redress program.

3. I have been working as a Program Manager for approximately six years but have worked at the FTC for approximately fourteen years. My work address is 600 Pennsylvania Avenue, N.W., Mail Drop CC-9113, Washington, DC 20580.

4. As the manager responsible for the FTC's redress program, I review receipts, check images, wire transfer documents from the FTC's Financial Management Office, reports from court-appointed receivers, and reports from our own contractors responsible for distributing redress to consumers.

5. I have reviewed the following attached orders:

a. Stipulated Final Judgment and Permanent Injunction as Defendants Debtworks, Inc. and Andris Pukke, from *FTC v. AmeriDebt, Inc.*, No. 03-cv-3317 (D. Md.) (the "*AmeriDebt* Order"), entered May 17, 2006, **Attachment 1**;

b. Final Order for Permanent Injunction and Monetary Judgment Against Defaulting Defendants John Usher, Global Property Alliance Inc., Sittee River Wildlife Reserve, Buy Belize LLC, Buy International Inc., Foundation Development Management Inc., Eco Futures Development, Eco-Futures Belize Limited, Newport Land Group LLC, Power Haus Marketing, Prodigy Management Group LLC, Belize Real Estate Affiliates LLC, Exotic Investor LLC, Southern Belize Realty LLC, Sanctuary Belize Property Owners' Association, and the Estate of John Pukke, from *In re Sanctuary Belize Litigation*, No. 18-cv-3309 (D. Md.) (the "Default Order"), entered January 13, 2021, **Attachment 2**; and

c. Final Order of Contempt Against Andris Pukke, Peter Baker, and John Usher, Entering Judgment Against Them as Compensatory Relief, Ordering That They Take Certain Actions or Be Subject to Coercive Relief Until They Do So, from *In re Sancuaty Belize Litigation*, No. 18-cv-3309 (D. Md.) (the "Contempt Order" and, with the Default Order, the "*Sanctuary Belize* Orders"), entered January 13, 2021, **Attachment 3**.

6. As I understand these orders, the *AmeriDebt* Order requires Andris Pukke to pay $172,000,000; the Default Order requires John Usher and the other defendants identified in that order other than the Estate of John Pukke to pay $120,200,000; and the Contempt Order requires Andris Pukke, Peter Baker, and John Usher to pay $120,200,000. I understand that the *Sanctuary Belize* Orders cover the same conduct, and so payments related to that conduct credit both of these payment obligations, which were entered on the same day. I also understand that payments related

to the *AmeriDebt* Order, however, do not reduce the amounts owed on the *Sanctuary Belize* Orders, and vice versa.

7. I reviewed the sources identified above in paragraph 4 to determine the total amounts the defendants still owe the FTC based on these three orders.

8. In my review, I found the following payments related to the *AmeriDebt* Order:

a. On or around October 24, 2006, the FTC received $4,153,000.00.

b. On or around April 27, 2007, the FTC received $778,078.33.

c. On or around May 20, 2008, the FTC received two payments: $13,037,467.80 and $1,398,414.34.

d. On or around August 15, 2008, the FTC received $2,100,000.00.

e. On or around January 7, 2011, the FTC received $3,220,000.00.

f. On or around May 6, 2014, the FTC received $1,441,056.31.

9. The total amount of money the FTC received related to the *AmeriDebt* Order is $26,128,016.78. But, this amount must be reduced by $238,663.40. Pursuant to the order that is **Attachment 4**, the class action settlement administrator from the *AmeriDebt*-related *Polacsek* matter turned this money over to the FTC on or around June 8, 2022, so that the FTC could use it for redress in *Sanctuary Belize*. Taking this reduction into account, the FTC has received $25,889,353.38.

10. Therefore, after accounting for interest at 5.01%, and giving credit for the payments detailed above, the total amount still owed to the FTC pursuant to the *AmeriDebt* Order as of April 10, 2023, is $339,908,642.88

11. In my review, I found the following payments related to the *Sanctuary Belize* Orders:

a. On or around January 13, 2020, the FTC received $18,048.00.

b. On or around March 3, 2020, the FTC received $747.28.

c. On or around March 5, 2020, the FTC received $4,727.47.

d. On or around March 24, 2020, the FTC received $24,528.93.

e. On or around April 15, 2020, the FTC received $12,200.00.

f. On or around April 20,2020, the FTC received $3,320.00.

g. On or around June 9, 2020, the FTC received $9,400.00.

h. On or around January 20, 2021, the FTC received $268,873.37.

i. On or around June 8, 2022, the FTC received $238,663.40. As noted above, the FTC received this money from the prior class action settlement administrator related to the *AmeriDebt* proceeding.

12. The total amount of money the FTC received related to the *Sanctuary Belize* Orders is $580,508.45.

13. Therefore, after accounting for interest at .1%, and giving credit for the payments detailed above, the total amount still owed to the FTC pursuant to the *Sanctuary Belize* Orders as of April 10, 2023, is $119,770,036.64.

I declare under penalty of perjury that the foregoing is true and correct.

Executed in the United States of America, this 12th day of April 2023.

NICOLE CHRIST Digitally signed by NICOLE CHRIST Date: 2023.04.12 16:49:34 -04'00'

Nicole Vincent Christ

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MARYLAND

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AT GREENBELT
CLERK U.S. DISTRICT COURT
DISTRICT OF MARYLAND
BY DEPUTY

FEDERAL TRADE COMMISSION, Plaintiff, v. **AMERIDEBT, INC., et al.,** Defendants.	)	**Civil Action No. PJM 03-3317**

STIPULATED FINAL JUDGMENT AND PERMANENT INJUNCTION
AS TO DEFENDANTS DEBTWORKS, INC. AND ANDRIS PUKKE

Plaintiff, the Federal Trade Commission ("Plaintiff," "FTC" or "Commission"), filed a Complaint for permanent injunctive and other equitable relief pursuant to Sections 5(a) and 13(b) of the Federal Trade Commission Act ("FTC Act"), 15 U.S.C. §§ 45(a) and 53(b). The Complaint charges Defendants AmeriDebt, Inc. ("AmeriDebt"), DebtWorks, Inc. ("DebtWorks"), and Andris Pukke ("Pukke") with unfair or deceptive acts or practices in promoting and offering credit counseling and debt management plans ("DMPs") in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a). The Complaint also names Pamela Pukke as a relief defendant.

The Plaintiff and Defendants Pukke and DebtWorks ("Defendants"), by and through their respective counsel, have agreed to entry of this Stipulated Final Judgment and Permanent Injunction ("Order") by this Court without trial or adjudication of any issue of fact or law, and

Attachment 1

without Defendants admitting liability for any of the matters alleged in the Complaint, except that Defendants stipulate that: (1) any and all funds and assets that comprise Receivership Property were derived from payments by consumers as an alleged consequence of the acts and practices alleged in the FTC's complaint; (2) the Defendants do not have a legitimate claim to those funds; and (3) those funds are held in constructive trust for consumers.

This Order settles only the FTC's claims against Defendants Pukke and DebtWorks, and shall not act as a bar to any claim by the FTC nor preclude the FTC from seeking any remedy against any other persons, corporations, or entities, including persons who may be subject to portions of this Order as persons acting in active concert or participation with Defendants, or persons who are party to any indemnification agreement with Defendants. Further, the Parties have agreed that this Order shall be filed for approval contemporaneously with the filing of a motion for approval of the nationwide class action settlement as to Defendants in *Alyssa Polacsek, et al. v. Debticated Consumer Counseling, Inc., et al.,* Case Number PJM-04-cv-631 (D. Md.) (consolidated for trial with the Commission's action herein) ("Nationwide Class Action"). These two settlements are intended to resolve all claims that have been or could have been asserted on the facts as alleged in the FTC and Nationwide Class Action cases. In the event that, for any reason, the settlement in the Nationwide Class Action does not receive final approval or the Nationwide Class does not prevail on any appeal taken from a final approval, Defendants agree and stipulate that this Order remains final as to the FTC and the Defendants.

NOW, THEREFORE, the Plaintiff and Defendants having requested the Court to enter this Order,

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED as follows:

FINDINGS

1. This is an action under Section 13(b) of the FTC Act, 15 U.S.C. § 53(b), to secure permanent injunctive relief, rescission, restitution, disgorgement, and other equitable relief for Defendants' violations of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

2. This Court has subject matter jurisdiction over this action and jurisdiction over all parties. Venue in the District of Maryland is proper.

3. The activities of Defendants charged in the Complaint are in or affecting commerce, as defined in Section 4 of the FTC Act, 15 U.S.C. § 44.

4. Any and all funds and assets comprising Receivership Property were derived from payments by consumers as an alleged consequence of the acts and practices alleged in the FTC's complaint. Further, Defendants do not have a legitimate claim to those funds. Therefore, any and all funds and assets comprising Receivership Property are held in constructive trust for consumers as defined by applicable state law.

5. Defendants waive all rights to seek judicial review or otherwise challenge or contest the validity of this Order. Defendants also waive all rights that may arise under the Equal Access to Justice Act, 28 U.S.C. § 2412.

6. This action and the relief awarded herein are in addition to, and not in lieu of, other remedies as may be provided by law, including both civil and criminal remedies.

7. Pursuant to Federal Rule of Civil Procedure 65(d), the provisions of this Order are binding upon Defendants, their successors, and assigns, and their officers, agents, servants, employees, and attorneys, and upon those persons or entities in active concert or participation with them who receive actual notice of this Order by personal service or

otherwise.

8. This Order is remedial in nature and shall not be construed as the payment of a fine, penalty, punitive assessment, or forfeiture.

9. On July 11, 2005, Pukke filed a voluntary petition for relief under the provisions of Chapter 11 of the Bankruptcy Code, 11 U.S.C. § 101 *et seq.*, in the United States Bankruptcy Court for the Central District of California, Santa Ana Division ("Pukke Bankruptcy Case").

10. Subsequently, the Bankruptcy Court granted the FTC's motion to transfer venue of the Pukke Bankruptcy Case to the District of Maryland, where it was docketed as Case No. 05-2362-PJM. This Court withdrew the reference as to the Pukke Bankruptcy Case and then stayed the Pukke Bankruptcy Case.

11. The Commission's action against Pukke, including the entry and enforcement of this Order, is not stayed by 11 U.S.C. § 362(a)(1), (2), (3) or (6) because it is an exercise of the Commission's police or regulatory power as a governmental unit pursuant to 11 U.S.C. § 362(b)(4) and thus falls within an exemption from the automatic stay.

12. Entry of this Order is in the public interest.

DEFINITIONS

For purposes of this Order, the following definitions shall apply:

1. "Assets" means any legal or equitable interest in, right to, or claim to, any real or personal property, including, without limitation, chattels, goods, instruments, equipment, fixtures, general intangibles, leaseholds, mail or other deliveries, inventory, checks, notes, accounts, credits, contracts, receivables, shares of stock, interest in any trust, and all cash,

wherever located, and shall include both existing Assets and Assets acquired after the date of entry of this Order. Further, the definition of Assets shall include all books, records, computer files, databases and other information that may be utilized to determine the existence of Assets, liabilities, or the location of property.

2. "Assisting" means providing assistance or support to any person or entity, including, but not limited to, providing any of the following goods or services: (a) formulating, drafting, providing, or arranging for the formulation, drafting, or provision of any marketing material; (b) providing names of, or assisting in the generation of, potential customers; (c) performing marketing services of any kind; (d) formulating, drafting, providing, or arranging for the formulation, drafting, or provision of any employee script; (e) providing any training or training materials; or (f) providing information, advice, consultation, or materials regarding business operations, processes, or practices.

3. "Credit counseling" means providing individualized advice to a consumer about the consumer's credit, debts, or budget.

4. "Credit education" means providing general information or advice to a consumer about credit, debt, or budget matters.

5. "Debt management" means providing any service to a consumer relating to managing debts, including providing debt management plans.

6. "Debt management plan," "debt management program," or "DMP" means a plan or program that involves or purports to involve (a) a consumer paying one consolidated periodic payment to the program to cover the debts that are included in the program; and (b) the program disbursing payments to the creditors of the consumer.

7. "DebtWorks" means DebtWorks, Inc., whether acting directly or through any corporation, subsidiary, division, or other device.

8. "Document" is synonymous in meaning and equal in scope to the usage of the term in Rule 34(a) of the Federal Rules of Civil Procedure and includes writings, drawings, graphs, charts, photographs, audio and video recordings, computer records, and other data compilations from which the information can be obtained and translated, if necessary, through detection devices into reasonably usable form. A draft or other non-identical copy is a separate document within the meaning of the term.

9. "Net Monies" means all monies obtained by the Receiver after the Receiver marshals and liquidates Receivership Property and pays all approved compensation and expenses.

10. "Person" means any natural person or organization including, but not limited to, any proprietorship, partnership, company, firm, corporation, joint venture, society, association, trust, or government agency or unit, and any other group or combination acting as an entity.

11. "Pukke Bankruptcy Estate" means the bankruptcy estate that was created pursuant to 11 U.S.C. § 541(a) upon the commencement of the Pukke Bankruptcy Case.

12. "Receiver" or "Permanent Receiver" shall mean Robb Evans & Associates LLC, the receiver appointed by the Court in this matter over the Assets of Defendants Andris Pukke and DebtWorks, Inc.

13. "Redress Program" shall mean a program to be established and administered by the FTC for the purpose of providing consumer redress as set forth in this Order.

14. "Receivership Property" shall mean any Assets, wherever located, that are (1) owned,

controlled or held by or for the benefit of Pukke or DebtWorks, in whole or in part; (2) in the actual or constructive possession of Pukke or DebtWorks; (3) held by an agent of Pukke or DebtWorks, including as a retainer for the agent's provision of services to either or both of them; or (4) owned, controlled or held by, or in the actual or constructive possession of, or otherwise held for the benefit of, any corporation, partnership, trust, or other entity directly or indirectly owned or controlled by either Pukke or DebtWorks, including The P Family Trust, The P II Family Trust, and The Pukke 2002 Family Irrevocable Trust. Defendants agree that all Receivership Property constitutes assets held for consumers in constructive trust as defined by applicable state law. *Provided however*, that Receivership Property shall not include (1) income earned by Pukke from gainful employment in accordance with Sections I, II, and XII of this Order or (2) funds given to Pukke by his friends and family members, so long as such funds did not derive or originate from Receivership Property, directly or indirectly, in whole or in part;

15. "Telemarketing" means any business activity (which includes, but is not limited to, initiating or receiving telephone calls, managing or contracting with others who initiate or receive telephone calls, operating an enterprise that initiates or receives telephone calls, owning an enterprise that initiates or receives telephone calls, or otherwise participating as an officer, director, employee or independent contractor in an enterprise that initiates or receives telephone calls) that involves attempts to induce consumers to purchase any item, good, or service, or to enter a contest for a prize, by means of telephone sales presentations, either exclusively or in conjunction with the use of other forms of marketing. ***Provided*** that, for the purpose of Section II.D of this Order, "telemarketing"

shall be as defined as set forth in the Telemarketing Sales Rule, 16 C.F.R. § 310.2.

I. BAN ON CREDIT COUNSELING, CREDIT EDUCATION, OR DEBT MANAGEMENT

IT IS FURTHER ORDERED that Defendants are hereby permanently restrained and enjoined from engaging in, participating in, or assisting others to engage or participate in credit counseling, credit education, or debt management. Nothing in this Order shall be read as an exception to this Section I.

II. PROHIBITED BUSINESS ACTIVITIES

IT IS FURTHER ORDERED that, in connection with the telemarketing of any good or service, Defendants, as well as their successors, assigns, officers, agents, servants, employees, or affiliates, and those persons in active concert or participation with them who receive actual notice of this Order by personal service or otherwise, are hereby permanently restrained and enjoined from:

A. making, or causing or assisting others to make, expressly or by implication, any false or misleading representation, including but not limited to misrepresenting:

1. the existence, absence, terms, or amount of any fees, contributions, monies, or other costs, whether monetary or in kind, associated with the goods or services;
2. that no profits are being made from the goods or services provided;
3. any restriction, limitation, or condition to purchase the goods or services;
4. any aspect of the performance, efficacy, nature, or central characteristics of the goods or services; and

5. any other matter regarding the goods or services;

B. requesting or receiving payment of any fee or consideration for goods or services represented to remove derogatory information from, or improve, a person's credit history, credit record, or credit rating until:

1. the time frame in which the defendant has represented all of the goods or services will be provided to that person has expired; and

2. the defendant has provided the person with the documentation in the form of a consumer report from a consumer reporting agency demonstrating that the promised results have been achieved, such report having been issued more than six months after the results were achieved;

C. requesting or receiving payment of any fee or consideration in advance of obtaining a loan or other extension of credit when the defendant has guaranteed or represented a high likelihood of success in obtaining or arranging a loan or other extension of credit for a person; and

D. violating the Telemarketing Sales Rule, 16 C.F.R. Part 310.

III. MONETARY RELIEF

IT IS FURTHER ORDERED that:

A. Judgment is hereby entered in favor of the Commission and against Defendants Pukke and DebtWorks, jointly and severally, in the amount of ONE HUNDRED SEVENTY-TWO MILLION DOLLARS ($172,000,000) (the "Judgment").

B. Except as provided in Sections III.D. and IV of this Order, the Judgment shall be suspended if the Defendants satisfy the following conditions:

1. Defendants acknowledge that the Receivership Property is comprised of Assets held in constructive trust under applicable state law and irrevocably assign, waive, release, discharge, and disclaim to the Commission any and all right, title, interest, and claims, known and unknown, that either Defendant has or may have in, to or against any and all Receivership Property; *provided however*, that Pukke and anyone residing with him may continue to reside at the Receivership Property located at 31 Linda Isle, Newport Beach, California 92660 ("Linda Isle property") until ten (10) days prior to the closing of a contract for sale of the property or 180 days after the date of entry of this Order, whichever occurs first, at which time he and anyone residing with him must vacate the property, so long as Pukke, and anyone residing at that address with him, (1) fully cooperate with the Receiver's efforts to market and sell the property, including granting the Receiver or its agents access to the property to show it to prospective buyers upon twenty-four (24) hour telephonic notice at Pukke's telephone number to be provided to the Receiver upon the date of entry of this Order; (2) do not interfere with such sale; and (3) do not by action or inaction reduce the value of the property; *provided further* that Pukke may retain his personal furnishings located in the residence at the Linda Isle property;

2. Pukke releases and waives any statutory, common law, or other homestead exemption, including tenancy by the entirety protection, that may apply to

the Linda Isle property or to any other real or personal property in which Pukke has any interest as of the date of entry of this Order and shall not declare or claim any homestead exemption in the Linda Isle Property, or such other property. Pukke also releases and waives any statutory, common law or other exemption in any and all assets, real or personal, constituting Receivership Property;

3. Pukke shall cooperate fully with the Commission and be responsible for preparing, executing, and recording the necessary documents and taking any additional actions the Commission deems necessary or desirable to evidence and effect the assignment, waiver, release, discharge, and disclaimer to the Commission of his right, title, interest, and claims in, to or against the assets constituting Receivership Property and to carry out the purposes of this Order; and

4. Within three (3) business days of execution of this Order by both Plaintiff and Defendants, Pukke shall file a motion in the Pukke Bankruptcy Case to obtain that court's permission to enter into this Order and take any and all actions necessary and appropriate to implement and effectuate this Order. Any plan of reorganization or liquidation proposed by Defendant Pukke or otherwise confirmed in the Pukke Bankruptcy Case, pursuant to 11 U.S.C. § 1129, shall be consistent with the terms of this Order and shall not modify or otherwise supersede this Order, including the District Court's exclusive jurisdiction to interpret and enforce this Order.

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5. If the Defendants satisfy all of the conditions described in this Section III.B. and except as provided in Sections III.D. and IV of this Order, the Judgment against Defendants shall be suspended, and the FTC agrees that it will not participate in any distribution to creditors in the Pukke Bankruptcy Case or file a complaint for nondischargeability or take any other action to determine nondischargeability of the Judgment owed to the FTC under Section III.A. of this Order.

C. If Defendants do not satisfy the conditions set forth in Section III.B.:

1. The Judgment shall not be suspended, and Defendants shall owe the FTC $172,000,000, the approximate amount of consumer injury alleged in Plaintiff's complaint;

2. The FTC shall hold an allowed, general non-priority unsecured claim against Pukke in the Pukke Bankruptcy Case pursuant to 11 U.S.C. § 502 in the amount of ONE HUNDRED SEVENTY-TWO MILLION DOLLARS ($172,000,000), and the FTC shall receive any distribution to which it is entitled under the priorities of the Bankruptcy Code in the Pukke Bankruptcy Case;

3. Pukke shall not oppose any motion by the FTC for the appointment of a trustee in the Pukke Bankruptcy Case, but the FTC agrees that it will not nominate or otherwise propose the Receiver to serve as the trustee; and

4. The FTC reserves its right to file a complaint to determine the nondischargeability of the Judgment owed to the FTC under Section III.A.

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of this Order. Pukke agrees that the deadline for the FTC to file any such complaint to determine nondischargeability shall be up to and including the effective date of any plan confirmed in the Pukke Bankruptcy Case or the date on which the Pukke Bankruptcy Case is closed, whichever is later.

D. The Receiver shall marshal and liquidate the Receivership Property in accordance with Section IX of this Order, and turn over monies to the FTC in accordance with Section IX.O. of the Order. If the Net Monies derived from liquidation of the Receivership Property exceed $35 million, the FTC agrees to accept THIRTY-FIVE MILLION DOLLARS ($35,000,000) in satisfaction of its Judgment, and any Net Monies exceeding $35,000,000 shall be turned over to the Pukke Bankruptcy Estate for distribution in accordance with the priorities of the Bankruptcy Code. *Provided however* that if for any reason the Receiver is precluded from turning over any Net Monies to the FTC as set forth herein or such Net Monies are determined to belong to the Pukke Bankruptcy Estate, then (1) the FTC shall hold an allowed, general non-priority unsecured claim against Pukke in the Pukke Bankruptcy Case pursuant to 11 U.S.C. § 502 in the amount of ONE HUNDRED SEVENTY-TWO MILLION DOLLARS ($172,000,000), (2) the FTC shall receive any distribution to which it is entitled under the priorities of the Bankruptcy Code in the Pukke Bankruptcy Case, and (3) the FTC agrees that it will not file a complaint for nondischargeability or take any other action to determine nondischargeability except as provided in Section IV.C. of this Order; *provided further* that Pukke shall not oppose any motion by the FTC for the appointment of a trustee in the Pukke Bankruptcy Case, but the FTC agrees that it will not nominate or otherwise propose the Receiver to serve as the trustee.

E. Any and all funds paid pursuant to this Order shall be paid by electronic funds transfer pursuant to instructions provided by the Commission for deposit into a fund administered by the Commission or its agents for equitable relief including, but not limited to, consumer redress and any attendant expenses for the administration of any redress fund. If the related settlement in the Nationwide Class Action receives final approval and the Nationwide Class prevails on any appeal noticed from that settlement, the FTC and counsel for the plaintiffs in the Nationwide Class Action shall agree upon a program whereby the funds will be distributed fairly to class members in the Nationwide Class Action, and for plaintiffs' attorneys' fees and costs as approved by the Court in the Nationwide Class Action, *provided, however,* that the FTC reserves the right to object to the amount of attorneys fees and costs requested by plaintiffs' counsel in the Nationwide Class Action. In the event that direct redress to consumers is wholly or partially impracticable or funds remain after redress is completed, the FTC, in consultation with plaintiffs' counsel in the Nationwide Class Action, may apply any remaining funds for such other equitable relief (including consumer information remedies) as it determines to be reasonably related to Defendants' practices as alleged in the Complaint. Any funds not used for such equitable relief shall be deposited to the United States Treasury as disgorgement. Defendants shall have no right to challenge the FTC's choice of remedies under this

Subsection.

F. Except as otherwise provided herein, Defendants relinquish all dominion, control and title to the funds and assets comprising Receivership Property and to funds paid to the FTC pursuant to this Order. Defendants shall make no claim to or demand for the return of the funds, directly or indirectly, through counsel or otherwise.

G. All funds paid pursuant to this Order are equitable monetary relief, solely remedial in nature, and not a fine, penalty, punitive assessment, or forfeiture; and

H. Defendants are hereby required, in accordance with 31 U.S.C. § 7701, to furnish to the FTC their tax identification numbers, which shall be used for purposes of collecting and reporting any delinquent amounts arising out of this Order.

IV. TERMINATION OF SUSPENSION

IT IS FURTHER ORDERED that:

A. The Commission's agreement to, and the Court's approval of, this Order as to Defendants is expressly premised upon the truthfulness, accuracy, and completeness of Defendants' financial condition, as represented in DebtWorks' financial statement dated May 2, 2005, and Pukke's financial statement dated January 5, 2006, upon which the Commission relied in negotiating and agreeing to the terms of this Order. By agreeing to this Order, Defendants reaffirm and attest to the truthfulness, accuracy, and completeness of these financial statements.

B. If, upon motion by the Commission, this Court finds that any Defendant possessed, in whole or in part, of record or beneficially, any Asset not disclosed in

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the Defendants' financial statements that constitutes Receivership Property and that is exempt from the Pukke Bankruptcy Estate, such Asset, or the fair market value thereof, calculated as of the date of entry of this Order or the date of turnover of the Asset, whichever value is greater, shall be turned over to the FTC by that Defendant within ten (10) days and shall be used for consumer redress in accordance with this Order. *Provided* that in all other respects this Judgment shall remain in full force and effect unless otherwise ordered by this Court, and that proceedings instituted under this section are in addition to, and not in lieu of, any other civil or criminal remedies as may be provided by law, including any other proceedings the FTC may initiate to enforce this Order.

C. The FTC reserves its right to file a complaint to determine the nondischargeability of any debt determined to be owed to the FTC under Section IV.B. of this Order. Pukke agrees that the deadline for the FTC to file any such complaint to determine nondischargeability of such debt shall be up to and including the effective date of any plan confirmed in the Pukke Bankruptcy Case or the date on which the Pukke Bankruptcy Case is closed, whichever is later.

V. EFFECT OF NATIONWIDE CLASS ACTION SETTLEMENT

IT IS FURTHER ORDERED that the claims settled in this Order shall be distinct and severable from any claims advanced by the plaintiffs in the Nationwide Class Action and settled with Defendants. If the United States District Court for the District of Maryland or any appeals court should decline to certify, decertify, or refuse to approve the settlement of any such claims, that decision shall not affect either the implementation of the Redress Program or the terms of this Order, and nothing in this Order shall be used as evidence against the Defendants in the Nationwide Class Action.

VI. COORDINATION WITH NATIONWIDE CLASS ACTION

IT IS FURTHER ORDERED that the FTC and counsel for the plaintiffs in the Nationwide Class Action shall negotiate and agree upon the content and manner of dissemination of a notice of the parallel settlement achieved in the Nationwide Class Action (the "Notice"), which must be submitted to and approved by the United States District Court for the District of Maryland in the Nationwide Class Action. Upon approval of such settlement, the FTC and counsel for the plaintiffs in the Nationwide Class Action shall negotiate and agree upon the manner of dissemination of the distribution to any class members of the Nationwide Class Action. Class members in the Nationwide Class Action that receive redress through the FTC Redress Program shall be notified that the distribution constitutes a distribution from the Nationwide Class Action and satisfies the Nationwide Class Action's obligations to those consumers. The Nationwide Class Action plaintiffs shall bear all costs associated with dissemination of the Notice. In addition, plaintiffs' counsel in the Nationwide Class Action shall bear all costs associated with receiving and processing consumers' requests for exclusion ("opt outs") from the class. Plaintiffs' counsel in the Nationwide Class Action shall not be responsible for any costs directly related to the FTC's redress program (*e.g.*, the FTC's provision of redress checks to consumers).

VII. REDRESS PROGRAM ADMINISTRATION

IT IS FURTHER ORDERED that the Redress Program shall be established and administered by the FTC in its sole discretion for the purpose of providing consumer redress.

The FTC, in consultation with plaintiffs' counsel in the Nationwide Class Action, shall determine the plan for the disbursement of the funds to consumers in the Nationwide Class Action. The FTC, in its sole discretion, shall assign the administration of the Redress Program to one of its approved contractors (Redress Program Administrator). Defendants shall have no right to contest the substance or manner of distribution of redress (including any attendant costs), nor the FTC's selection of the Redress Program Administrator.

VIII. COOPERATION WITH GOVERNMENT COUNSEL

IT IS FURTHER ORDERED that Pukke shall, in connection with this action and in connection with the Pukke Bankruptcy Case, cooperate in good faith with the FTC and appear at such places and at such times as the FTC shall reasonably request for interviews, conferences, pretrial discovery, review of documents, and for other matters as may be reasonably requested by the FTC. If requested in writing by the FTC, Pukke shall appear and provide testimony under oath in any trial, without the service of a subpoena. Cooperation by Pukke shall not require Pukke to waive his constitutional right against self-incrimination and right to counsel.

IX. RECEIVERSHIP PROVISIONS

IT IS FURTHER ORDERED that Robb Evans & Associates LLP is appointed as Permanent Receiver ("Receiver"), with the full power of an equity receiver over all the Receivership Property, with directions and authority to accomplish the following:

A. Within three (3) business days of entry of this Order, release to Pukke from funds held in constructive trust, as payment for Pukke's living expenses incurred since April 20, 2005, ONE HUNDRED TWENTY-FIVE THOUSAND DOLLARS ($125,000). The Receiver shall release no further funds held in constructive trust for the payment of Pukke's living expenses;

B. Upon Pukke's execution of this agreement and with this Court's approval, withdraw any freeze on Pukke's existing personal credit cards so that Pukke may use such credit cards; *provided however*, that Pukke, not the Receivership, shall be obligated to pay any and all debts incurred thereafter on Pukke's credit cards; *provided further* that Pukke's use of said credit cards shall be in accordance with the Bankruptcy Code and applicable Bankruptcy rules;

C. Upon court order, entered in this action or in the Pukke Bankruptcy Case after notice to parties in interest, release from funds held in constructive trust TWO HUNDRED TWENTY-TWO THOUSAND DOLLARS ($222,000) to the Jones Day law firm in payment of Pukke's attorneys fees and costs logged by the Jones Day law firm in defending this action through December 29, 2005. Neither the FTC nor the Receiver shall object to this payment or contest or seek disgorgement of payments previously received by the Jones Day law firm in connection with this action. In addition, upon court order, entered in this action or in the Pukke Bankruptcy Case after notice to parties in interest, the Receiver shall release from funds held in constructive trust up to an additional SEVENTY-EIGHT THOUSAND DOLLARS ($78,000) for the payment of attorneys fees or other costs of administration in the Pukke Bankruptcy Case. In no event shall any monies released pursuant to this Section IX.C. revert to Pukke personally. Except as provided in this Section, the Receiver shall release no further funds to Defendants for any reason. Nothing in this Section mitigates or contravenes

Defendants' stipulation and this Court's finding that (1) any and all funds and assets that comprise Receivership Property were derived from payments by consumers as an alleged consequence of the acts and practices alleged in the FTC's complaint; (2) Defendants do not have a legitimate claim to those funds; and (3) any and all funds paid pursuant to this Order are held in constructive trust for consumers;

D. The Receiver and the FTC shall not seek disgorgement or otherwise contest payments previously made to the law firm of Collier Shannon Scott for attorneys fees and costs in connection with its defense of this matter, *provided that* Collier Shannon Scott, within three (3) business days of entry of this Order, withdraws and abandons any claim in the Pukke Bankruptcy Case for outstanding, unpaid attorneys fees and costs;

E. In attempting to sell and liquidate a lot of real property constituting Receivership Property located in Centerpoint, New York, the Receiver shall consider any offer received by Pukke's father, Janis Pukke, to purchase said property, and allow Janis Pukke the right of first refusal to purchase the property at fair market value; *provided however,* the Receiver may put the property up for sale on the open market and consider any offers received in determining the fair market value of the property, and may sell the property to a bidder with a higher or better offer if Janis Pukke declines to match or exceed all material terms of the offer; *provided further* that the Receiver may take all steps necessary, including the taking of Janis Pukke's deposition, to assure itself that any funds to be used by Janis Pukke to purchase the property do not constitute Receivership Property, and may refuse to sell the property to Janis Pukke if any such funds constitute Receivership Property;

F. Maintain full control of the Receivership Property;

G. Maintain custody, control, and possession of all Assets, including the funds, property, premises, accounts, mail and other assets constituting Receivership Property, wherever situated, the income and profits therefrom, and all sums of money now or hereafter due or owing to the Receivership, with full power to: collect, receive, and take possession of all Assets, including goods, chattels, rights, credits, monies, effects, lands, leases, books and records, work papers, and records of accounts, including computer-maintained information, contracts, financial records, monies on hand in banks and other financial institutions, and other papers and documents of the Receivership and customers of the Receivership whose interest are now held by or under the direction, possession, custody, or control of the Receivership;

H. Continue performing all reasonable efforts to determine the nature, location, and value of all Receivership Property;

I. Engage and employ, with the approval of the Court, accountants and money managers ("Retained Professionals"). The Receiver may employ without the approval of the Court other individuals or entities that the Receiver deems necessary to assist it in its duties in the ordinary course of the Receivership's business, including, but not limited to, foreign attorneys and accountants, realtors, appraisers and auctioneers ("Ordinary Course Professionals and Vendors"). The Receiver may compensate the Ordinary Course Professionals and Vendors in the ordinary course but, may, in its discretion, seek the approval of the Court in advance of approving payments to such persons. The Retained Professionals and counsel of record for the Receiver may only be compensated pursuant to order of the Court;

J. Take such action as the Receiver deems appropriate to prevent the dissipation or concealment of any Assets constituting Receivership Property and otherwise preserve any such Assets;

K. Liquidate Assets constituting Receivership Property in accordance with the terms of this Order or any prior or subsequent order of this Court; and to transfer Receivership Property to storage facilities, cancel leases, and reject and enter contracts;

L. Oversee the operations of any and all businesses owned or controlled by Defendants that otherwise constitute Receivership Property;

M. Bring such legal actions based on law or equity in any state, federal, or foreign court as it deems necessary or appropriate in discharging its duties as Receiver relating to the location, marshaling, and management of Assets constituting Receivership Property;

N. Immediately enforce the monetary judgment set forth in Section III of this Order by taking all necessary or appropriate post-judgment collection steps, including but not limited to obtaining and levying writs of execution and creating, perfecting and enforcing judgment liens on any real or personal property of the Defendants that constitutes Receivership Property;

O. After all Assets that constitute Receivership Property have been liquidated, the Receiver shall turn over no more than THIRTY-FIVE MILLION ($35,000,000) from Net Monies to the FTC in accordance with Section III of this Order. Notwithstanding that such monies represent funds held in constructive trust for consumers, the Receiver shall turn over any monies exceeding $35,000,000 to the Pukke Bankruptcy Estate for distribution to creditors in accordance with the priorities of the Bankruptcy Code. The FTC reserves the right to request that the Court order the Receiver to distribute funds on an interim basis to the FTC prior to winding up liquidation of the Receivership Property; and

P. The Receiver shall pay all taxes and other approved expenses from Receivership Property and provide a final accounting (1) within thirty (30) days after the Receiver winds up liquidation and distribution of the Receivership Property or (2) upon Court order at the request of the FTC.

IT IS FURTHER ORDERED that, to the extent they are not inconsistent with this Order, all powers granted to the Receiver pursuant to this Court's order of April 20, 2005, shall remain in full force and effect.

X. COMPENSATION OF RECEIVER

IT IS FURTHER ORDERED that the Receiver and those he employs are entitled to reasonable compensation for the performance of their duties pursuant to this Order and for the costs of actual out-of-pocket expenses incurred by them, from the Assets constituting

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Receivership Property. The Receiver and the Retained Professionals shall apply to the Court for such compensation and expense.

XI. COOPERATION WITH RECEIVER

IT IS FURTHER ORDERED that the undersigned shall cooperate fully with the Receiver in: (A)assisting the Receiver in defending any and all actions or claims brought against the Receiver or the Receivership Property by other persons or entities; (B) executing any documents necessary to transfer assets or ownership interest to the Receiver pursuant to the terms of this Order; and (C) refraining from any act that would interfere or impede the Receiver in the execution of the performance of his duties. Pukke shall cooperate in good faith with the Receiver and appear at such places and at such times as the Receiver shall reasonably request for deposition testimony, interviews, conferences, review of documents, and for other matters as may be reasonably requested by the Receiver, without the service of a subpoena. Cooperation by Pukke shall not require Pukke to waive his constitutional right against self-incrimination, but Pukke agrees that he will not assert this right with respect to his Assets and the Receiver's attempts to locate, marshal, and liquidate Receivership Property.

XII. MAINTENANCE OF ASSET FREEZE

IT IS FURTHER ORDERED that, except as provided herein, the freeze of the Assets by the Court's order dated April 20, 2005 shall remain in effect, except as necessary for the Receiver to liquidate all Receivership Property, until the Receiver concludes all activities required to wind up the Receivership. *Provided however*, that nothing in this Order shall (1) prohibit Pukke from seeking gainful employment in accordance with Sections I and II of this Order; or (2) prohibit Pukke from using income earned through such employment, money

Attachment 1

released for his living expenses pursuant to Section IX of this Order, or funds given to Pukke by his friends and family members, so long as such funds did not derive or originate from Receivership Property, directly or indirectly, in whole or in part.

XIII. ACKNOWLEDGMENT OF RECEIPT OF ORDER

IT IS FURTHER ORDERED that Defendants, within five (5) business days after receipt of this Order as entered by the Court, each must submit to the Commission a truthful sworn statement acknowledging receipt of this Order, in the form set forth in Attachment A to this Order.

XIV. DISTRIBUTION OF ORDER BY DEFENDANTS

IT IS FURTHER ORDERED that, for a period of five (5) years from the date of entry of this Order, Defendants shall deliver copies of the Order as directed below:

A. DebtWorks shall deliver a copy of this Order to all of its principals, officers, directors, and managers. DebtWorks shall also deliver copies of this Order to all of its employees, agents, and representatives who engage in conduct related to the subject matter of the Order. For current personnel, delivery shall be within five (5) days of service of this Order upon DebtWorks. For new personnel, delivery shall occur prior to them assuming their responsibilities.

B. For any business that Pukke controls, directly or indirectly, or in which Pukke has a majority ownership interest, Pukke shall deliver a copy of this Order to all principals, officers, directors, and managers of that business. Pukke shall also deliver copies of this Order to all employees, agents, and representatives of that business who engage in conduct related to the subject matter of Sections I and II of the Order. For current personnel, delivery shall be within five (5) days of service of this Order upon Pukke. New personnel shall be given copies of this Order at least one (1) business day before they start work.

C. For any business where Pukke is not a controlling person of the business but otherwise engages in conduct related to the subject matter of Sections I and II of the Order, Pukke shall deliver a copy of this Order to all principals and managers of such business before engaging in such conduct.

D. Defendants shall secure a signed and dated statement acknowledging receipt of the Order, within thirty (30) days of delivery, from all persons receiving a copy of the Order pursuant to this Section.

XV. RECORD KEEPING PROVISIONS

IT IS FURTHER ORDERED that, for a period of eight (8) years from the date of entry of this Order, in connection with the marketing, providing, or assisting in the marketing or providing of credit counseling, credit education, or debt management or in the telemarketing of any good or service, Defendants and their agents, employees, officers, corporations, successors, and assigns, and those persons in active concert or participation with them who receive actual notice of this Order by personal service or otherwise, are hereby restrained and enjoined from failing to create and retain the following records:

A. Accounting records that reflect the cost of goods or services sold, revenues generated, and the disbursement of such revenues;

B. Personnel records accurately reflecting: the name, address, and telephone number of each person employed in any capacity by such business, including as an independent contractor; that person's job title or position; the date upon which the person commenced work; and the date and reason for the person's termination, if applicable;

C. Customer files containing the names, addresses, phone numbers, dollar amounts paid, quantity of items or services purchased, and description of items or services purchased, to the extent such information is obtained in the ordinary course of business;

D. Complaints and refund requests (whether received directly, indirectly, or through any third party) and any responses to those complaints or requests;

E. Copies of all sales scripts, training materials, advertisements, or other marketing materials; and

F. All records and documents necessary to demonstrate full compliance with each provision of this Order, including but not limited to, copies of acknowledgments of receipt of this Order, required by Section XIII and XIV of this Order, and all reports submitted to the FTC pursuant to Section XVI of this Order.

XVI. COMPLIANCE REPORTING BY DEFENDANTS

IT IS FURTHER ORDERED that, in order that compliance with the provisions of this Order may be monitored:

A. For a period of five (5) years from the date of entry of this Order,

(1) Pukke shall notify the Commission of the following:

(a) Any changes in residence, mailing addresses, and telephone numbers, within ten (10) days of the date of such change;

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(b) Any changes in employment status (including self-employment) of Pukke, and any change in the ownership of Pukke in any business entity, within ten (10) days of the date of such change. Such notice shall include the name and address of each business that Pukke is affiliated with, employed by, creates or forms, or performs services for; a statement of the nature of the business; and a statement of Pukke's duties and responsibilities in connection with the business or employment; and

(c) Any changes in Pukke's name or use of any aliases or fictitious names; and

(2) Defendants shall notify the Commission of any changes in corporate structure of DebtWorks or any business entity that Pukke directly or indirectly control(s), or has an ownership interest in, that may affect compliance obligations arising under this Order, including but not limited to a dissolution, assignment, sale, merger, or other action that would result in the emergence of a successor entity; the creation or dissolution of a subsidiary, parent, or affiliate that engages in any acts or practices subject to this Order; the filing of a bankruptcy petition; or a change in the corporate name or address, at least thirty (30) days prior to such change, *provided* that, with respect to any proposed change in the corporation about which the Defendants learn less than thirty (30) days prior to the date such action is to take place, Defendants shall notify the Commission

as soon as is practicable after obtaining such knowledge.

B. One hundred eighty (180) days after the date of entry of this Order, Defendants shall each provide a written report to the FTC, sworn to under penalty of perjury, setting forth in detail the manner and form in which they have complied and are complying with this Order. This report shall include, but not be limited to:

(1) The then-current residence address, mailing addresses, and telephone numbers of Pukke;

(2) The then-current employment and business addresses and telephone numbers of Pukke, a description of the business activities of each such employer or business, and the title and responsibilities of Pukke, for each such employer or business;

(3) A copy of each acknowledgment of receipt of this Order, obtained pursuant to Section XIII and XIV; and

(4) Any other changes required to be reported under subparagraph A of this Section.

C. For purposes of the compliance reporting and monitoring required by this Order, the Commission is authorized to communicate directly with Defendants.

XVII. COMPLIANCE MONITORING

IT IS FURTHER ORDERED that, for the purpose of monitoring and investigating compliance with any provision of this Order,

A. Within ten (10) days of receipt of written notice from a representative of the Commission, each Defendant shall submit additional written reports, sworn to under penalty of perjury; produce documents for inspection and copying; appear for deposition; and/or provide entry during normal business hours to any business location in such defendant's possession or direct or indirect control to inspect the business operation;

B. In addition, the Commission is authorized to monitor compliance with this Order by all other lawful means, including but not limited to the following:

(1) obtaining discovery from any person, without further leave of court, using the procedures prescribed by Fed. R. Civ. P. 30, 31, 33, 34, 36, and 45;

(2) posing as consumers and suppliers to Defendants' employees, or any other entity managed or controlled in whole or in part by Pukke or DebtWorks, without the necessity of identification or prior notice; and

C. Defendants each shall permit representatives of the Commission to interview any employer, consultant, independent contractor, representative, agent, or employee who has agreed to such an interview, relating in any way to any conduct subject to this Order. The person interviewed may have counsel present.

Provided, however, that nothing in this Order shall limit the Commission's lawful use of compulsory process, pursuant to Sections 9 and 20 of the FTC Act, 15 U.S.C. §§ 49, 57b-1, to obtain any documentary material, tangible things, testimony, or information relevant to unfair or deceptive acts or practices in or affecting commerce (within the meaning of 15 U.S.C. § 45(a)(1)).

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XVIII. AUTOMATIC STAY

IT IS FURTHER ORDERED that, to the extent necessary to effectuate the provisions of this Order, the automatic stay in the Pukke Bankruptcy Case pursuant to 11 U.S.C. § 362 shall be and hereby is terminated as to the FTC and the Receiver.

XIX. NONINTERFERENCE WITH RECEIVER

IT IS FURTHER ORDERED that all clients and vendors of Defendants, creditors and other persons, and all others acting on behalf of any such client, vendor, creditor or other persons, including sheriffs, marshals, other officers, deputies, servants, agents, employees, and attorneys, are stayed from:

A. Commencing, prosecuting, continuing or enforcing any suit or proceeding against the Receivership Property, except that such actions may be filed to toll any statutes of limitations;

B. Using self-help or executing or issuing or causing the execution or issuance of any court attachment, subpoena, replevin, execution, or other process for the purpose of impounding or taking possession of or interfering with or creating or enforcing a lien upon any portion of the Receivership property, wherever situated;

C. Attempting to modify, cancel, terminate, call, extinguish, revoke or accelerate (the due date), of any lease, loan, mortgage, indebtedness, security agreement or other agreement affecting the Receivership Property;

D. Doing any act to interfere with the taking control, possession, management, or sale by the Receiver, of any portion of the Receivership Property, or to in any way interfere with or harass the Receiver, or to interfere in any manner with the exclusive jurisdiction of the Court over the Receivership Property.

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Provided, however, this provision shall not be construed to restrict:

1. The commencement or continuation of a criminal action or proceeding;

2. The commencement or continuation of an action or proceeding by a governmental unit to enforce such governmental unit's police or regulatory power;

3. The enforcement of a judgment, other than a money judgment, obtained in an action or proceeding by a governmental unit to enforce such governmental unit's police or regulatory power; or

4. The continuation of *In re AmeriDebt*, Case No. 04-23649-PM (Bankr. D. Md.), or the commencement and continuation of any suit or proceeding filed by the AmeriDebt Trustee.

XX. NOTIFICATIONS

IT IS FURTHER ORDERED that, for purposes of this Order, Defendants shall, unless otherwise directed by the FTC or its authorized representatives, mail all written notifications to the FTC relating to this Order to:

Associate Director, Division of Enforcement
Federal Trade Commission
600 Pennsylvania Ave., N.W.
Washington, D.C. 20580
Re: FTC v. AmeriDebt, et al.

For purposes of this Order, the FTC and Receiver shall, unless otherwise provided by this Order or otherwise directed by Defendants or their authorized representatives, mail all written notifications to Defendants relating to this Order to:

John B. Williams, Esq.
Jones Day
51 Louisiana Avenue, N.W.
Washington, D.C. 20001

XXI. RETENTION OF JURISDICTION

IT IS FURTHER ORDERED that this Court shall retain jurisdiction of this matter for all purposes, including construction, modification and enforcement of this Order.

IT IS SO ORDERED.

Dated: 5/16/06

UNITED STATES DISTRICT COURT JUDGE

Attachment 1

STIPULATED AND AGREED TO BY:

LUCY E. MORRIS
PEDER V.W. MAGEE
ALLISON I. BROWN
JAMIE HINE
Attorneys for Plaintiff, Federal Trade Commission
600 Pennsylvania Avenue, N.W.
Mail Stop NJ-3158
Washington, D.C. 20580
(202) 326-3295 (telephone)
(202) 326-3768 (facsimile)

Local Counsel
JEANNE M. CROUSE - #05329
RAMONA D. ELLIOTT - #05738
Federal Trade Commission
600 Pennsylvania Avenue, N.W.
Mail Stop H-485
Washington, D.C. 20580
(202) 326-3312 (telephone)
(202) 326-3799 (facsimile)

By: Andris Pukke, Individually, and as
President of DebtWorks, Inc.,
and as Chapter 11 Debtor

Geoffrey S. Irwin

By: John B. Williams, Esq.
Geoffrey S. Irwin, Esq.
Attorneys for Andris Pukke and DebtWorks, Inc.
And Special Counsel for Debtor Andris Pukke
Jones Day
51 Louisiana Avenue, N.W.
Washington, DC 20001
(202) 879-3678 (telephone)
(202) 626-1700 (facsimile)

Attachment A: Affidavit for Receipt of Final Order

UNITED STATES DISTRICT COURT

DISTRICT OF MARYLAND

FEDERAL TRADE COMMISSION,	)	
Plaintiff,	)	
v.	)	Civil No. PJM 03-3317
AMERIDEBT, INC., et al.,	)	
Defendants.	)	

[*Name of defendant*], being duly sworn, hereby states and affirms as follows:

1. My name is ______________________________. My current residence address is ____. I am a citizen of _______________ and am over the age of eighteen. I have personal knowledge of the facts set forth in this Affidavit.

2. I am a defendant in *Federal Trade Commission v. AmeriDebt, Inc., et al.* Civil No. PJM 03-3317 (United States District Court for the District of Maryland).

3. On ______________________, I received a copy of the Stipulated Order for Permanent Injunction and Final Judgment, which was signed by the Court, and entered by the Court on ________________________. A true and correct copy of the Order I received is appended to this Affidavit.

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Executed on _____________[*date*], at __________________[*city and state*].

____

[*Full name of Defendant*]

State of ______________, City of _________________

Subscribed and sworn to before me this __ day of ____________, 2006.

____________________ My Commission Expires:

Notary Public

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MARYLAND

In re **SANCTUARY BELIZE LITIGATION**	* * * * * * * * * *	Civil No. **PJM 18-3309**

FINAL
ORDER FOR PERMANENT INJUNCTION AND MONETARY JUDGMENT AGAINST DEFAULTING DEFENDANTS JOHN USHER, GLOBAL PROPERTY ALLIANCE INC., SITTEE RIVER WILDLIFE RESERVE, BUY BELIZE LLC, BUY INTERNATIONAL INC., FOUNDATION DEVELOPMENT MANAGEMENT INC., ECO FUTURES DEVELOPMENT, ECO-FUTURES BELIZE LIMITED, NEWPORT LAND GROUP LLC, POWER HAUS MARKETING, PRODIGY MANAGEMENT GROUP LLC, BELIZE REAL ESTATE AFFILIATES LLC, EXOTIC INVESTOR LLC, SOUTHERN BELIZE REALTY LLC, SANCTUARY BELIZE PROPERTY OWNERS' ASSOCIATION, AND THE ESTATE OF JOHN PUKKE

The Federal Trade Commission ("FTC") has filed an Amended Complaint for Permanent Injunction and Other Equitable Relief ("Amended Complaint"), pursuant to Section 13(b) of the Federal Trade Commission Act ("FTC Act"), 15 U.S.C. § 53(b), and the Telemarketing and Consumer Fraud and Abuse Prevention Act ("Telemarketing Act"), 15 U.S.C. §§ 6101-6108, alleging that Defendants John Usher, Global Property Alliance Inc., Sittee River Wildlife Reserve, Buy Belize LLC, Buy International Inc., Foundation Development Management Inc., Eco Futures Development, Eco-Futures Belize Limited, Newport Land Group LLC, Power Haus Marketing, Prodigy Management Group LLC, Belize Real Estate Affiliates LLC, Exotic Investor LLC, Southern Belize Realty LLC, and Sanctuary Belize Property Owners' Association, violated the FTC Act and the Telemarketing Sales Rule through the deceptive marketing of lots in a development known variously as Sanctuary Bay, Sanctuary Belize, and The Reserve (for ease, "Sanctuary Belize"), and that The Estate of John Pukke received funds to which it had no legal entitlement. None of these defendants have responded to the Amended Complaint (hereinafter

"Defaulting Defendants"). The Clerk entered default against each of the Defaulting Defendants except The Estate of John Pukke on January 10, 2020. ECF No. 799. The Estate of John Pukke was placed in default on January 16, 2020. ECF No. 826. The Court held a trial on the merits as to the non-defaulting Defendants, Andris Pukke, Peter Baker, and Luke Chadwick, which commenced on January 22, 2020 and concluded on February 12, 2020. Following that trial, as detailed in the accompanying Memorandum Opinion dated August 28, 2020, the Court has found Pukke, Baker, Chadwick, Usher, and Defaulting Corporate Defendants liable on all counts in the Amended Complaint. To the extent necessary, the Court amends the allegations in the Amended Complaint to conform to the proof at trial. The Court's reasoning and specific findings are detailed in the Memorandum Opinion dated August 28, 2020.

IT IS THEREFORE ORDERED:

FINDINGS

1. This Court has jurisdiction over this matter.

2. The Amended Complaint charges that the Defendants engaged in deceptive acts or practices in violation of Section 5 of the FTC Act, 15 U.S.C. § 45, as well as violations of the Telemarketing Sales Rule, 16 C.F.R. Part 310, in connection with the sale of lots in a development in Belize known as Sanctuary Belize. The Amended Complaint further alleges that Usher had control over and participated in this conduct. Additionally, the Amended Complaint alleges that The Estate of John Pukke received funds as a result of this conduct that it is not legally entitled to.

3. Although the relevant Findings of Fact are more fully set out in the accompanying Memorandum Opinion, and are incorporated herein, the Court makes the following Findings in accordance with that Opinion:

   a. Since 2005, Pukke, Baker, and their co-Defendants have sold lots in the development known by various names and identified herein as Sanctuary Belize.

b. For his part, Luke Chadwick controlled or participated in these acts or practices commencing in 2008.

c. Following the 2008 settlement between the Receiver and Sittee River Wildlife Reserve, Pukke, Baker, and Chadwick took steps to hide Andris Pukke's involvement in Sanctuary Belize, including through Pukke's use of aliases such as "Marc Romeo" and "Andy Storm."

d. Under the control of Pukke, Baker and Chadwick, and frequently with their direct participation all Corporate Defendants and Individual Defendants participated in the sale of Sanctuary Belize lots through telemarketers in the United States, while making the following claims, all of which were and are false and material:

i. That Defendants used a "no debt" business model to develop Sanctuary Belize which would make lots in Sanctuary Belize a less risky investment than one in which the developer would make payments to lenders;

ii. That every dollar Defendants collected from Sanctuary Belize lot sales would go back into the development;

iii. That Defendants would finish Sanctuary Belize quickly, including within two to three years, or within five years;

iv. That the finished Sanctuary Belize would have all of the amenities expected of an American luxury resort community, such as: (i) a hospital staffed with American physicians and nurses near the development; (ii) an emergency medical center near the downtown "Marina Village;" (iii) a championship-caliber golf course; (iv) a local airport within the development; (v) a new international airport nearby with direct flights to and from the United States; (vi) a "Marina Village" containing high-end boutiques, restaurants, cafes, an American-style grocery store, an elegant casino, and a hotel; and (vii) a 250-slip world-class marina;

v. That consumers could realize the rapid appreciation of their lots within Sanctuary Belize because there is a robust resale market through which consumers could easily resell their lots should they choose to do so; and

vi. That Andris Pukke has had no meaningful involvement with Sanctuary Belize or with the Defaulting Corporate Defendants.[1]

e. These representations were likely to mislead consumers acting reasonably under the circumstances, these representations were material, and consumers relied on these representations.

f. Except for Atlantic International Bank, the Corporate Defendants (including Defaulting Defendants) operated as a common enterprise ("SBE") in making these claims.

g. SBE initiates or receives interstate telephone calls from consumers as part of a program to sell services to those consumers.

h. SBE offers to provide goods and services through telemarketing.

i. Pukke, Baker, Usher, and Chadwick knew or should have known that the claims identified were false at the time they were made, or were at the least recklessly indifferent to the truth of the claims.

[1] Defendants also made a claim that lots sold to purchasers would appreciate in value from 100% to 500% within two to three years. As set forth in the Memorandum Opinion, the Court did not find this claim to be a violation of the FTC Act or the TSR.

j. As a result of these false claims, consumers paid the Defendants at least one hundred twenty million, two hundred thousand dollars ($120,200,000).

k. Usher and the Defaulting Corporate Defendants are jointly and severally liable with Pukke, Baker, Usher and to an extent, Chadwick.[2]

ENTRY OF DEFAULT JUDGMENT

The Court enters **DEFAULT JUDGMENT** against John Usher, Defaulting Corporate Defendants, and The Estate of John Pukke.

DEFINITIONS

A. **"Asset"** means any legal or equitable interest in, right to, or claim to, any property, wherever located and by whomever held, whether tangible, intangible, digital, or otherwise, including, but not limited to, digital currencies, virtual currencies, digital tokens, and cryptocurrencies. For clarity, "Asset" includes Receivership Entities themselves, in addition to rights and things the Receivership Entities control.

B. **"Corporate Defendant(s)"** means Global Property Alliance, Inc., Sittee River Wildlife Reserve, Buy Belize, LLC, Buy International, Inc., Foundation Development Management, Inc., Eco-Futures Development, Eco-Futures Belize Limited, Newport Land Group, LLC (NLG), Power Haus Marketing, Sanctuary Belize Property Owners' Association, Prodigy Management Group LLC, Foundation Partners, BG Marketing, LLC, Ecological Fox, LLC, Belize Real Estate Affiliates LLC, Exotic Investor LLC, Southern Belize Realty LLC, and Atlantic International Bank Ltd. and each of their subsidiaries, affiliates, successors, and assigns, collectively, individually, or in any combination.

C. **"Defaulting Corporate Defendant(s)"** means the Corporate Defendants, with the exception of Atlantic International Bank Ltd., BG Marketing, LLC, Ecological Fox, LLC, and

[2] The separate requests of NLG investors to the Court, specifically David Heiman et al., to release NLG assets to them are **DENIED.**

Foundation Partners, and each of their subsidiaries, affiliates, successors, and assigns, collectively, individually, or in any combination.

D. **"Defaulting Defendant(s)"** means John Usher, the Defaulting Corporate Defendants, and The Estate of John Pukke, collectively, individually, or in any combination.

E. **"Defendant(s)"** means the Corporate Defendants, Individual Defendants, and Relief Defendants, collectively, individually, or in any combination.

F. **"Individual Defendant(s)"** means Andris Pukke, Peter Baker, Luke Chadwick, John Usher, Rod Kazazi, Brandi Greenfield, Frank Costanzo, and Michael Santos collectively, individually, or in any combination.

G. **"Real Estate Good or Service"** means any interest in, service related to, or development of, any real estate containing or involving three or more lots or units of any kind.

H. **"Receiver"** means the receiver appointed in Section VI of this Order and any deputy receivers who shall be named by the temporary receiver.

I. **"Receivership Asset"** means any and all Assets ordered to be turned over or relinquished to the Receiver pursuant to this Order.

J. **"Receivership Entities"** means the Corporate Defendants (except Atlantic International Bank, Ltd., Ecological Fox, LLC, BG Marketing, LLC, and Foundation Partners), 2729 Bristol LLC, and 3905 Marcus LLC, as well as any other entity that: (1) was located at, registered to, or operated from 3333 Michelson Drive, Suite 500, Irvine, California as of November 7, 2018, and assists, facilitates, or otherwise conducts business related to the sale of real estate in Belize; (2) assists, facilitates, or otherwise conducts business related to the acts identified in the Findings of Fact in this Order, and is owned or controlled by any Defendant; or (3) Assets that are otherwise in the Receivership and that are corporations or other legal entities.

K. **"Relief Defendant(s)"** means Angela Chittenden, Beach Bunny Holdings LLC, the Estate of John Pukke, John Vipulis, and Deborah Connelly.

L. **"Telemarketing"** means any plan, program, or campaign which is conducted to induce the purchase of goods or services by use of one or more telephones, and which involves a telephone call, whether or not covered by the Telemarketing Sales Rule.

ORDER[3]

I. BAN ON REAL ESTATE GOODS AND SERVICES

IT IS ORDERED that the Defaulting Corporate Defendants, individually, collectively, or in any combination, are permanently restrained and enjoined from advertising, marketing, promoting, or offering for sale, or assisting others in the advertising, marketing, promoting, or offering for sale of any Real Estate Good or Service, whether directly or through an intermediary, including by consulting, brokering, planning, investing, or advising. Further, Usher, individually, collectively, or in any combination, is permanently restrained and enjoined from any involvement with Sanctuary Belize or any future incarnation, and the development known as "Kanantik," as described *infra*, Section IV.I. Nothing herein prohibits the Receiver or any transferee of the Receiver from selling any Receivership Asset, including any Receivership Asset any Receivership Entity controls.

II. BAN ON TELEMARKETING

IT IS FURTHER ORDERED that Usher and the Defaulting Corporate Defendants, individually, collectively, or in any combination, are permanently restrained and enjoined from Telemarketing or assisting others in Telemarketing in any commercial enterprise whatsoever, whether directly or through an intermediary, including by consulting, brokering, planning, investing, or advising.

---

[3] Unless otherwise specified in this or any other order of the Court, injunctive relief shall be permanent in nature and global in geographic application and unlimited in temporal application.

III. PROHIBITION AGAINST MISREPRESENTATIONS IN THE SALE OF ANY GOOD OR SERVICE

IT IS FURTHER ORDERED that Usher, the Defaulting Corporate Defendants, individually, collectively, or in any combination, and their officers, agents, employees, and attorneys, and all other persons in active concert or participation with any of them, who receive actual notice of this Order, whether acting directly or indirectly, in connection with advertising, marketing, promoting, or offering for sale any good or service of any nature whatsoever, are permanently restrained and enjoined from misrepresenting, or assisting others in misrepresenting, expressly or by implication:

A. That the use of a "no debt" business model makes an investment less risky than one in which an entity or individual must make payments to lenders;

B. That every dollar, or the vast majority of dollars, collected from selling the good or service will be used to develop the good or service;

C. That, unless guaranteed, the good or service will be completed or available within a specified period of time, such as a particular number of weeks, months, or years;

D. That, unless guaranteed, the good or service will feature specific amenities;

E. That consumers can realize the appreciation of their good or service because there is a robust resale market through which consumers can easily resell their good or service should they choose to do so;

F. That any particular person or entity has no meaningful involvement with the relevant business when the person or entity in fact does; and

G. That any other fact material to consumers concerning any good or service is true, if there is any basis for believing it is not true. This includes, as to any good or service: the total costs; any material restrictions, limitations, or conditions; or any material aspect of its performance, efficacy, nature, or central characteristics.

IV. EQUITABLE MONETARY JUDGMENT

IT IS FURTHER ORDERED that:

A. Judgment in the amount of one hundred twenty million, two hundred thousand dollars ($120,200,000) is entered in favor of the FTC against Usher and the Defaulting Corporate Defendants, jointly and severally, as equitable monetary relief.

B. Judgment in the amount of eight hundred thirty thousand dollars ($830,000) is entered in favor of the FTC against The Estate of John Pukke as equitable monetary relief.

C. Usher, the Defaulting Corporate Defendants, and The Estate of John Pukke must pay their respective judgments within thirty (30) days of entry of this Order.

D. Usher, the Defaulting Corporate Defendants, and The Estate of John Pukke shall forever relinquish and no longer have any rights to and all Assets previously transferred in fact or by operation of law to the Receiver pursuant to the prior Temporary Restraining Order (ECF No. 13) entered on November 5, 2018, the Interim Preliminary Injunction (ECF No. 34) entered on November 20, 2018, or the Preliminary Injunction (ECF No. 615) entered on October 3, 2019 (including, without limitation, the Receivership Entities themselves). The Receiver shall retain possession or control of those Assets (including the Receivership Entities themselves) in accordance with the terms of the present Order and the Receiver shall marshal and then liquidate all such assets for the benefit of the FTC, in such sequence and at such time or times as the Receiver, in its discretion, shall deem appropriate. For clarity, these Assets (including the Receivership Entities themselves) are Receivership Assets. The Receivership Assets (including the Receivership Entities themselves and any Assets turned over to the Receiver in satisfaction of the Equitable Monetary Judgment) shall be held in constructive trust by the Receiver for the sole benefit of the FTC and lot purchasers at Sanctuary Belize, so that the Receiver can disburse assets to the lot purchasers.

E. Usher, the Defaulting Corporate Defendants, and The Estate of John Pukke, their officers, agents, employees, and attorneys, and all other persons in active concert or participation with any of them, who receive actual notice of this Order, shall transfer to the FTC within thirty (30) days all Assets (other than personal use real estate) subject to the direct or indirect control of Usher, the Defaulting Corporate Defendants, or The Estate of John Pukke, other than those Assets previously transferred to the Receiver and less than or equal to their respective monetary judgments (as reduced by the amounts, if any, already distributed to the FTC), regardless of where they are held and under what name they are held. This transfer shall be made by electronic fund transfer in accordance with instructions provided by a representative of the FTC. *Provided, however*, that Usher may withhold no more than a total of $5,000 in such assets other than personal use real estate. If he intends to withhold any such funds, he shall within thirty (30) days of entry of this Order provide prior written notice to counsel for the FTC, sworn to under penalty of perjury, that he intends to withhold such Assets and shall submit a written report detailing the source (e.g., employment—and, if so, from what employment—or inheritance or gift—and, if so, from whom and when), the location, and the amount of the funds being withheld. Should the FTC deem the proposed withholding inappropriate, it may move the Court for appropriate relief. *Provided further*, if Usher, the Defaulting Corporate Defendants, or the Estate of John Pukke fail to transfer such Assets to the FTC within thirty (30) days, the Receiver shall acquire such Assets by operation of law and, therefore, is at that point empowered to take control over such Assets and administer them in the course of the Receivership, as more fully described herein.

F. Usher and his officers, agents, employees, and attorneys, shall, within thirty (30) days of the entry of this Order, take all steps possible or necessary to transfer to the Receiver all Assets that Usher owns or controls, directly or indirectly, or which are held for his benefit, that exceed $2,500 in value (as determined by the Receiver) that they have not otherwise previously transferred to the Receiver and which they have not been ordered to transfer to the FTC pursuant to paragraph E. In addition, Usher has an ongoing obligation to transfer to the FTC, in accordance with instructions from an FTC representative, employment income in an amount up to the maximum allowed under 15 U.S.C. § 1673 (e.g., up to 25% of disposable earnings on a weekly basis). For clarity, these Assets are Receivership Assets. Also for clarity, this paragraph requires Usher to transfer to the Receiver any and all rights he may have in any property of any kind associated with the development known as "Sanctuary Belize," "Sanctuary Bay," or "The Reserve," including any house in that development that he currently resides in or has resided in in the past. For further clarity, this paragraph requires Usher to turnover to the Receiver any residence he owns or controls that is located in the development known as "Sanctuary Belize," "Sanctuary Bay," or "The Reserve." If Usher fails to transfer such Assets to the Receiver within thirty (30) days, the Receiver shall acquire such Assets by operation of law and, therefore, is at that point empowered to take control over such Assets and administer them in the course of the Receivership, as more fully described herein.

G. The Defaulting Corporate Defendants and the Estate of John Pukke, and their officers, agents, employees, and attorneys, shall, within thirty (30) days of the entry of this Order, take all steps possible or necessary to transfer to the Receiver all Assets the Defaulting Corporate Defendants or the Estate of John Pukke own or control, directly or indirectly, or which are held for their benefit that they have not otherwise previously transferred to the Receiver and which they have not been ordered to transfer to the FTC pursuant to paragraph E. For clarity, these Assets are Receivership Assets. If the Defaulting Corporate Defendants or the Estate of John Pukke fail to transfer such Assets to the Receiver within thirty (30) days, the Receiver shall acquire such Assets by operation of law and, therefore, is at that point empowered to take control over such Assets and administer them in the course of the Receivership, as more fully described herein.

H. Usher shall, within thirty (30) days of the entry of this Order transfer to the Receiver all ownership rights he may control, directly or indirectly, in any entity of any type, including all business entities in any way associated with the development known "Sanctuary Belize," "Sanctuary Bay," or "The Reserve." For clarity only, this provision also requires Usher to transfer to the Receiver ownership rights in any and all entities he owns or controls, directly or indirectly, in any way associated with the development known as "Kanantik." If Usher fails to transfer such Assets to the Receiver within thirty (30) days, the Receiver shall acquire such rights by operation of law and, therefore, is at that point empowered to take control over such Assets and administer them in the course of the Receivership, as more fully described herein. Additionally, Usher will not be permitted to repurchase, reacquire, or otherwise obtain any rights to the development (land or otherwise) known as "Sanctuary Belize," "Sanctuary Bay," or "The Reserve" at any time in the future.

I. Usher, the Defaulting Corporate Defendants, and The Estate of John Pukke, individually, collectively, or in any combination, and their officers, agents, employees, and attorneys, and all other persons in active concert or participation with any of them, who receive actual notice of this Order, shall fully cooperate with and assist the FTC and the Receiver with the turnover of Assets pursuant to this Order, and are hereby restrained and enjoined from directly or indirectly:

1. Interfering with the FTC's and Receiver's efforts to manage, or take custody, control, or possession of, the Assets ordered to be turned over to the FTC or the Receiver;
2. Transacting any of the business of any Receivership Entity or any entity that itself is a Receivership Asset;

3. Transferring, receiving, altering, selling, encumbering, pledging, assigning, liquidating, or otherwise disposing of any Assets ordered to be turned over to the FTC or the Receiver; or

4. Refusing to cooperate with the FTC or the Receiver, or the Receiver's duly authorized agents, in the exercise of their duties or authority under any order of this Court.

I. Usher and any entity he owns or controls, directly or indirectly, and their officers, agents, employees, and attorneys, are prohibited from entering, doing business with, obtaining membership with, or otherwise attempting to take part in or interfere with the developments known as Sanctuary Belize or Kanantik, or any subsequent development on all or part of the same land. For clarity, Sanctuary Belize refers to that development that has been historically referred to as "Sanctuary Belize," "Sanctuary Bay," and "The Reserve," and which has been associated with the Sittee River Wildlife Reserve and Eco Futures Belize Limited. Also for clarity, this paragraph, in addition to the monetary transfers required by this Order, prohibits Usher and any entity that he owns or controls, directly or indirectly, from owning any land, company, or development rights within either Sanctuary Belize or Kanantik, or any subsequent development on all or part of the same land. This prohibition extinguishes any right Usher and any entity he owns or controls, directly or indirectly, may claim in any home or lot owner organization associated with Sanctuary Belize or Kanantik, or any subsequent development on all or part of the same land.

J. Usher may not enter the development known as "Sanctuary Belize," "Sanctuary Bay," or "The Reserve," any part thereof, or any amenity, residence, or other facility of any sort located therein.

V. ADDITIONAL MONETARY PROVISIONS

A. Usher, the Defaulting Corporate Defendants, and The Estate of John Pukke shall relinquish dominion and all legal and equitable right, title, and interest in all Assets turned over or relinquished pursuant to this Order and may not seek the return of any Assets, without prior authorization by the Court.

B. All money paid to the FTC pursuant to this Order may be deposited into a fund administered by the FTC or its designee to be used for equitable relief, including consumer redress and any attendant expenses for the administration of any redress fund. Said Defendants shall have no right to challenge any actions the FTC or its representatives may take pursuant to this paragraph, nor may they otherwise challenge the ultimate disposition of the Assets turned over to the FTC or the Receiver.

C. Within thirty (30) days following the entry of this Order, Usher shall complete and submit to the FTC and the Receiver the attached Financial Statement of Individual Defendant. Thereafter, Usher shall recomplete and submit to the FTC and the Receiver the same form (or similar form to be provided by the FTC) upon one (1) year following the entry of this Order and must recomplete and submit to the FTC that same form every year thereafter until he receives notice from the FTC that he need not continue to complete such forms or he has satisfied his monetary equitable judgment. Each such form must be submitted with all of the required and specified attachments. Each such form must be signed and sworn to under penalty of perjury. The forms must be submitted electronically to FTC counsel of record in this matter in a manner to be specified by FTC counsel. Additionally, the forms must be emailed to DEbrief@ftc.gov or sent by overnight courier (not the U.S. Postal Service) to:

Associate Director for Enforcement, Bureau of Consumer Protection
Federal Trade Commission
Attn: *In re Sanctuary Belize Litigation*, 18-cv-3309 (D. Md.), FTC File No. X040009
600 Pennsylvania Avenue, NW

Washington, DC 20580.

D. The asset freeze imposed on Usher, the Defaulting Corporate Defendants, and The Estate of John Pukke pursuant to the prior Temporary Restraining Order (ECF No. 13) entered on November 5, 2018, Interim Preliminary Injunction (ECF No. 34) entered on November 20, 2018, or Preliminary Injunction (ECF No. 615) entered on October 3, 2019, is hereby modified to the extent necessary to permit the transfers identified in the Equitable Monetary Judgment Section. Upon full satisfaction of the monetary judgment imposed on Usher, as evidenced by an appropriate Court-approved satisfaction of judgment, the Defaulting Corporate Defendants, and The Estate of John Pukke, the FTC shall make a full report of satisfaction, at which time the Court, upon review and approval of the report, shall dissolve the asset freeze.

E. Any financial institution of any sort that receives notice of this Order must immediately: (a) notify the FTC if it holds Assets of Usher, or controlled by Usher; (b) turnover those Assets to the Receiver or the FTC; and (c) notify the FTC of any other financial institution of any sort that has, or may have, performed, assisted, or facilitated any transfer or financial service of any sort involving Assets of Usher, on controlled by Usher, on or after October 31, 2018 (this includes, without limitation, notifying the FTC of any knowledge the reporting institution has concerning any depository, transferee, transferor, intermediary, or correspondent institution of any sort that has, or may have, performed, assisted, or facilitated any transfer or financial service of any sort involving Assets of Usher, on controlled by Usher, on or after October 31, 2018). The FTC is authorized to disclose Usher's birthdate and other personal identifying information to financial institutions to facilitate their compliance with this paragraph. Notice pursuant to this paragraph must be sent to FTC counsel of record in this matter and also must be emailed to DEbrief@ftc.gov or sent by overnight courier (not the U.S. Postal Service) to:

Associate Director for Enforcement, Bureau of Consumer Protection
Federal Trade Commission
Attn: *In re Sanctuary Belize Litigation*, 18-cv-3309 (D. Md.), FTC File No. X040009
600 Pennsylvania Avenue, NW
Washington, DC 20580.

VI. RECEIVER

IT IS FURTHER ORDERED that Robb Evans & Associates LLC is appointed as Receiver for all Assets ordered to be turned over to the Receiver pursuant to this Order. It shall have full powers of an equity receiver. The Receiver shall be solely the agent of this Court in acting as Receiver under this Order.

VII. DUTIES AND AUTHORITY OF RECEIVER

IT IS FURTHER ORDERED that the Receiver is directed and authorized to accomplish the following:

A. Take exclusive control, custody, and possession of all Receivership Assets.

B. Conserve, hold, manage, and prevent the loss of all Receivership Assets, and perform all acts necessary or advisable to preserve the value of those Assets. The Receiver shall assume control over the income and profits therefrom and all sums of money now or hereafter due or owing to any entity that is a Receivership Asset or otherwise due or owing to Usher, the Defaulting Corporate Defendants, or The Estate of John Pukke as a result of any Receivership Assets. The Receiver shall have full power to sue for, collect, and receive, all Receivership Assets. *Provided, however*, that the Receiver shall not, without prior Court approval, attempt to collect any amount from a consumer if the Receiver believes the consumer's debt has resulted from deceptive acts or practices or other violations of law.

C. Liquidate, through fair market sales or similar transactions, all Receivership Assets, following a motion and order from the Court approving the sale or liquidation. The

Receiver shall take steps to attempt to obtain the full fair market value of any Asset that is obtained by the Receivership estate in any sale or liquidation.

D. Disburse periodically to the FTC, lot purchasers, or other third parties as provided by separate Court order, less its Court-approved fees and expenses or reasonably anticipated potential expenses including, without limitation, expenses or liabilities not yet known at the time of the disbursements, as approved by the Court. At the time of a periodic disbursement, the Receiver shall also disburse to the FTC the amount of any and all withheld prior anticipated potential expenses that were not in fact incurred.

E. Choose, engage, and employ attorneys, accountants, appraisers, and other independent contractors and technical specialists, as the Receiver deems advisable or necessary in the performance of duties and responsibilities under the authority granted by this Order;

F. Make payments and disbursements from the Receivership estate that are necessary or advisable for carrying out the directions of, or exercising the authority granted by, this Order, and to incur, or authorize the making of, such agreements as may be necessary and advisable in discharging his or her duties as Receiver. The Receiver shall apply to the Court for prior approval of any payment of any debt or obligation incurred, except payments that the Receiver deems necessary or advisable to secure Receivership Assets, such as rental payments;

G. Enter into and cancel contracts and purchase insurance as advisable or necessary;

H. Prevent the inequitable distribution of Assets and determine, adjust, and protect the interests of consumers who have transacted business with Usher, the Defaulting Corporate Defendants, The Estate of John Pukke, any entity that is a Receivership Asset, or the Receivership Entities;

I. Make an accounting, as soon as practicable, of the Receivership Assets and financial condition of the Receivership and file the accounting with the Court and deliver copies thereof to all parties;

J. Institute, compromise, adjust, appear in, intervene in, defend, dispose of, or otherwise become party to any legal action in state, federal, or foreign courts, or arbitration proceedings as the Receiver deems necessary and advisable to preserve or recover the Receivership Assets, or to carry out the Receiver's mandate under this Order, including but not limited to actions challenging fraudulent or voidable transfers;

K. Demand from any person or entity documents and records pertaining to the Receivership Assets within three (3) days after delivery of the Order by mail, courier, email, or other method by which the recipient receives a copy of this Order, in addition to obtaining discovery pursuant to the Federal Rules of Civil Procedure, including subpoenas seeking documents and/or testimony under Rule 45;

L. Open one or more bank accounts at designated depositories for funds of the Receivership estate. The Receiver shall deposit all funds of the Receivership estate in such designated accounts and shall make all payments and disbursements from the Receivership estate from such accounts. The Receiver shall serve copies of monthly account statements on all parties;

M. Maintain accurate records of all receipts and expenditures incurred as Receiver;

N. Cooperate with reasonable requests for information or assistance from any state or federal civil or criminal law enforcement agency;

O. Suspend business operations of any entity that is a Receivership Asset if in the judgment of the Receiver such operations cannot be continued legally and profitably; and

P. If in the Receiver's judgment the business operations of any Receivership Asset cannot be continued legally and profitably, take all steps necessary to ensure that any of the web pages or websites relating to the activities of the Receivership Asset cannot be accessed by the public, or are modified for consumer education and/or informational purposes, and take all steps necessary to ensure that any telephone numbers associated with the Receivership Asset cannot be accessed by the public, or are answered solely to provide consumer education or information regarding the status of operations.

VIII. STAY OF ACTIONS

IT IS FURTHER ORDERED that, except by leave of this Court, during the pendency of the Receivership ordered herein, Defendants and their officers, agents, employees, attorneys, and all other persons in active concert or participation with any of them, who receive actual notice of this Order, and their corporations, subsidiaries, divisions, or affiliates, and all investors, creditors, stockholders, lessors, customers and other persons seeking to establish or enforce any claim, right, or interest against or on behalf of Defendants, and all others acting for or on behalf of such persons, are hereby enjoined from taking any action that would interfere with the exclusive jurisdiction of this Court over the Receivership Assets, including, but not limited to:

A. Filing or assisting in the filing of a petition for relief under the Bankruptcy Code, 11 U.S.C. § 101 *et seq.*, or of any similar insolvency proceeding on behalf of any entity that is a Receivership Asset;

B. Commencing, prosecuting, or continuing a judicial, administrative, or other action or proceeding against any of the Receivership Assets or otherwise seeking an interest in any of the Receivership Assets, including the issuance or employment of process, except that such actions may be commenced if necessary to toll any applicable statute of limitations;

C. Filing or enforcing any lien on any Receivership Asset, taking or attempting to take possession, custody, or control of any Receivership Asset; or attempting to foreclose, forfeit, alter, or terminate any interest in any Receivership Asset, whether such acts are part of a judicial proceeding, are acts of self-help, or otherwise.

Provided, however, that this Order does not stay: (1) the commencement or continuation of a criminal action or proceeding; (2) the commencement or continuation of an action or proceeding by a governmental unit to enforce such governmental unit's police or regulatory power; or (3) the enforcement of a judgment, other than a money judgment, obtained in an action or proceeding by a governmental unit to enforce such governmental unit's police or regulatory power.

IX. COMPENSATION OF RECEIVER

IT IS FURTHER ORDERED that the Receiver and all personnel hired by the Receiver as herein authorized, including counsel to the Receiver and accountants, are entitled to reasonable compensation for the performance of duties pursuant to this Order and for the cost of actual out-of-pocket expenses incurred by them, from the Assets now held by, in the possession or control of, or which may be received by, the Receivership estate. The Receiver shall file with the Court and serve on the parties periodic requests for the payment of such reasonable compensation, with the first such request filed no more than sixty (60) days after the date of entry of this Order. The Receiver shall not increase the hourly rates used as the bases for such fee applications without prior approval of the Court. Whenever the Receiver submits such a request for payment, or at other times within the Receiver's discretion, the Receiver shall also submit a report regarding: (1) the steps taken by the Temporary Receiver to implement the terms of this Order; (2) the value of all liquidated and unliquidated Receivership Assets; (3) the sum of all liabilities of any

Receivership Asset; (4) the steps the Receiver intends to take in the future to (a) prevent any diminution in the value of the Receivership Assets and (b) acquire additional Assets from Usher, the Defaulting Corporate Defendants, The Estate of John Pukke, or any other person or entity; and (5) any other matter which the Receiver believes should be brought to the Court's attention. *Provided, however*, if any of the required information would hinder the Receiver's ability to pursue Assets, the portions of the Receiver's report containing such information may be redacted and be filed for the Court's benefit under seal without service on the parties.

X. CUSTOMER INFORMATION

IT IS FURTHER ORDERED Usher, the Defaulting Corporate Defendants, and The Estate of John Pukke, individually, collectively, or in any combination, and their officers, agents, employees, and attorneys, and all other persons in active concert or participation with any of them, who receive actual notice of this Order, are permanently restrained and enjoined from directly or indirectly:

A. Failing to provide sufficient customer information to enable the FTC to efficiently administer consumer redress. If a representative of the FTC requests in writing any information related to redress, Usher, the Defaulting Corporate Defendants, and The Estate of John Pukke shall provide it, in the form prescribed by the FTC, within fourteen (14) days.

B. Otherwise disclosing, using, or benefitting from customer information, including the name, address, telephone number, email address, social security number, other identifying information, or any data that enables access to a customer's account (including a credit card, bank account, or other financial account), that Usher, the Defaulting Corporate Defendants, or The Estate of John Pukke, obtained prior to entry of this Order; and

C. Failing to destroy such customer information in all forms in their possession, custody, or control within thirty (30) days after receipt of written direction to do so from a representative of the FTC.

Provided, however, that customer information need not be disposed of, and may be disclosed, to the extent requested by a government agency or required by law, regulation, or court order.

XI. ACKNOWLEDGMENT OF RECEIPT OF ORDER

IT IS FURTHER ORDERED that Usher, the Defaulting Corporate Defendants, and The Estate of John Pukke shall submit acknowledgments of receipt of this Order as follows:

A. Usher, the Defaulting Corporate Defendants, and The Estate of John Pukke each shall, within seven (7) days of entry of this Order, submit to the FTC a written acknowledgment of receipt of this Order, sworn to under penalty of perjury.

B. For each of twenty (20) years after entry of this Order, for any business that Usher, the Defaulting Corporate Defendants, or The Estate of John Pukke, individually or collectively with any other Defendants, is the majority owner of, or controls directly or indirectly, said Defendant shall deliver a copy of this Order to: (1) all principals, officers, directors, and LLC managers and members; (2) all employees having managerial responsibilities for marketing, sales, or operations; and (3) any business entity resulting from any change in structure as set forth in the Section titled Compliance Reporting. Delivery of a copy of this Order must occur within seven (7) days of entry of this Order for current personnel. For all others, they shall deliver a copy of this Order <u>before</u> they assume their responsibilities with any such business.

C. From each individual or entity to which Usher, the Defaulting Corporate Defendants, or The Estate of John Pukke delivers a copy of this Order, that Defendant shall obtain, within 30 days, a signed and dated acknowledgment of receipt of this Order.

XII. COMPLIANCE REPORTING

IT IS FURTHER ORDERED that Usher and the Defaulting Corporate Defendants shall make timely submissions to the FTC:

A. One year after entry of this Order, Usher and the Defaulting Corporate Defendants shall each submit a compliance report, sworn to under penalty of perjury, which shall:

1. (a) identify their primary physical, postal address, email address and telephone number, as designated points of contact, which representatives of the FTC may use to communicate with Defendant; (b) identify all of that Defendant's businesses, whether owned or controlled by them, directly or indirectly, giving all of their names, telephone numbers, and physical, postal, email, and Internet addresses; (c) describe the activities of each such business, including the goods and services offered, the means of advertising, marketing, and sales, and the involvement of any other Defendant (which each must describe the other Defendant in detail, including the other Defendant's title, position, compensation, and duties); (d) describe in detail whether and how each Defendant's involvement in each such business is in compliance with each Section of this Order; and (e) provide a copy of each Order Acknowledgment sought and obtained pursuant to this Order, unless previously submitted to the FTC.

2. Additionally, each of these Defendants shall in such compliance report: (a) identify all telephone numbers and all their physical, postal, email and Internet addresses, including all residences used by them; (b) identify all business activities, including any business for which such Defendant performs services whether as an employee or otherwise and any entity in

which such Defendant has any ownership interest, whether directly or indirectly; and (c) describe in detail such Defendant's involvement in each such business, including title, role, responsibilities, participation, authority, control, and any ownership.

B. For twenty (20) years after entry of this Order, Usher and the Defaulting Corporate Defendants each shall submit a compliance report, sworn to under penalty of perjury, within fourteen (14) days of any change in the following:

1. (a) any designated point of contact for them; or (b) the structure of any entity that Defendant has any ownership interest in or controls directly or indirectly that may affect compliance obligations arising under this Order, including details as to the creation, merger, sale, or dissolution of the entity or any subsidiary, parent, or affiliate that engages in any acts or practices subject to this Order.

2. Additionally, each must report any change in: (a) name, including aliases or fictitious name, or residence address of the Defendant; or (b) any title or role in any business activity, including any business for which a Defendant performs services whether as an employee or otherwise and any entity in which such Defendant has any ownership interest, and identify the name, physical address, and any Internet address of the business or entity.

C. Usher and the Defaulting Corporate Defendants each shall submit to the FTC notice of the filing of any bankruptcy petition, insolvency proceeding, or similar proceeding by or against such Defendant, within fourteen (14) days of any such filing.

D. Any submission to the FTC required by this Order to be sworn under penalty of perjury must be true and accurate and must comply with 28 U.S.C. § 1746, such as by concluding: "I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct. Executed on: _____" and supplying the date, the signatory's full name, title (if applicable), and signature.

E. Unless otherwise directed by an FTC representative in writing, all submissions to the FTC pursuant to this Order must be emailed to DEbrief@ftc.gov or sent by overnight courier (not the U.S. Postal Service) to: Associate Director for Enforcement, Bureau of Consumer Protection, Federal Trade Commission, 600 Pennsylvania Avenue NW, Washington, DC 20580. The subject line must begin: *In re Sanctuary Belize Litigation*, 18-cv-3309 (D. Md.), FTC File No. X040009.

F. Notwithstanding any other provision herein, Usher must maintain the following email addresses: johnusher758@gmail.com and cotinga63@gmail.com. Also notwithstanding any other provision herein, service of any notice, process, or other item that requires any form of delivery shall be valid if the FTC serves it: (1) to the appropriate aforementioned email address of the Defendant; (2) to other email address identified by the Defendant to whom service is directed; or (3) by any other method reasonably calculated to achieve actual notice to the Defendant.

XIII. ALIASES AND NOMINEES

IT IS FURTHER ORDERED that Usher and the Defaulting Corporate Defendants, individually, collectively, or in any combination, and their officers, agents, employees, and attorneys, and all other persons in active concert or participation with any of them, who receive actual notice of this Order, are permanently restrained and enjoined from, directly or indirectly, engaging in any business or commercial activity of any sort in which Usher or the Defaulting Corporate Defendants has consented to, or acquiesced to, the use of an alias or pseudonym by them, for them or for any individual associated with them and are further permanently restrained and enjoined from, directly or indirectly, engaging in any business or commercial activity of any sort through the use of nominees, strawmen, or any other manner by which their ownership or control is obscured or hidden.

XIV. RECORDKEEPING

IT IS FURTHER ORDERED that Usher, the Defaulting Corporate Defendants, and The Estate of John Pukke each shall create certain records for twenty (20) years after entry of the Order, and shall retain each such record for five (5) years. Specifically, for any business that Usher and the Defaulting Corporate Defendants individually or collectively with any other Defendants, is a majority owner or controls directly or indirectly, each such business shall create and retain the following records:

A. accounting records showing the revenues from all goods or services sold;

B. personnel records showing, for each person providing services, whether as an employee or otherwise, that person's: name; addresses; telephone numbers; job title or position; dates of service; and (if applicable) the reason for termination of such person's services;

C. records of all consumer complaints and refund requests, whether received directly or indirectly, such as through a third party, and any response;

D. all records necessary to demonstrate full compliance with each provision of this Order, including all submissions to the FTC; and

E. a copy of each unique advertisement or other marketing material of the business.

XV. COMPLIANCE MONITORING

IT IS FURTHER ORDERED that, for the purpose of monitoring the compliance of Usher and the Defaulting Corporate Defendants with this Order, including any failure on their part to transfer any assets as required by this Order or otherwise to collect on the monetary judgments:

A. Within fourteen (14) days of receipt of a written request from a representative of the FTC, each Defendant shall: submit additional compliance reports or other requested information, which must be sworn under penalty of perjury; appear for depositions; and produce appropriate documents for inspection and copying. The FTC is authorized to obtain discovery, without further leave of court, using any of the procedures prescribed by Federal Rules of Civil Procedure 29, 30 (including telephonic depositions), 31, 33, 34, 36, 45, and 69.

B. For matters concerning this Order, the FTC is authorized to communicate directly with Usher, the Defaulting Corporate Defendants, and The Estate of John Pukke. Usher, the Defaulting Corporate Defendants, and The Estate of John Pukke shall permit representatives of the FTC to interview any employee or other person affiliated with any entity any of them may own or control, directly or indirectly, who has agreed to such an interview. The person interviewed may have counsel present.

C. The FTC may use all other lawful means to interact with Usher, the Defaulting Corporate Defendants, The Estate of John Pukke, or any individual or entity they are associated or affiliated with, including posing undercover through its representatives, as consumers, suppliers, or other individuals or entities, without the necessity of identification or prior notice.

D. Nothing in this Order shall limit the FTC's lawful use of compulsory process, pursuant to Sections 9 and 20 of the FTC Act, 15 U.S.C. §§ 49, 57b-1.

E. Upon written request from a representative of the FTC, any consumer reporting agency must furnish consumer reports concerning Usher, pursuant to Section 604(1) of the Fair Credit Reporting Act, 15 U.S.C. §1681b(a)(1).

F. As should already be clear, the parties must at all times act reasonably and in good faith. Unreasonable requests for information or unreasonable refusal to comply with such requests may result in sanctions, including the payment of attorneys' fees.

XVI. RETENTION OF JURISDICTION

IT IS FURTHER ORDERED that this Court retains jurisdiction of this matter for purposes of construction, modification, and enforcement of this Order.

SO ORDERED, this 12 day of JAN, 2021.

PETER J. MESSITTE
UNITED STATES DISTRICT JUDGE

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MARYLAND

In re **SANCTUARY BELIZE LITIGATION**	*	Civil No. **PJM 18-3309**

FINAL

ORDER OF CONTEMPT AGAINST ANDRIS PUKKE, PETER BAKER, AND JOHN USHER, ENTERING JUDGMENT AGAINST THEM AS COMPENSATORY RELIEF, ORDERING THAT THEY TAKE CERTAIN ACTIONS OR BE SUBJECT TO COERCIVE RELIEF UNTIL THEY DO SO

The Federal Trade Commission ("FTC") has filed motions seeking to hold Andris Pukke, Peter Baker, and John Usher in contempt for violating previous orders of this Court. Specifically, the FTC filed motions alleging that: (1) Andris Pukke, Peter Baker, and John Usher deceptively telemarketed lots in a development known variously as Sanctuary Bay, Sanctuary Belize, and the Reserve (for ease, "Sanctuary Belize") (the "Telemarketing Contempt"); (2) Andris Pukke, Peter Baker, and John Usher violated previous orders of this Court requiring that they turn over the land comprising Sanctuary Belize (the "Sanctuary Parcel") to the Receiver by conspiring to withhold the land, including through the use of straw purchasers and nominees (the "Parcel Contempt"); and (3) Andris Pukke violated a previous order of this Court by repaying a loan to his friend and associate, John Vipulis, before fully satisfying his debt to the FTC.

The Court consolidated trial on these motions with the trial on the Amended Complaint for Permanent Injunction and Other Equitable Relief ("Amended Complaint"), pursuant to Section 13(b) of the Federal Trade Commission Act ("FTC Act"), 15 U.S.C. § 53(b), and the Telemarketing and Consumer Fraud and Abuse Prevention Act ("Telemarketing Act"), 15

U.S.C. §§ 6101-6108, that the FTC has also filed. Following trial on the merits, which commenced on January 22, 2020 and concluded on February 12, 2020, the Court has found Pukke, Baker, and Usher in contempt on the first and third allegations, as specified in its Memorandum Opinion, ECF No. 1020, as well as liable on certain counts in the Amended Complaint. The Court hereby incorporates its Memorandum Opinion detailing its findings of fact and conclusions of law following that trial. Pukke, Baker, and Usher were provided ample notice of the contempt allegations against them, an opportunity to be heard as to the allegations, and in fact did respond to said allegations of contempt at trial and in post-trial filings. Additionally, the Court notes that this Order is in addition to, and in no way supersedes (or is itself superseded by) the following issued orders: the Order for Permanent Injunction and Monetary Judgment against Defendants Andris Pukke, Peter Baker, and Luke Chadwick ("De Novo Order"); and Order for Permanent Injunction and Monetary Judgment against Defaulting Defendants John Usher, Global Property Alliance Inc., Sittee River Wildlife Reserve, Buy Belize LLC, Buy International Inc., Foundation Development Management Inc., Eco Futures Development, Eco-Futures Belize Limited, Power Haus Marketing, Prodigy Management Group LLC, Belize Real Estate Affiliates LLC, Exotic Investor LLC, Southern Belize Realty LLC, Sanctuary Belize Property Owners' Association, and The Estate of John Pukke ("Default Order"). The Court notes, however, that the monetary judgment associated with the Telemarketing Contempt is joint and several with the Equitable Monetary Judgment contained in the De Novo Order.

As a result of Andris Pukke's, Peter Baker's, and John Usher's contumacious conduct,

IT IS THEREFORE ORDERED:

1. Because Pukke did not cooperate with the FTC in connection with the Monetary Relief and turnover provisions of the Court's prior order in *AmeriDebt*, No. 03-cv-3317 (May 17, 2006), ECF No. 473 (the "Telemarketing Order"), Pukke is ordered to pay the FTC $172 million

within thirty (30) days of entry of this Order (as reduced by the amounts credited to him and increased by any applicable interest).

2. Andris Pukke must, within thirty (30) days, transfer to the FTC all amounts he, any of the Receivership Entities (as defined in the De Novo Order), or any other person or entity acting on his behalf, at his direction, or under his control, have paid to John Vipulis since May 31, 2007 in excess of $4,112,000.00. Because these are funds that Pukke was otherwise required to pay to the FTC previously, and his contumacious conduct resulted in these funds being diverted to John Vipulis, this remedy is a compensatory contempt remedy.

3. Within thirty (30) days of this Order, Pukke must submit an accounting to the FTC detailing all such payments he, any of the Receivership Entities (as defined in the De Novo Order), or any other person or entity acting on his behalf, at his direction, or under his control, have paid to John Vipulis since May 31, 2007. The accounting ordered in this paragraph shall include the dates of, amounts, and reasons for any such payments, and Pukke shall sign the accounting under penalty of perjury.

4. Pukke, Baker and Usher must, within thirty (30) days, transfer to the FTC $120.2 million (as reduced by the amounts, if any, already distributed to consumers by the FTC and increased by any applicable interest), which represents the total consumer loss their contumacious conduct caused. Specifically, this sum represents consumer loss caused by their violation of the Telemarketing Order, which prohibited any false or misleading representation in connection with "telemarketing," as it defined. For Pukke, this $120.2 million sum is in addition to the $172 million he owes the FTC because of his non-cooperation with the FTC in the context of the Telemarketing Order's Monetary Relief and turnover provisions.

5. For clarity only, and without implying that the FTC's post-judgment discovery would otherwise be limited by any other section of this order, the De Novo Order, or the Default Order, the FTC may make use of the reporting provisions in the De Novo Order and Default

Order, as well as engage in judgment collection discovery pursuant to this Order to determine compliance with this Order's turnover and accounting provisions.

6. Based on this Order, Pukke, Baker, and Usher have ongoing obligations to make the payments and transfers identified above. Their failure to comply, in whole or in part, may subject them to additional coercive contempt remedies until they shall have complied or taken appropriate steps to comply.

SO ORDERED, this 17 day of JAN, 2021.

PETER J. MESSITTE
UNITED STATES DISTRICT JUDGE

UNITED STATES DISTRICT COURT
DISTRICT OF MARYLAND
SOUTHERN DIVISION

In re SANCTUARY BELIZE LITIGATION

No: 18-cv-3309-PJM

FEDERAL TRADE COMMISSION

Plaintiff,

v.

AMERIDEBT, INC. et al.
Defendants.

No: 03-cv-3317-PJM

~~[PROPOSED]~~ ORDER REGARDING DISPOSITION OF REMAINING FUNDS FROM POLACSEK DISTRIBUTION

On July 28, 2022, Plaintiff the Federal Trade Commission ("FTC") submitted a motion requesting that it use the funds remaining after the third *Polacsek* distribution to redress Sanctuary Belize victims. For good cause shown,

IT IS HEREBY ORDERED:

A. The FTC's motion is **GRANTED.**

B. The FTC shall continue to hold the $238,663.40 in funds remaining from *Polacsek* for future distribution to Sanctuary Belize victims.

SO ORDERED, this 16 day of Aug, 2022.

UNITED STATES DISTRICT JUDGE

Attachment 4