

In re Sanctuary Belize Litigation

Consumer Committee Meeting

Virtual Teleconference

July 27, 2023 | 3:30pm – 5:00pm ET

Invitees	
Name	Affiliation
Craig Hibbert	Consumer Committee Member
James (Jimbob) Slocum	Consumer Committee Member
Jodi Vance	Consumer Committee Member
Leslie Thomas	Consumer Committee Member
Linda Ozminkowski	Consumer Committee Member
Lisa Daniels	Consumer Committee Member
Michele Westlander Quaid	Consumer Committee Member
Shawna Arop	Consumer Committee Member
Shryl Kirkbride	Consumer Committee Member
Benjamin Theisman	FTC
Marc Ferzan	Receivership Team
Mike Schultz	Receivership Team
Rachel Woloszynski	Receivership Team

Agenda

- I. Receivership Updates
- II. Court Matters
- III. Consumer Committee Member Feedback / Questions

Meeting called to order at 3:30 p.m. ET

I. Receivership Updates

June 14th Order and administrative next steps

- As a reminder, on June 14, 2023, the Court entered the Receiver’s proposed Order approving the next phase of consumer redress, across three primary areas: (1) administration of the first round of redress payments for eligible Sanctuary Belize Consumers; (2) initiating activities to enable the marketing and potential sale of Belize land assets; and (3) surveying all eligible consumers concerning available lot election choices.
 - **First Round of Redress Payments:** The Order authorizes the Receivership Team to **distribute an initial round of redress payments totaling \$10 million to eligible consumers with Sanctuary Belize lots.**
 - The Receivership Team is in the process of finalizing administrative logistics and has:
 - Calculated individual pro rata redress payment amounts (pursuant to the requirements of the June 14th Court Order) and is in the process of coordinating the mailing of checks to consumers; and
 - Prepared communications and helpful reference materials for consumers, including email notices containing information regarding the initial redress payments, and frequently asked questions and answers.
 - As a reminder, there are currently no cash proceeds available to provide redress payments to Kanantik consumers. It is anticipated that future redress payments for eligible Kanantik consumers will come from the sale of Kanantik land and other assets.
 - The Receivership Team expects to distribute email notifications and direct the mailing of the redress payment checks to eligible consumers in August 2023.
 - Eligible consumers associated with more than 1,200 Sanctuary Belize claims are expected to receive redress payments. Claim-specific redress payment calculations will be provided via email notification to all eligible Sanctuary Belize consumers. Checks will be sent via U.S. mail, and consumers will have 120 days from the date of issuance to negotiate the checks before they expire.
 - **Marketing and Sales Activities:** The Order also enables the Receivership Team to **commence efforts to market and attempt to sell receivership estate assets.**
 - The Receivership Team has engaged CBRE – a global commercial real estate services and investment firm – to serve as the real estate broker

on behalf of the Estate for the Belize land assets (in accord with the requirements of the June 14th Court Order). The Receivership Team is collaborating with CBRE in connection with the initiation of the Court-ordered preliminary information gathering or Request for Information (“RFI”) process, as well as in the development of the bidding or Request for Proposals (“RFP”) process to engage with potential purchasers, investors, and developers. While dependent on the schedule of participants, it is expected that the RFI process will likely conclude by September 2023.

- **Consumer Survey:** In addition, the June 14th Order contemplates that the Receiver will **survey eligible consumers concerning one of three lot election choices**.
 - More information regarding the survey will be made available to consumers once the RFI process has concluded. In the meantime, consumers may reference paragraphs 7-9 of the June 14th Order and the [Receiver’s March 2023 Progress Report and Status Update](#) (including Section VIII) for additional information regarding the survey.

Consumer Committee meeting schedule

- As a reminder, pursuant to the June 14th Order, the Consumer Committee shall generally convene on a quarterly basis going forward, with additional ad hoc meetings to be scheduled as needed. The next planned Consumer Committee meeting will take place in September 2023, followed by a meeting in December 2023. The Receivership Team will continue to provide updates to all lot purchasers via email and website postings, as well as by making available progress reports and other filings submitted to the Court on the Receivership website.

Operations and maintenance of Belize development areas

- The development area experienced two days of heavy rain over the weekend of July 22nd, which caused flooding at and near the Haney Bridge. The water subsided within a few days, and staff addressed impacted areas. No significant damages were reported.

II. Court Matters

Defendants’ petition for writ of certiorari to the U.S. Supreme Court

- The Defendants’ petition for a writ of certiorari to the Supreme Court seeking reversal of the District Court’s rulings with respect to, among other things, the underlying contempt findings against them remains pending. A conference is scheduled for September 26, 2023 (following the summer recess), at which time the Supreme Court is expected to determine whether or not to grant review of the case.

Defendants’ appeal to the Fourth Circuit

- On July 12, 2023, the defendants filed a Notice of Appeal to the Fourth Circuit of the District Court’s June 14, 2023 Order Implementing Next Phase of Consumer Redress and June 14, 2023 Order Reforming and Reaffirming the Final Orders.

- The Notice of Appeal does not automatically stay the Orders that are the subject of appeal, and the defendants have not filed a separate motion seeking a stay, so the June 14th Orders remain in effect.
- It is expected that the Fourth Circuit will set a briefing schedule for the appeal over the coming weeks.

Federal criminal indictment charging Pukke pending in New York

- On July 26, 2023, a pretrial conference was held in connection with Mr. Pukke's criminal matter pending in the Southern District of New York. During the pretrial conference, the Court set the following schedule:
 - Pretrial motions are due by September 29, 2023 (with responses due by October, 27, 2023, and replies due by November 3, 2023);
 - The next pre-trial conference is calendared for November 17, 2023; and
 - Trial is currently set for March 18, 2024.

III. Consumer Committee Member Feedback / Questions

- Engagement from Consumer Committee members on the foregoing topics was addressed by the Receivership Team members and the FTC.

Meeting adjourned at 4:53p.m. ET