

# Sanctuary Belize Litigation & Receivership

## Frequently Asked Questions (FAQs)

*Update as of August 16, 2023*

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## Redress Plan

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### 1. What is the Redress Plan?

The Redress Plan, also called the Compensation Plan, was proposed by the Federal Trade Commission (FTC) to compensate eligible Sanctuary Belize, Kanantik, and other specified buyers and owners with funds recovered in the *In re Sanctuary Belize Litigation* matter. Parts of the Compensation Plan have been implemented by the Receiver, and the Court issued an order on June 14, 2023 authorizing the Receiver to take additional steps to enable consumer redress approved by the Court.

### 2. Has the Court approved the Compensation Plan?

On August 18, 2022, the Court entered an [Order](#) directing the Receiver to collect and review claim applications as described in the Compensation Plan. The Receiver completed the claim application process on February 9, 2023.

On June 14, 2023, the Court entered a separate [Order](#) proposed by the Receiver authorizing the next phase of consumer redress, and the Order directed the Receivership Team to:

- (1) Send the first round of payments to eligible consumers,
- (2) Market and attempt to sell the Belizean land, and
- (3) Survey eligible consumers to determine their lot election choices.

You can find additional details regarding these steps (including the timing of each) in FAQs below.

## Consumer Eligibility

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### 3. How do I know whether I'm eligible to participate under the Compensation Plan requirements?

On February 9, 2023, the Receivership Team notified people about the outcome of their claim. You may login [here](#) to view your Claim Application Determination Notice.

## Compensation for Eligible Sanctuary Belize Claims

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### 4. What is the total amount of money being distributed in the initial round of redress payments?

On June 14, 2023, the Court ordered the Receiver to send initial payments totaling \$10 million to eligible Sanctuary Belize lot purchasers on a *pro rata* basis.

### 5. How much money will I receive in the initial distribution?

As required by the Court in the June 14<sup>th</sup> Order, initial payments were calculated on a *pro rata* basis using the following formula:

**\$XX,XXX.XX** (*Amount Paid for your lot as listed in your Claim Application Determination Notice*)

÷ **\$135,987,984.47** (*Aggregate Amount Paid for all eligible Sanctuary Belize claims*)

X **\$10,000,000.00** (*Court-ordered distribution amount available for Sanctuary Belize claims*)

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= **\$XXX.XX** (*Your redress payment amount*)

Eligible consumers will receive an email that includes their individual Claim Application redress payment amount.

## 6. How will I receive the initial distribution?

If you are the sole eligible owner listed in your Claim Application, a check will be sent by U.S. mail to the address you provided in your Claim Application.

If there are multiple owners listed in your Claim Application, the Receivership Team mailed a single check payable to all the eligible owners to the mailing address provided by the lead claimant. The joint check requires all listed parties (including co-owners, business entities, Trusts, Estates, and/or IRAs) to endorse the check.

Please note that consumers are responsible for adhering to any legal and regulatory requirements associated with their business entity, Trust, Estate, and/or IRA (as may be applicable) in connection with receiving and directing check proceeds.

## 7. When will I receive my check?

Paper checks were sent by mail on August 16, 2023 (or soon thereafter). Please allow 2-3 weeks for delivery inside the U.S., and 3-4 weeks for delivery to addresses outside the U.S.

## 8. What is the deadline to cash my check?

The deadline to cash your check is 12/14/2023 – 4 months or 120 days after the date it was issued. Please cash your check by the “void” date listed on the check.

## 9. If I bought multiple lots, will I receive compensation for each lot?

Consumers will receive a payment for each eligible Claim Application. Consumers with multiple eligible Claim Applications will receive separate checks and separate confirmation emails for each of their eligible Sanctuary Belize lots.

## 10. If I jointly bought and co-signed an agreement to buy a lot with somebody else, and we submitted a joint Claim Application for that lot, will we both receive compensation?

The Receivership Team sent one check per joint Claim Application. The joint check is payable to all eligible consumers listed in the Claim Application (including co-owners, business entities, Trusts, Estates, and/or IRAs) and requires all listed parties to endorse the check.

### **11. Are there any tax obligations if I accept the redress payment?**

If you have any questions about how your redress payment may affect your taxes, please consult a tax advisor.

### **12. Will I receive additional compensation?**

While additional redress payments are likely, so far the Court has only approved one distribution for eligible Sanctuary Belize consumers, totaling \$10 million. The Receivership Team will provide additional information concerning future redress payments as soon as it becomes available.

## **Compensation for Eligible Kanantik and Other Covered Development Area Claims**

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### **13. Will Kanantik and other covered development area lot purchasers receive compensation in the first payment distribution?**

No. There is currently no money available to pay these claims.

The Receivership Team anticipates sending redress payments for Kanantik and other covered development area claims following Court approval of the potential sale of the Kanantik land and other assets to a purchaser.

## **Future Development**

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### **14. How and when will a new developer be identified?**

On June 14, 2023, the Court ordered the Receiver to begin marketing and attempting to sell the Belizean land in the Sanctuary Belize and Kanantik development areas.

The Court's [June 14<sup>th</sup> Order](#) directs the Receiver to hire a reputable international real estate brokerage firm and work with that firm to prepare marketing materials, address necessary land validation issues, and initiate a Request for Information ("RFI") process directed to potential purchasers, investors and developers. The RFI process is expected to take approximately two months. The process will help us measure interest in the Belizean land and better understand the priorities and needs of potential purchasers, investors, and developers.

Using the information obtained through the RFI process, the Receiver and the real estate brokerage firm will develop and initiate a Request for Proposals ("RFP") process to solicit bids from potential purchasers, investors and developers. This process is expected to take at least nine months, and possibly longer. If the RFP process results

in an acceptable bid for any or all of the Belize Real estate, the Receiver will seek court approval to sell the assets.

The Receivership Team will provide relevant updates as progress concerning real estate marketing efforts continues.

## Consumer Options

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### 15. When can I expect to hear my options about lot ownership and participation in any future potential development plan in connection with the properties?

The Court's [June 14<sup>th</sup> Order](#) directs the Receiver to prepare and distribute an online survey to eligible consumers regarding their lot election choices. The Receiver will send the survey after the "Request for Information" process described in FAQ#14 is complete. Eligible consumers will have three options:

- (1) Acquire their lot prior to the completion of the "Request for Proposal" process and get a discount (if the lot has not already been fully paid off),
- (2) Make no decision now whether to acquire their lot. Wait and decide after the "Request for Proposal" process is complete and the Court has approved the potential sale of some or all of the Belizean land, or
- (3) Decline to acquire a lot and waive all rights, and obligations, to a lot at any time in the future (as part of any Court-approved redress).

The survey will contain information for the consideration of consumers about the risks associated with each of the three options.

The June 14<sup>th</sup> Court Order provides additional information regarding these three options and the risk disclosures.

Eligible consumers will be notified when the survey is available.

## More Resources

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There are several resources available on the Receiver's website with helpful information, including:

- The Compensation Plan,
- The Court's [August 18, 2022 Order](#) Regarding Implementation of portions of the Redress Plan, and
- The Court's [June 14, 2023 Order](#) Implementing Next Phase of Consumer Redress.

If you have questions or would like additional information, please use any of the following ways to contact the Receivership Team:

- **Recommended**: Go to the Receiver's website at [www.SanctuaryBelizeReceivership.com](http://www.SanctuaryBelizeReceivership.com), and click the "Contact Us" button
- Send an email to: [info@sanctuarybelizereceivership.com](mailto:info@sanctuarybelizereceivership.com)