

UNITED STATES DISTRICT COURT  
DISTRICT OF MARYLAND  
SOUTHERN DIVISION

*In re* SANCTUARY BELIZE LITIGATION

No: 18-cv-3309-PJM

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

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

**I. SUMMARY OF RELEVANT BACKGROUND**

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

Under the Costanzo Judgment, the Receiver (which was originally Robb Evans & Associates LLC) was to complete its duties by August 2, 2020. Under the Greenfield Judgment and Kazazi Judgment, the Receiver was to complete its duties by October 5, 2020. Under the Chittenden Judgment and Santos Judgment, the Receiver was to complete its duties by October 10, 2020. Pursuant to the Order Granting Application for Extension of Term of Receiver Pursuant to Stipulated Judgments (Doc. 1072) (“First Extension Order”), the Court extended the Receiver’s term under the Stipulated Judgments to October 10, 2021. Pursuant to the Order Granting Second Application for Extension of Term of Receiver Pursuant to Stipulated Judgments (Doc. 1306) (“Second Extension Order”), the Court extended the Receiver’s term under the Stipulated Judgments to October 10, 2022. Pursuant to the Order Granting Third Application for Extension of Term of Receiver Pursuant to Stipulated Judgments (Doc. 1380) (“Third Extension Order”), the Court extended the Receiver’s term under the Stipulated Judgments to October 10, 2023.

The successor Receiver requests that his term be extended again, so that the Receiver's term under each of the Stipulated Judgments runs through October 10, 2024, which would be one year from the last day of the Receiver's term provided under the Third Extension Order. Good cause exists to extend the Receiver's term under the Stipulated Judgments as set forth below.

**II. GOOD CAUSE EXISTS TO EXTEND THE RECEIVER'S TERM**

First, this is a unitary receivership estate, so it would be burdensome and inefficient for the Receiver to wind up duties with respect to different defendants at different times. In addition to serving as Receiver under the Stipulated Judgments, the Receiver is also serving as Receiver under other judgments and orders too. *See e.g.* Doc. 1112 (judgment against the defaulting defendants) and Doc. 1194 (judgment against Andris Pukke, Peter Baker and Luke Chadwick). Notably, those judgments have no time limit on the Receiver's term. The Receiver should serve until the entire receivership estate is wound up at one time and the Receiver obtains a single discharge.

Second, because of the unitary nature of the receivership estate, the Receiver has not been making periodic distributions to the FTC under these separate Stipulated Judgments. The FTC had proposed a comprehensive Redress Plan for defrauded consumers with the goal of, among other things, disbursing the net assets collected by the Receiver and the FTC, including those which constitute Receivership Assets under the Stipulated Judgments. The Court entered an Order on August 18, 2022, pursuant to which the Receiver was instructed to initiate implementation of the first 150 days of the Redress Plan, beginning September 12, 2022 (Doc. 1373). This has been completed. *See, e.g.*, Doc. 1455 (Successor Receiver Report of Activities for the Period February 1, 2023 to June 30, 2023). The Court subsequently entered an Order Implementing Next Phase of Consumer Redress (Doc. 1446) on June 14, 2023, the implementation of which is ongoing. As required by the terms of the Order, the Receiver has: (i)

distributed the first round of redress payments for eligible Sanctuary Belize consumers; (ii) engaged an international real estate brokerage firm and undertaken efforts to prepare for the marketing of the Belize real estate assets for potential sale; and (iii) developed an approach to survey all eligible consumers concerning one of three lot election choices following direction from the Court on pending issues to be further considered at the status conference scheduled for October 10, 2023. Therefore, the Receiver cannot wind up his duties under the Stipulated Judgments at this time because it would be inconsistent with the implementation of consumer redress.

Finally, Defendants Andris Pukke, Peter Baker, and John Usher have appealed the Order Implementing Next Phase of Consumer Redress (Doc. 1446) and the Order Reforming and Reaffirming the Final Orders (Doc. 1447). The appeal is pending before the Fourth Circuit Court of Appeals and has not yet been fully briefed. Additionally, Defendants Andris Pukke, Peter Baker, and John Usher have filed a Petition for Writ of Certiorari in the United States Supreme Court that has been briefed and was distributed for the September 26, 2023 conference. No order has been issued as of the time of this filing. It would be premature for the Receiver to wind up any portion of the receivership estate prior to the determination of this appeal which may affect the receivership estate.

### **III. CONCLUSION**

For these reasons, the Receiver respectfully requests that the Receiver's term under the Stipulated Judgments be extended until October 10, 2024, which is one year from the final day of the Receiver's term under the Third Extension Order. There is no prejudice to any of the stipulating defendants or other parties in interest, because this request does not enlarge or modify any of the Receiver's duties as negotiated by the defendants under the Stipulated Judgments and it does not expand or modify any of the obligations of the defendants under the Stipulated

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

Respectfully submitted,

Dated: September 26, 2023

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UNITED STATES DISTRICT COURT  
DISTRICT OF MARYLAND  
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*In re* SANCTUARY BELIZE LITIGATION

No: 18-cv-3309-PJM

**[PROPOSED] ORDER GRANTING FOURTH APPLICATION FOR EXTENSION OF  
TERM OF RECEIVER PURSUANT TO STIPULATED JUDGMENTS**

The Court, having read and considered the Fourth Application for Extension of Term of Receiver Pursuant to Stipulated Judgments (“Application”) brought by Marc-Philip Ferzan of Ankura Consulting Group, LLC, Receiver (“Receiver”), and good cause appearing therefore, it is

**ORDERED** that the Application shall be and is hereby granted in its entirety; and

**IT IS FURTHER ORDERED** that without limiting the generality of the preceding sentence, the Receiver’s term as set forth in the (1) Stipulated Order for Permanent Injunction and Monetary Judgment Against Defendants Frank Costanzo and Ecological Fox LLC and Relief Defendant Deborah Connelly (Doc. 668) (“Costanzo Judgment”); (2) Stipulated Order for Permanent Injunction and Monetary Judgment Against Defendants Brandi Greenfield and BG Marketing, LLC (Doc. 788) (“Greenfield Judgment”); (3) Stipulated Order for Permanent Injunction and Monetary Judgment Against Defendants Rod Kazazi and Foundation Partners (Doc. 789) (“Kazazi Judgment”); (4) Stipulated Order for Final Judgment Against Relief Defendants Angela Chittenden and Beach Bunny Holdings LLC (Doc. 819) (“Chittenden Judgment”); and (5) Stipulated Order for Permanent Injunction and Monetary Judgment Against Defendant Michael Santos (Doc. 820) (“Santos Judgment”) (collectively, the “Stipulated

Judgments”), and previously extended by the Order Granting Third Application for Extension of Term of Receiver Pursuant to Stipulated Judgments (Doc. 1380) (“Third Extension Order”), shall be and is hereby extended for an additional year to October 10, 2024 in connection with and pursuant to the Stipulated Judgments. To the extent necessary or appropriate, this Order shall be *nunc pro tunc* to October 10, 2023, the final date of the Receiver’s term as set forth in the Third Extension Order.

Dated:

HONORABLE PETER J. MESSITTE  
UNITED STATES DISTRICT JUDGE

**Certificate of Service**

The undersigned hereby certifies that on September 26, 2023, a copy of the foregoing was served via the Court's ECF notification service upon all parties entitled to receive such notification. A copy of the foregoing was additionally served, by email at the addresses below, to the following people and entities:

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Dated: September 26, 2023

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