

**In re Sanctuary Belize Litigation**  
Quarterly Consumer Committee Meeting  
Virtual Teleconference  
March 28, 2024 | 3:30pm – 5:00pm ET

<b>Invitees</b>	
<b>Name</b>	<b>Affiliation</b>
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
Jonathan Cohen	FTC
Benjamin Theisman	FTC
Marc Ferzan	Receivership Team
Mike Schultz	Receivership Team

**Agenda**

- I. Upcoming Consumer Redress Initiatives Under June 14, 2023 Court Order
  - a. Timing and Resources for the Consumer Lot Choice Survey
  - b. Additional Option No. 1 Considerations for Consumers Seeking to Complete the Purchase of their Lots
  - c. Timing and Scope of Request For Proposals Bidding Process to Market Development Areas
- II. Operations & Maintenance
- III. Court Matters
- IV. Consumer Committee Meeting Schedule

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

## I. Upcoming Consumer Redress Initiatives Under June 14, 2023 Court Order

The Court's June 14, 2023 Order (the "June 2023 Order") directed consumer redress initiatives, including the following:

- The Consumer Lot Choice Survey; and
- The Request for Proposals ("RFP") Bidding Process for the Sanctuary Belize and Kanatik Development Areas.

### A. Timing and Resources for the Consumer Lot Choice Survey

- The Court entered a December 28, 2023 Order (the "December 2023 Order") for the provision of consumer assistance resources during the Consumer Lot Choice Survey process.
- Following entry of the December 2023 Order, the Receivership Team, with the approval of the FTC, engaged a vendor with reasonable rates to implement the administration of the online Survey program.
- At the direction of the Receivership Team, and using the Survey materials approved by the FTC, the vendor will assist consumers with their lot choice preferences relative to the three available options outlined in the June 2023 Order, which are summarized as follows:
  - Option No. 1: Acquire your lot now and proceed to finalize the purchase (to the extent that title to the property is available to be transferred);
  - Option No. 2: Defer the decision of whether to acquire your lot, or a new a lot, until after completion of the RFP bidding process and Court approval of a potential sale of some or all of the Belize development area assets -- to the extent an investor or developer may choose to offer lots for sale to consumers under terms and conditions that are acceptable to them; or
  - Option No. 3: Decline to acquire your lot and waive all rights to acquire a lot at any time in the future as part of any Court-approved redress.
- The Lot Choice Survey is expected to be distributed to consumers by email in April. Consumers will then have 90 days to review their Survey options and consider other relevant factors in making their lot choice elections for each eligible lot.
- When the Survey is launched, the Survey itself, as well as Frequently Asked Questions ("FAQs"), will provide important information (including related to risk considerations and process steps) to help consumers evaluate which option may be best for them.

- The FAQs and other helpful resources, including Belize real estate purchase process guidance, maps, photographs, and Sanctuary Belize and Kanantik government land records, will be posted on the Receivership website at [www.SanctuaryBelizeReceivership.com](http://www.SanctuaryBelizeReceivership.com).
- In addition, a dedicated customer support team will be available to provide email and toll-free telephone helpline assistance.

**B. Additional Option No. 1 Considerations for Consumers Seeking to Complete the Purchase of their Lots**

- Under the June 2023 Order, consumers electing Option No. 1 will be able to complete the purchase of the lot reflected in their approved Claim Applications and acquire title to the extent that:
  - the lot is located in a Belize government-approved subdivision;
  - any competing claims (in instances where the defendants sold the lot multiple times) have been resolved in the consumer's favor; and
  - the transfer is otherwise determined to be permissible pursuant to Belize legal and regulatory requirements and factoring in other relevant considerations that may impact and/or preclude title transferability (including, but not limited to, encumbrances).
- For those consumers electing Option No. 1 concerning lots that are available for transfer, pursuant to the June 2023 Order, they will be provided as part of the Survey process with discounted pricing information and a reformed contract for their consideration in deciding whether they want to buy out their lots.
- In addition, Option No. 1 consumers should also factor in that they will be responsible for paying closing-related costs, including government fees and tax expenses, legal and administrative fees and costs, and any other professional services expenses they may incur in connection with evaluating and completing lot purchases.

**C. Timing and Scope of RFP Bidding Process to Market Development Areas**

- Consistent with the directive in the Court's June 2023 Order, the Receiver engaged global real estate brokerage firm CBRE to assist with the marketing and sale of the Sanctuary Belize and Kanantik development area assets.
- The planned RFP bidding process will offer more than 18,000 acres in Belize land assets for sale to prospective investors and developers around the world, and is expected to launch in or before the third quarter of 2024.
- Since its retention in July 2023, the CBRE Team, in coordination with the Receivership Team, has been working towards the launch of the formal RFP bidding process by, among other things:
  - Preparing comprehensive and detailed offering material drafts

for prospective bidders;

- Organizing a virtual “data room” with comprehensive underlying development area records that will facilitate due diligence for bidders;
  - Conducting site visits of the development areas to review key asset features, quantify constructed infrastructure and utilities, further validate due diligence materials, and refine offering approaches; and
  - Compiling additional perspective and market information concerning comparable real estate to support land valuation assessments.
- As previously reported, in accordance with the requirements of the June 2023 Order, the Receivership Team and CBRE undertook a preliminary information-gathering process that was completed in August 2023 to, among other things, assess interest in the Belize land assets, better understand current market conditions, determine investment priorities and the needs of potential purchasers, and assist in the development of the formal bidding process.
  - The Receivership Team subsequently engaged in working sessions with CBRE to further envision offering approaches, maximize the interest of target bidders from around the world, consider investor expectations for Belize government engagement and support, refine the organization and drafting of the RFP materials, and project process timelines.
  - Pursuant to the information obtained during this information-gathering process and the guidance provided by CBRE and other real estate industry professionals to date, it is expected that incorporating flexibility into the bidding process will have the potential to maximize investor and developer interest, as well as corresponding bids. While details of historical development area plans and Belize government approvals will be presented in the offering materials, it is envisioned that, among other things, RFP guidelines will allow for prospective bidders to have the latitude to submit offers for some or all of the land based on those master plans, or to bid based on their own re-envisioned development area plans.
  - To the extent that the RFP bidding process generates meaningful and credible offers, they will be presented to the Court with Receiver recommendations for consideration and approval prior to any development area land transfers.

## **II. Operations & Maintenance**

- Following local management personnel changes in December 2023, a new General Manager was designated to serve in an acting capacity. As of the beginning of March 2024, the acting General Manager was appointed to take on the role on a permanent basis.
- Beginning in January 2024, the first phase of a roadway maintenance project was initiated to address existing roadway integrity and conditions across the main

Sanctuary Belize roadways. As the first phase of the project is completed, a similar next phase is planned to commence in the second quarter of 2024 for key interior subdivision roadways.

- On February 21, 2024, the Receivership Team circulated a reminder notice to consumers offering general guidance regarding land tax payments for 2024 in anticipation of the April 1, 2024 deadline to pay Belize land taxes. As a general matter, the Receivership Team will make land tax payments for parcels/lots that are held in the names of the corporate entities in the Receivership estate (for which title has not been transferred).
- The Receivership Team arranged for the payment of taxes in connection with the parcels/lots for which available government land records reflect that the Receivership estate maintains the ownership interest.

### **III. Court Matters**

#### 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 (as well as all prior related and subsumed 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 Orders remain in effect.
- The defendants filed their opening brief on September 26, 2023, the FTC filed its responding brief on November 17, 2023, and the defendants filed their reply brief on December 8, 2023. The appeal remains pending.

#### U.S. Court of Federal Claims Filing by the Defendants

- On July 3, 2023, certain of the defendants filed a complaint in the United States Court of Federal Claims alleging that the United States government "illegally exacted" assets from them in connection with the proceedings before the District Court.
- On September 29, 2023, the United States filed a motion to dismiss the complaint on the basis that the Court of Federal Claims lacks jurisdiction to hear the case and, even if it did have jurisdiction, the complaint does not state a valid claim for illegal exaction.
- On October 27, 2023, the defendants filed their opposition to the United States' motion to dismiss.
- Oral argument on the motion is scheduled for April 18, 2024.

#### Federal Criminal Indictment Charging Pukke Pending in New York

- Mr. Pukke's criminal matter remains pending in Federal Court in the Southern District of New York.

- A final pre-trial conference is scheduled for June 3, 2024, following the filing of any motions and other pre-trial submissions.
- Trial is currently scheduled for June 12, 2024.

#### **IV. Consumer Committee Meeting Schedule**

- The next quarterly Consumer Committee meeting is scheduled to take place on June 27, 2024.
- Please keep an eye out for the launch of initiatives under the June 2023 Order. 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.

*Meeting adjourned at 5:10 p.m. ET*