

UNITED STATES DISTRICT COURT  
DISTRICT OF MARYLAND  
SOUTHERN DIVISION

*In re* SANCTUARY BELIZE LITIGATION

No: 18-cv-3309-PJM

**REPLY IN SUPPORT OF FEDERAL TRADE COMMISSION’S REDRESS  
ADMINISTRATION PLAN AND PROPOSED ORDER GOVERNING REDRESS (DOC.  
1117-1) AND IN REPLY TO OPPOSITION PLEADINGS FILED BY CERTAIN  
CONSUMERS (DOCS. 1137-1, 1137-2, 1175, 1175-1 AND 1175-2)**

COMES NOW, Robb Evans & Associates LLC (“Receiver”) and submits the following Reply in Support of the Federal Trade Commission’s Redress Administration Plan and Proposed Order Governing Redress (Doc. 1117-1) and in Reply to Opposition Pleadings Filed by Certain Consumers (Docs. 1137-1, 1137-2, 1175, 1175-1 and 1175-2).

The Receiver joins in and supports the Federal Trade Commission’s (“FTC”) Redress Administration Plan and Proposed Order Governing Redress (Doc. 1117-1) (“Redress Plan”) as being a carefully crafted, well thought out and equitable means of distributing assets collected and to be collected by the Receiver and the FTC and providing a path forward for the development of the Sanctuary Belize and Kanantik developments for the benefit of defrauded consumers.

In opposition to the Redress Plan, seven of ten members of the Consumer Committee have filed a series of letters and pleadings (Docs. 1137-1, 1137-2, 1175, 1175-1 and 1175-2) led by Craig Hibbert and Michele Weslander Quaid (the “Hibbert Quaid Objections”), heavy on *ad hominem* attacks against the FTC and the Receiver, but light on explaining or developing a

workable, equitable or clear alternative plan. The Receiver will, for the most part, defer to the FTC to address the substantive points made in the Hibbert Quaid Objections and will defer to the FTC to address the other objections. However, the Receiver wishes to correct the record on a few important points regarding the Hibbert Quaid Objections.

**A. The Hibbert Quaid Objections are Not the Work of or Sanctioned by the Consumer Committee**

The letter addressed to the Court on February 18, 2021 on behalf of seven of ten Consumer Committee members (Doc. 1137-1), is signed by Craig Hibbert (“Hibbert”) as “Sanctuary Representative” and Michele Weslander Quaid (“Quaid”) as “Kanantik Representative.” Accompanying this letter was a pleading entitled “Committee Members Letter to the Court Re: Redress Plan” (Doc. 1137-2). These designations misled the Court into assuming that Hibbert “represents the Consumer Committee and its members.” (Doc. 1137).

Subsequently, a second letter addressed to the Court was filed on March 1, 2021 (Doc. 1175). It was also signed by Hibbert and Quaid using the same designations they used in their first letter to the Court. Attached to the letter were documents entitled “Belize Consumer Committee and Owners Redress Plan” (Doc. 1137-1) and “Consumer Committee and Owner Response to FTC Redress Plan” (Doc. 1137-2). All of these letters and documents which comprise the Hibbert Quaid Objections mislead a reader into believing that they are the work of or sanctioned by the Consumer Committee.

However, the Hibbert Quaid Objections do not represent the official or unofficial position of the Consumer Committee. The Consumer Committee was never tasked with the development of a redress plan and the positions set forth in the Hibbert Quaid Objections were never discussed at any meeting of the Consumer Committee. The Consumer Committee was

formed pursuant to the Order Governing Interim Receivership Management (Doc. 559) (“Interim Management Order”). The Interim Management Order was entered after a hearing was held to consider various interim management plans which had been submitted and represents the Court’s adoption, for the most part, of the interim management plan submitted by the FTC, with the Receiver’s support. The Interim Management Order addressed the interim management of Sanctuary Belize. No part of that Order, including the terms for the establishment of the Consumer Committee, addressed consumer redress plans or the long-term development of Sanctuary Belize. At no time did the Consumer Committee meet to address, develop or consider a redress plan.

Additionally, at no time did Hibbert, Quaid or any other consumer member of the Consumer Committee control or direct the functions of the Consumer Committee. All members of the Consumer Committee were appointed by the Receiver pursuant to the Interim Management Order (Section I.C). The Receiver generally prepared the agenda for each Consumer Committee meeting and chaired all meetings. As contemplated by the Interim Management Order, it was a committee geared to providing input and guidance to the Receiver with respect to the Receiver’s interim management responsibilities over Sanctuary Belize (and, later on, Kanantik too).

Therefore, it is misleading and incorrect to suggest that the Hibbert Quaid Objections are the formal or informal product of the Consumer Committee. It is further misleading and wholly unfair to suggest that the Redress Plan means that the “time and effort [of the Consumer Committee] were all for naught” (Doc. 1137-1) and that the “entire [Consumer Committee]

process appears to have been nothing more than an elaborate charade to give owners the false impression that they had a voice in this saga.” (Doc. 1137-2). Since its inception, the Consumer Committee has provided valuable assistance to the Receiver in carrying out its interim management duties. It was never intended as a vehicle to assist the Receiver or the FTC in constructing a redress plan. The Receiver never intended to, and did not, waste the time and effort of Consumer Committee members or engage in a “charade.” At all times, the Receiver managed the Consumer Committee operations consistent with the intention that it function to assist the Receiver in its interim management of Sanctuary Belize.

**B. The Redress Plan Treats All Consumers Equally, Contrary to the Assertions of the Hibbert Quaid Objections**

While deferring to the FTC with respect to many of the fundamental challenges the Hibbert Quaid Objections level against the Redress Plan, the Receiver wishes to make one key point about the objections which attack the manner in which consumer redress will be determined and paid out. Repeatedly, the Hibbert Quaid Objections seem to suggest that the Redress Plan does not treat all consumers equally when determining how distributions (redress payments) are to be paid out. For example, these objections assert: “Paying consumers a percentage of their actual investment in the development makes the most sense.” (Doc. 1175-2, p. 2). “[E]very dollar an owner paid in should be treated like a share, and each owner should receive a dividend according to the amount of shares they have.” (Doc. 1175-2, p. 3).

**This is precisely what the Redress Plan does.** As set forth in Section I. 69 of the Redress Plan, the “Sanctuary Distribution Formula” provides that all Sanctuary Belize consumers receive distributions on a pro rata basis, determined by their “Amount Paid,” which is defined to mean all amounts paid by a Lot Purchaser for an Eligible Lot, including all principal, interest, taxes, HOA fees and other costs and consideration. (Section I. 69). Similarly, Section I.



The Receiver respectfully requests that the various objections to the Redress Plan be overruled, specifically including the Hibbert Quaid Objections, and that the Court enter the Proposed Order Governing Redress (Doc. 1117-1).

Dated: March 12, 2021

By: /s/ Gary Owen Caris

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