

UNITED STATES DISTRICT COURT
DISTRICT OF MARYLAND

PETER J. MESSITTE
UNITED STATES DISTRICT JUDGE

6500 CHERRYWOOD LANE
GREENBELT, MARYLAND 20770
301-344-0632

MEMORANDUM

To: Counsel of Record & Pro Se Parties

From: Judge Peter J. Messitte

Re: In re Sanctuary Belize Litigation
Civil No. PJM 18-3309

Date: February 18, 2021

The Court has received the attached submissions from Craig Hibbert, who advises that he represents the Consumer Committee and its members. In addition to stating various objections to the FTC's proposed redress plan, Mr. Hibbert requests an extension of tomorrow's deadline, as well as additional time to file a competing redress plan. The Court will **GRANT** a one (1) week extension of the current deadline to oppose the FTC's proposed plan. Thus, any comments or "alternative plans" must be submitted on or before February 26, 2021. The FTC's deadline to reply will remain March 12, 2021.

The Court has also received communications from unrepresented parties that wish to comment on the FTC's proposed plan. Those parties are hereby advised that any future correspondence with the Court must be filed with the Clerk of Court.

Despite the informal nature of this ruling, it shall constitute an Order of the Court and the Clerk is directed to docket it accordingly.

/s/
Peter J. Messitte
United States District Judge

CC: Court File

February 18, 2021

The Honorable Peter J. Messitte
U.S. District Court
District of Maryland, Southern Division
6500 Cherrywood Lane, Suite 475A
Greenbelt, Maryland 20770

RE: *In re Sanctuary Belize Litigation*, No. 18-cv-3309-PJM (D. Md.)

Dear Hon. Peter J. Messitte,

Seven (7) out of the ten (10) Consumer Committee members would like to register their discontent and frustrations with the FTC plan and the apparent disregard of Consumer Committee input. We have taken this seriously and put a lot of time and effort into this process, and genuinely worked to represent all of the consumers the best that we could. When you signed the order creating the Committee, we anticipated it being a real opportunity for all owners to have input and be heard. Unfortunately, upon review of the FTC's proposed Redress Plan, which was presented to us hours before it was released to the masses, it is apparent that is not what happened and our time and effort were all for naught. The attached four-page summary highlights significant shortcomings with the FTC's plan, which we had no hand in developing. Though the FTC presents the plan as "equitable," it is not.

The FTC first presented their proposed Redress Plan to the Consumer Committee during the January 28, 2021, Consumer Committee meeting. During that meeting, the Consumer Committee members had many questions and concerns and asked for additional details, including an explanation of the "seller deceptive price" used in their scenarios. The FTC declined to provide further information during the meeting and said they would send examples. They did not send those examples until two (2) weeks later, which is only one (1) week before the deadline to file responses to the court (reference **Case 1:18-cv-03309-PJM, Document 1132-1, Filed 02/11/21, "Explanation Concerning Lot Price Formula"**). Consequently, two-thirds of the response time afforded to the owners was lost waiting for the FTC to provide additional information. Also, due to weather emergencies across North America, some of the owners have been without utilities such as power and water and unable to contribute to the final stages of an owner rebuttal to the FTC's plan.

Therefore, we are requesting that the court afford a two (2) week extension for the owner's responses. Owners are presently discussing better alternatives and collaborating on what they believe will be more equitable plans. They would appreciate the court allowing three (3) full weeks to complete the plan development rather than the one (1) week we have now. We hope that our voices can finally be heard and that your honor will grant us an opportunity to present our ideas regarding a more equitable plan.

Respectfully yours,



Craig Hibbert
Sanctuary Representative



Michele Weslander Quaid
Kanantik Representative

CC: Consumer Committee members who signed the letter
Shawna Arop
Lisa Daniels
Larry Grice
Linda Osminkowski
James Slocum

All counsel and *pro se* parties (via email)

Enclosure: Letter from 7 of 10 Consumer Committee members

IN THE UNITED STATES DISTRICT COURT
DISTRICT OF MARYLAND

FEDERAL TRADE COMMISSION)	
)	
Plaintiff,)	
)	
v.)	Civil Action No. 18-cv-3309-PJM
)	
ECOLOGICAL FOX, LLC, <i>et al</i>)	
)	
Defendants.)	
)	
_____)	

COMMITTEE MEMBERS LETTER TO THE COURT RE: REDRESS PLAN

TO: THE HONORABLE PETER J. MESSITTE, UNITED STATES DISTRICT JUDGE,
TO THE PARTIES AND THEIR COUNSEL, AND OTHER PARTIES IN INTEREST:

On 08/23/2019, Judge Messitte signed Document 559 approving the formation of a “Consumer Committee” consisting of eight consumers chosen to represent different categories of Sanctuary Belize Lot Owners; the Committee was officially expanded on 01/12/2021 to include two Kanantik Belize Lot Owners.

The Consumer Committee members have donated hundreds of hours of work in the name of this project since its inception, with a lot of attention and detail being placed on the Articles of Association, the Restrictive Covenants, Conditions and Easements (RCC&Es), the HOA, Assessments and who would own the common land. It was a plethora of work and was done with the genuine belief that we were making a difference and that our efforts would be rewarded with a redress plan that would lead to an equitable outcome for all lot owners. Though we often disagreed, we worked together to execute our charter.

With that in mind, you can imagine our utter dismay to find out that this entire process appears to have been nothing more than an elaborate charade, designed and executed to give owners the false impression that they had a voice in this saga. The FTC Redress Plan was developed without any real consultation and input from the Consumer Committee, leading us to believe that our concerns were ignored and disregarded. The Consumer Committee members were only made aware of the final redress plan contents hours before it was released to the masses. The result is a plan that does not present equitable restitution to all categories of lot owners. Furthermore, the plan is devoid of critical information and does not resolve major foundational issues that factor heavily into the consequential final decisions that must be made by lot owners.

We have conveyed to the FTC and the Receiver, and now want to convey to the court, that we had no part in this plan and do not support this plan, and we do not believe any rationally minded lot owner would support the plan either. It is mind-boggling to us how the FTC can attempt to operate in a similar fashion as the defendants and expect the court and owners to accept it. There is more information being withheld from the consumers now than at any time prior to their involvement. The FTC expects and is enticing owners to make a choice as to whether to “opt-in” or “opt-out” without providing the owners with any of the following:

- Articles of Association - Restrictive Covenants, Conditions and Easements
- A definitive answer regarding who owns the land a particular owner’s lot is on and who owns the common land around it
- Information regarding whether the Sittee River Wildlife Reserve (SRWR), a Belizean nonprofit association comprised of all lot owners within the SRWR, which is charged

with the operation, maintenance, and governance of the Sanctuary Belize development and community, will survive this process and what role it will play

- Details around the amount or scope of the Homeowners Association (HOA). Where will the HOA be incorporated? What are the terms? All rules, regulations, fees, assessments, and any caps on those assessments, and whether they will be the same for everyone, and how the monies will be used must be determined and disclosed as all these factors will result in consequential legal and financial obligations to all lot owners
- Details around what happens if no buyer is found within a specified amount of time, what have the people who opted in agreed to? How long can the project last?
- Information regarding what happens if a person has an unencumbered lot now – are they forced to sign a new contract and take the terms of the new arrangement without knowing them?
- What happens if all 474 “fully paid” lot owners from Sanctuary, plus the 101 “fully paid” lot owners from Kanantik, decide to keep the land that they have paid for in full and “opt-out” of the redress plan for whatever reason, can New Sanctuary survive with half the lot owners opting out?







These above-listed items are basic, fundamental tenets of any real estate transaction. No one can make a truly educated and informed decision whether to "opt-in" or "opt-out" without these details. If the FTC is allowed to continue with this plan, they would be enticing the owners who are victims of the original fraud into a further potential financial abyss (e.g., financial hardship, bankruptcy, and/or destitution). This is contrary to what the FTC championed when they initiated legal action against the defendants.

If this is the best they can do, perhaps *laissez-faire* would have been the best remedy for the owners as this redress plan does not render any real value for the collective. Other plans will emerge that afford better solutions.

Conclusion

Given the major impact of the redress plan on the futures of hundreds of injured consumers, we hope that the court will reject the FTC's redress plan as currently written, and demand full disclosure of all the missing information to the consumers forthwith such that they can all make informed decisions. Ignoring the voices and direction of the Committee—when it was created for precisely that reason—evidences the FTC's motives to push through its plan as opposed to creating a plan that is equitable for all classes of aggrieved lot owners. The court, and all owners should reject the FTC's plan, require full disclosure, and allow all lot owners to have input and options moving forward. The court should compel the FTC to engage in meaningful dialog with the Committee to achieve an equitable plan for all lot owners. It is the lot owners' money that is being spent to fund the Receiver. The lot owners should be heard, their input considered, and their concerns heeded—that is what equity dictates.

Respectfully Submitted,

Consumer Committee Member	Signature
Shawna Arop	
Lisa Daniels	
Larry Grice	
Craig Hibbert	
Linda Osminkowski	
James Slocum	
Michele Weslander Quaid	