

## In re Sanctuary Belize Litigation

Consumer Committee Meeting

Virtual Teleconference

August 25, 2022 | 3:30pm – 5:00pm ET

<b>Attendees</b>	
<b>Name</b>	<b>Affiliation</b>
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 Weslander Quaid	Consumer Committee Member
Shawna Arop	Consumer Committee Member
Shryl Kirkbride	Consumer Committee Member
Jonathan Cohen	FTC
Marc Ferzan	Receivership Team
Rachel Woloszynski	Receivership Team
Terry Brody	Receivership Team

### Agenda

- I. Redress Plan Update
- II. Receivership Update
- III. Consumer Committee Member Topics

Meeting called to order at 3:30pm ET

## I. Redress Plan Update

### Court Order Regarding Implementation of the Redress Plan:

- On August 18, 2022, the U.S. District Court in Maryland entered an Order providing for the implementation of the initial stages of the Federal Trade Commission's proposed Redress Plan (the "Redress Plan"), which will govern the remedies for eligible consumers in connection with the *In re Sanctuary Belize Litigation* matter.
- Per the August 18<sup>th</sup> Order, only the steps outlined in Section II. through Section III.A. of the Redress Plan are authorized. These Sections require the Receivership Team to accomplish the steps below over a 150-day period following the September 12, 2022 effective date:
  - Provide notices to consumers concerning the Redress Plan;
  - Conduct consumer information sessions;
  - Distribute and collect claim applications; and
  - Convey consumer eligibility status.
- Certain components of the Redress Plan remain under the Court's consideration and have not been approved. Based on the Court's Order, the Receiver is not yet authorized to:
  - Approve consumer payments;
  - Make payment distributions to eligible consumers;
  - Provide consumers with their lot ownership options; or
  - Sell the Belize development areas to qualified developer(s).
- Per the August 18<sup>th</sup> Order, the Receiver will submit a progress report to the Court within 180 days of the September 12, 2022 effective date, and await direction from the Court concerning further administration of the Redress Plan.

### What consumers can do to prepare for Claim Application processing:

- If consumers have not done so already, the Receivership Team requests that they promptly provide their contact information -- including preferred email address, physical mailing address, and phone number -- via [info@sanctuarybelizereceivership.com](mailto:info@sanctuarybelizereceivership.com), so that necessary communications regarding the upcoming Redress Plan administration steps may be accomplished.
- Consumers are encouraged to begin familiarizing themselves with the definitions set forth in Section I ("Definitions") of the Redress Plan, found at pages 1-19. Consumers also are encouraged to generally familiarize themselves with the Redress Plan process steps and upcoming timeframes. A timeline that provides an overview of the Court-Ordered Redress Plan administration steps is attached to these minutes. The Receivership Team will provide additional orientation information for all consumers in a September notice regarding the Redress Plan and subsequent moderated information sessions, as well as in the instructions on the process steps to submit a Claim Application.

- The Receivership Team expects to distribute a Claim Application to all consumers by October 27, 2022. In advance of that date, consumers are strongly encouraged to begin gathering information and available documentation in support of their submission, including:
  - Purchase contracts, sales contracts, and/or equivalent documents demonstrating the consumer’s ownership interest in an Eligible Lot (as well as related information, such as contract price, financed balance, loan term, interest rate, and discounts);
  - Records establishing payments made towards the purchase of the Eligible Lot, such that the Amount Paid contemplated in the Redress Plan may be established (including principal payments, interest payments, HOA fees, late fees, and Belize general sales tax);
- Other documentation consumers may need in support of completing a Claim Application include in accord with the requirements of the Redress Plan:
  - Records concerning any “foreclosure,” “default,” loss of the Eligible Lot, or legal dispute with Subject Sellers;
  - Records reflecting any compensation, Assets, or Transfer from Subject Sellers to the consumer (other than the Transfer of the Eligible Lot to the Lot Purchaser);
  - Records reflecting any Transfer of the Eligible Lot from the consumer to a third party;
  - Transfer Certificate of Title (TCT) for consumers who hold title to their lot and received a TCT from the government of Belize evidencing their ownership interest; and/or
  - If you purchased your lot under the name of a business (including a corporation, limited liability company, partnership, or some other business entity), supporting documentation evidencing your ownership interest in the entity (e.g., Articles of Incorporation, Operating Agreement, Partnership Agreement, and/or other business formation documents).
- Consumers should be on the lookout for correspondence from the Receivership Team as of the September 12, 2022 effective date, which will include initial notice regarding the Redress Plan, information on the moderated information sessions, and instructions on the process steps to submit a Claim Application.

Purpose of the Claim Application:

- The purpose of the Claim Application is to allow consumers to confirm and/or provide information regarding their eligibility to participate in the Redress Plan, their legal interest in a particular lot or lots, and the amounts they paid. The Claim Application will be structured to solicit necessary detail required by the Redress Plan.
- The Receivership Team will pre-populate fields with available information related to the consumer’s name and contact information, lot the consumer has an interest in, and amounts paid by the consumer, as well as the relevant contract terms.
- Consumers will be asked to review and validate information presented by the Receivership Team in the Claim Application. As a general matter:
  - If consumers agree with the information presented by the Receivership Team in the Claim Application, no additional documentation will be required.

- If consumers disagree with the information presented by the Receivership Team in the Claim Application, they will have the opportunity to produce supporting information and documentation to substantiate their claim.

#### Submitting Claim Applications:

- Consumers will be strongly encouraged to submit their Claim Application using the online Claim Portal. The automated platform will offer the most expeditious and effective option for consumers to complete their Claim Applications. Paper Claim Applications will be made available as needed.
- Instructions on how to access and use the online Claim Portal will be provided along with the Claim Application.

#### Support resources available to consumers during Claim Application process:

- Support resources will be made available to all consumers throughout the Claim Application process, including recorded moderated information sessions, FAQs, instructions on how to submit a Claim Application, and customer support agents to answer questions via email, and by phone as may be necessary.

## **II. Receivership Update**

### Ongoing Property Operations and Maintenance

- *Recent Storm*
  - In August 2022, the Sanctuary Belize development area experienced significant storms. The Receivership Team is aware of the heavy rains and flooding and has been evaluating security and maintenance considerations.
  - Local staff has been evaluating storm impacts and will make recommendations on any necessary repairs. The ongoing road maintenance plan may be adjusted and/or reprioritized in light of the damage assessments.
  - The Receivership Team also engaged an electrical engineer to survey relevant infrastructure and identify opportunities for cost-effective solutions to mitigate the risk of power surges and internet outages.

## **III. Consumer Committee Member Topics**

- A Consumer Committee member inquired about emergency management measures to accommodate local residents following flooding in the aftermath of extreme weather events. After the most recent storms, the Receivership Team has engaged with local staff to evaluate whether additional emergency management protocols for residents could be implemented in a safe and efficient manner.

*Meeting adjourned at 4:53pm ET*

# Court-Ordered Redress Plan Administration & Timeline

On August 18, 2022, the U.S. District Court in Maryland entered an Order providing for the implementation of the initial stages of the Federal Trade Commission’s proposed Redress Plan (the “Redress Plan”), which will govern the remedies for eligible consumers in connection with the *In re Sanctuary Belize Litigation* matter.

Per the Court's Order, only the steps outlined in Section II through Section III.A of the Redress Plan are authorized. These Sections require the Receivership Team to accomplish the steps below over 150-days following the September 12, 2022 effective date:

- (1) Provide **notices** to consumers concerning the Redress Plan;
- (2) Conduct consumer **information sessions**;
- (3) Distribute and collect **claim applications**; and
- (4) Convey **consumer eligibility** status.

## Timeline providing overview of the Court-Ordered Redress Plan administration steps:



\*Per the August 18th Order, following completion of the timeline above the Receiver will submit a progress report to the Court within 180 days of the September 12, 2022 effective date, and await direction from the Court concerning further administration of the Redress Plan.