

**In re Sanctuary Belize Litigation**  
Quarterly Consumer Committee Meeting  
Virtual Teleconference  
June 27, 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
Elizabeth Brennan	FTC
Mike Schultz	Receivership Team
Marc Ferzan	Receivership Team

**Agenda**

- I. Redress Initiatives Under June 14, 2023 Court Order
  - A. Lot Choice Survey
  - B. Request For Proposals Bidding Process to Market Development Areas
- II. Court Matters
- III. Next Scheduled Consumer Committee Meeting

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

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

- The Court’s June 14, 2023 Order (the “June 2023 Order”) directs consumer redress initiatives, including the Lot Choice Survey, and the Request for Proposals (“RFP”) Bidding Process for the Sanctuary Belize and Kanantik Development Areas.

### A. Lot Choice Survey

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

- The Lot Choice Survey was distributed to consumers by email on April 8, 2024.
- Consumers will have through July 8, 2024 to review their lot choice options and consider other relevant factors in making their selection for each eligible lot.
- The Survey itself, as well as Frequently Asked Questions, provide important information (including risk considerations and process steps) to help consumers evaluate which option may be best for them.
- In addition, other helpful resources, including a Belize real estate purchase process guide, maps, photos, and Sanctuary Belize and Kanantik government land records, are posted on the Receivership website at: [www.SanctuaryBelizeReceivership.com](http://www.SanctuaryBelizeReceivership.com)
- A dedicated customer support team is also available to provide assistance via email ([help@SanctuaryBelizeLotSurvey.com](mailto:help@SanctuaryBelizeLotSurvey.com)) and toll-free telephone helpline (1-833-637-6358).

#### Lot Choice Survey Options

- Pursuant to the June 2023 Order, each eligible consumer is afforded the opportunity to select one of three options that will inform whether they will seek to:
  - Acquire their lot now and proceed to finalize the purchase (to the extent that title to the property is available to be transferred) (“Option No. 1”);
  - Defer the decision of whether to acquire their 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 (“Option No. 2”); or
  - Decline to acquire their lot and waive all rights to acquire a lot at any time in the future as part of any Court-approved redress (“Option No. 3”).
- The Survey also includes a separate category for consumers who already hold title to their lot and, therefore, do not need to choose from Option Nos. 1, 2 or 3. For any consumers indicating they already hold title, the Receivership Team will review available land records to assess whether it appears that title has, in fact, been transferred from the

### Receivership.

- To the extent that the Receivership Team's review of available land records does not show that a title transfer from the Receivership Estate has occurred, impacted consumers will be informed and given the opportunity to resubmit their Survey choice to select from Options Nos. 1, 2 or 3.
- For lots involving co-owners, all individuals or entities listed in a joint Claim Application must coordinate amongst themselves and separately complete and submit their own Survey in order to collectively choose the same option.
- To the extent that eligible consumers do not complete the Survey or multiple co-owners do not select the same option, they will be assigned Option No. 2.

### Additional Option No. 1 Considerations for Consumers Seeking to Buy Out Their Lots

- Under the June 2023 Order, consumers electing Survey Option No. 1 will be able to complete the purchase of the lot reflected in their approved Claim Application 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).
- The June 2023 Order also requires that consumers who elect Option No. 1 enter into a reformed contract that will be provided during the Survey process.
- 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 the purchase.

### Lot Choice Survey Program Administration Update

- According to Survey administrator data, from the initiation of the program on April 8, 2024 up to the Consumer Committee meeting, the Survey portal had been accessed more than 6,000 times and nearly 1,400 consumers had made a Survey selection.
- Final Survey data will be available following the July 8, 2024 selection deadline.

### **B. RFP Bidding Process to Market Development Areas**

#### Overview

- Consistent with the directive in the Court's June 2023 Order, the Receiver engaged global real estate brokerage firm CBRE to assist the Receivership Estate with the marketing and sale of the Sanctuary Belize and Kanantik development area assets.

- The marketing efforts in connection with the RFP bidding process were launched on May 29, 2024. The RFP offers more than 18,000 acres in Belize land assets for sale to prospective investors and developers from around the world.
- A copy of the RFP offering memorandum for consumers may be found on the landing page of the receivership website at [www.SanctuaryBelizeReceivership.com](http://www.SanctuaryBelizeReceivership.com), and may also be accessed [here](#).
- Results of the Consumer Lot Choice Survey will be incorporated in the offering materials for the consideration of prospective purchasers.
  - As previously noted, the Survey program will not only enable the Receivership Team to follow up with consumers to accommodate lot choices based on their selections, but it will also serve to collect foundational information on additional individual lot transfers and future interest in potential lot purchases that will be relevant to potential investors and developers who may be interested in bidding during the RFP process for the purchase of some or all of the development area land.

#### Marketing Efforts in Connection with the May 29<sup>th</sup> RFP Launch

- Among other things, marketing efforts by CBRE have consisted of:
  - Activation by CBRE of a dedicated RFP website;
  - Distribution of notice of the RFP, which provides an offering overview to CBRE's global network of potential investors and developers;
  - Issuance of a CBRE press release; and
  - CBRE information sessions with interested parties.
- As part of the RFP marketing materials, interested bidders who enter into confidentiality agreements and request information may have access to:
  - The offering memorandum that provides a detailed overview of the assets available for sale;
  - Due diligence materials, including development area maps, surveys, title records, government permits and approvals, corporate records, land tax payment records, U.S. and Belize court filings and orders, photographs, and aerial video footage; and
  - Guidance to prospective purchasers on bidding parameters and how to submit offers.
- The RFP process will generally include the following steps, which may be subject to adjustment in order to facilitate bidding and contracting:
  - Following execution of confidentiality agreements, the review and consideration of offering materials by prospective bidders;
  - Coordination of site visits for interested prospective bidders;
  - Review of offers in the form of completed bidder questionnaire & term sheet forms;

- Bidder(s) with offer(s) deemed to be viable will be provided with reasonable time to conduct additional investigation and complete due diligence;
  - Bidder(s) with offer(s) deemed to be viable wishing to proceed will negotiate and enter into fully executed purchase agreement (requiring U.S. Court approval);
  - Executed purchase agreement(s) will be submitted by the Receiver to the U.S. Court for consideration for approval in accordance with statutory overbidding and other U.S. and Belize legal process requirements; and
  - Following any U.S. Court approval, scheduling and administration of closing according to terms of the purchase agreement.
- Under the June 2023 Order, the RFP process is scheduled to take up to nine months from the May 29, 2024 launch date, but it may be extended upon notice to the Court that additional time is necessary and appropriate to facilitate bidding.

### RFP Offering Parameters

- In accordance with feedback provided by experienced developers during the Request for Information process, as well as guidance provided by CBRE and other real estate industry professionals, the RFP is designed to encourage flexible bidding with the objective of maximizing investor and developer interest, as well as corresponding bids. Accordingly, offering parameters will enable prospective purchasers to submit offers for the entire real estate portfolio, individual developments areas, or land tracts within the development areas.
  - In addition, bidders can submit bids with the intention of pursuing residential, commercial, or other uses for the land, as well as development plans that are re-envisioned from what was previously planned prior to the receivership.
- To facilitate the analysis of bids relative to the goals of the receivership and the interests of consumer stakeholders, the bidder questionnaire requires that prospective purchasers provide information about their background and plans to develop the property, including, but not limited to, whether they intend to:
  - Pursue residential development, commercial development, and/or other uses for the real estate;
  - Provide services and/or amenities, including 24-hour security, power and water hook up, roadway completion, utilities and infrastructure maintenance, and facilities access;
  - Maintain a form of controlling covenants, conditions, restrictions and/or easements;
  - Enable a property owners association (or similar body); and/or
  - Offer lots for purchase to Option No. 2 consumers who previously entered into lot purchase agreements with the defendants prior to 2018, but did not complete the purchase of their lots during the Survey process -- and, if so, apply any credits from prior contract payments and/or offer the lots at discounts.

- As previously noted, to the extent that the RFP bidding process generates meaningful and credible offers, they will be provided to the Court with Receiver recommendations for consideration and approval prior to any development area land transfers.

## **II. 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.
- Oral argument has been tentatively calendared during the September 24-27, 2024 session.

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

- Mr. Pukke's criminal trial commenced the week of June 17, 2024, and was ongoing in the Southern District of New York.

## **III. Next Scheduled Consumer Committee Meeting**

- The next quarterly Consumer Committee meeting is scheduled to take place on September 26, 2024.
- 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 5:00 p.m. ET*