

## In re Sanctuary Belize Litigation

Consumer Committee Meeting

Virtual Teleconference

April 27, 2022 | 4:00pm – 5:30pm ET

Attendees	
Name	Affiliation
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
Shawna Arop	Consumer Committee Member
Shryl Kirkbride	Consumer Committee Member
Benjamin Theisman	FTC
Jonathan Cohen	FTC
Marc Ferzan	Receivership Team
Rachel Woloszynski	Receivership Team
Terry Brody	Receivership Team

### Agenda

- I. Receivership Administration Update
- II. Consumer Committee Member Feedback / Questions

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### Current Status of Proposed Redress Plan:

- The FTC's proposed redress plan is pending before the Court for approval.
  - The Receivership Team currently does not have any indication when the Court may rule on the proposed redress plan.
  - The Receivership Team is working to ensure that there are foundational processes in place to efficiently administer the redress plan once it is approved.
  - Consistent with past practices, Consumers will be provided with material updates as they become available.
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*Meeting called to order at 4:00pm ET*

## **I. Receivership Administration Update**

### Receivership Team Site Visits:

- The Receivership Team visited the Sanctuary Belize and Kanantik development area properties the week of April 25 with the primary goal of gathering information and preparing for the eventual marketing of the properties to a qualified developer in accord with the proposed redress plan.
- The Receivership Team prearranged meetings with management and staff, and conducted site visits across the properties to assess facilities, key infrastructure components, dwellings, airstrips, staff quarters, and open land for future development, among other things.
- The Receivership Team visited the teak and mahogany tree farms, which are located within the Plenty Tract area. There are a number of acres of relatively young trees that had been planted a few years back. As they reach maturity -- in approximately 20+ years -- they have the potential to be of significant value for future owners.
- The Receivership Team also used the site visits to further evaluate ongoing maintenance and operational responsibilities, as well as related costs.
- In addition, the Receivership Team hosted an informal town hall meeting with Sanctuary Belize residents to provide an overview of the Receivership Team responsibilities and priorities, and to answer questions.

### Real Estate Marketing Considerations:

- The Receivership Team continues to undertake preparations to market and sell the properties to qualified developer(s), as contemplated in the proposed redress plan. Activities in support of anticipated marketing efforts are ongoing, including review and evaluation of: (i) land parcels and existing infrastructure, including roadways, bridges, water, electric, and internet; and (ii) estate assets, including buildings, machinery, equipment, vehicles, and boats.
- In anticipation of future marketing and sales activities, the Receivership Team also undertook efforts to more particularly assess local real estate market conditions, and initiated outreach to large-scale developers, real estate brokers, title insurers, and infrastructure advisory resources in preparation for bid solicitation process.
- Based on information gathered to date, it is the general strategy of the Receivership Team to market the properties and solicit interest broadly (from U.S. developers as well as developers outside the U.S.) with the goal of identifying qualified developer(s) that have the requisite resources and integrity to support the necessary development area projects. Current thinking is that it will be advisable to market the Sanctuary Belize and Kanantik development areas wholistically, while at the same time, remaining open to bids for more targeted parcels.

### Roads:

- As the Receivership Team has previously advised, All Pines Road is a public road and maintenance is the responsibility of the Ministry of Works, an instrumentality of the

Government of Belize. At the request of the Receivership Team, management has previously directed formal correspondence to the Ministry of Works requesting that action be taken to improve road conditions (and highlighting health and safety interests). In the most recent letter, management requested guidance concerning whether it would be permissible to make periodic repairs as necessary for the limited purposes of addressing such health and safety interests (assuming the Ministry of Works could not confirm timely maintenance on an ongoing basis). While the written correspondence to the Ministry of Works has not yielded a formal response, a meeting with management and members of the Receivership Team was requested and scheduled with relevant Agency officials to discuss the road issues during the Receivership Team's visit.

- Sanctuary Belize staff previously performed some targeted maintenance on All Pines Road and, at the time of the Receivership Team's visit, it was generally in passable condition, but recurring, heavy rains will continue to require periodic maintenance. The staff has been directed to leverage existing materials, equipment, and personnel to the fullest extent possible in undertaking any and all road maintenance responsibilities.
- In consideration of anticipated marketing and future development interests, the Receivership Team generally recognizes the value in building and maintaining relationships with relevant government agencies, both to facilitate governmental engagement when needed and to demonstrate to potential qualified developers and investors that there can be a collaborative relationship with local regulators and other government instrumentalities. Further, it is important to note that All Pines Roads is the first landmark that prospective developers will see when they visit the Sanctuary Belize development area properties, so its maintenance will be important to marketing efforts once anticipated site visits commence. Regardless, the Receivership Team will remain diligent when evaluating maintenance priorities and in authorizing targeted, cost-conscious approaches in order to contain related expenditures.

#### Kanantik Expenses:

- By order of the U.S. Court last year, Kanantik was deemed a Receivership asset. As a result, the Receiver has been required as part of applicable Court directives to manage the Kanantik development area and preserve its assets. From the time that Kanantik became a Receivership asset, no meaningful liquid assets or income streams have been identified. As a result, operations and maintenance costs incurred in connection with the efforts of a small staff have been satisfied using estate funds recovered as a result of Sanctuary Belize claw back efforts. The Receivership Team is accounting for Kanantik and Sanctuary Belize expenditures separately, and reimbursement for Kanantik expenses is anticipated to come from the planned efforts to monetize Kanantik development area land and other fixed assets.

#### Quarterly Report:

- The Receivership Team is finalizing the periodic status report covering the first quarter of 2022, and plans to file it with the Court and circulate to all consumers shortly.

*Meeting adjourned at 4:53pm ET*