

In re Sanctuary Belize Litigation

Consumer Committee Meeting

Virtual Teleconference

January 26, 2022 | 3:00pm – 4:30pm 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
Lisa Daniels	Consumer Committee Member
Shryl Kirkbride	Consumer Committee Member
Benjamin Theisman	FTC
Marc Ferzan	Receivership Team
Rachel Woloszynski	Receivership Team
Terry Brody	Receivership Team

Agenda

- I. Receivership Administration Update
- II. Consumer Committee Meeting Follow Up
- III. Consumer Engagement
- IV. Consumer Committee Member Feedback / Questions

Meeting called to order: 3:00pm ET

I. Receivership Administration Update

An update was provided on Receivership transition and administration efforts.

- The successor Receivership Team (the “Receivership Team”) reported that it has largely transitioned responsibilities for management and oversight functions from Robb Evans & Associates. The Receivership Team will continue to engage with Robb Evans & Associates to leverage the institutional knowledge and work product of personnel as needed.
- The Receivership Team has undertaken efforts to implement efficiencies in connection with Belize operations, and to integrate controls and clear standards to promote integrity across business activities. Accordingly, a *Code of Business Conduct and Ethics*, to set forth clear standards against waste, fraud, and abuse, is being developed. The policies and processes contained in the *Code* are aligned with accepted organizational compliance practices, and encourage personnel to raise questions, issues, or concerns with management and/or the Receivership Team in a timely manner.
- The Receivership Team is continuing to develop a consolidated electronic consumer database to ensure that necessary information is aggregated and validated for impacted lot owners. The database will be employed to support redress plan administration and to help inform consumer decisions once a redress plan is approved by the Court.
- It is anticipated that an online portal and related systems will also be constructed to help administer the redress program expeditiously and efficiently. More traditional offline processes will be envisioned for consumers who cannot use a technology interface.

Belize Real Estate

- The Receivership Team is continuing to map the lot environment, review land records, validate the list of estate assets, and assess transactional records of consumers. As the Receivership Team prepares to engage with qualified developers (as contemplated in the proposed redress plan), it will be important to ensure that related information is available and accurate.

Accounting

- In furtherance of the Receivership Team’s efforts to establish controls and implement efficiencies, a streamlined procurement process was developed and instituted. The new process requires staff at the properties to complete a standardized request form and upload supporting documentation for requested purchases and to substantiate vendor payments. The Receivership Team evaluates each such request and supporting documentation to ensure that the related expense is justified in advance of approval. Documentary proof, including photographic evidence, is also typically required to demonstrate the need and/or work performed.
- The Receivership Team has transitioned accounting transaction reporting responsibilities and now oversees the estate books and records. It has also established dedicated banking capabilities and directed the transfer of estate funds previously overseen by Robb Evans & Associates.

Court Proceedings Update

- Last month, the Receivership Team updated the Consumer Committee on the Court's approval to sell the 104 Kings Place property located in Newport Beach, California. On January 7, 2022, the transaction closed and approximately \$7.6 million from the sale has been deposited into a Receivership-controlled bank account.

Receiver Reporting

- Per Court Order, the Receiver is required to prepare and file periodic status reports. An upcoming status report reflecting transition and other updates (for the period October 26, 2021, through December 31, 2021) is expected to be filed in early February and also made available to consumers via the dedicated Receivership website: www.SanctuaryBelizeReceivership.com.

II. Consumer Committee Meeting Follow Up

- At the December 2021 Consumer Committee meeting, a member alerted the Receivership Team to two non-functional boats at the marina, including one that had to be removed from the water to prevent it from sinking. The Receivership Team identified the owner of the boats and sent correspondence requesting that both vessels be removed within 30 days. If the owner does not respond within the 30-day period, the Receivership Team will alert the customs department and seek to make arrangements to have the boats removed from the property.

III. Consumer Engagement

- The Receivership Team received additional outreach from consumers following the distribution of the December 2021 Consumer Committee meeting minutes. Consumers generally inquired about the status of administration of the Receivership estate and proposed redress plan.

IV. Consumer Committee Member Feedback / Questions

- A Consumer Committee member raised the care for the horses on the property, including available veterinary care and food. The Receivership Team confirmed that it will further evaluate this matter.
- A Consumer Committee member raised a concern regarding the poor condition of roads. The Receivership Team informed that members have been engaged with staff in Belize to evaluate road conditions on an ongoing basis, and to direct that repairs be undertaken as necessary and appropriate. Certain roads, however, are on public lands, and, in those instances, the Belize staff, and/or vendors working at their direction, are not permitted to perform work on government-owned roads. However, the Receivership Team informed that it will coordinate with management staff to initiate outreach to local government to request that the conditions be addressed.
- A Consumer Committee member inquired as to the status of the boats in the Receivership estate and whether it is anticipated that any boats will be sold or could be used by lot owners. During its inventory assessment, the Receivership Team identified a number of boats owned by the estate, some of which are believed to be operational and others which are not. The Receivership Team is evaluating whether it is appropriate to continue to maintain the boats, or to sell some or all, as well as appropriate uses.

- A Consumer Committee member asked whether Wi-Fi will be reinstated at the Beach Club. The Receivership Team confirmed that it will further evaluate the request.
- A Consumer Committee member inquired when the Receivership Team anticipates visiting the Belize properties. The Receivership Team is conducting necessary work in anticipation of engaging a qualified developer, including analyses to quantify estate assets, structures, parcels, utilities, etc. The Receivership Team explained that having this work completed before visiting will maximize efficiencies.
- A Consumer Committee member inquired when the proposed redress plan is approved, whether it can be implemented regardless of the status of pending appeals. The Receivership Team indicated that it will confer with counsel should this occur, but believes if the Judge approves the redress plan, administration can be initiated.
- A Consumer Committee member inquired whether changes were contemplated for the Sittee River Wildlife Reserve Board (“SRWR Board”). The Receivership Team explained that before any changes could be made, the Belize court must first rule on a pending motion for a recognition order authorizing the Receiver to take such actions.
- A Consumer Committee member asked whether the Receivership Team was currently evaluating title transfers requests from consumers. The Receivership Team explained that it was addressing such (limited) requests and referenced the prerequisites for title transfers, which include, among other things, the requirement that the underlying lot be paid in full.
- A Consumer Committee member informed that a marina sign blew over more than a year ago and has not been cleared. The Receivership Team confirmed that it will coordinate with staff to address this matter.
- A Consumer Committee member asked about the status of resurveying. The Receivership Team is working to understand what was previously done with respect to related initiatives and will plan to provide an update on this matter.
- A Consumer Committee member asked whether there has been any movement by the Senate to vote on the *AMG Capital Management, LLC, et al v. Federal Trade Commission* case. There are no updates at this time.
- A Consumer Committee member asked whether the Receivership Team contemplated replacing any Consumer Committee members. The Receivership Team has reviewed the requirements set forth in the Order Governing Interim Receivership Management (entered on August 23, 2019), and the Order Expanding the Consumer Committee (entered on January 13, 2021). The Receiver believes the current composition of the Consumer Committee satisfies these requirements, and highlighted that, to date, members have generally been engaged, informed, and cooperative.

Meeting adjourned: 4:06pm ET