



ankura 

***In re Sanctuary Belize Litigation
18-cv-3309 (D. Md.) (PJM)***

**Receiver Report of Activities for the
Period May 1, 2024 to August 31, 2024**

Submitted: October 25, 2024



TABLE OF CONTENTS

I. Executive Summary	1
II. Status of Redress Initiatives	3
A. Consumer Lot Choice Survey Administration	3
B. Sanctuary Belize Survey Results.....	6
C. Kanantik Survey Results	7
III. Belize Real Estate Marketing and Sales Activities	9
IV. Belize Property Management Oversight	11
V. Accounting and Financial Statements	12
VI. Court Proceedings	16
VII. Conclusion.....	17



I. EXECUTIVE SUMMARY

Marc-Philip Ferzan of Ankura Consulting Group, LLC (the “Receiver”) respectfully submits this report to the United States District Court for the District of Maryland (the “District Court” or “Court”) to provide an update regarding relevant receivership administration and oversight activities that occurred over the four-month reporting period¹ from May 1, 2024 through August 31, 2024 (the “Reporting Period”), unless otherwise indicated.²

In accordance with the Court’s June 14, 2023 Order Implementing Next Phase of Consumer Redress (the “June 2023 Order”), key redress initiatives continued to be advanced over the Reporting Period. Among other things, the Receivership Team: (i) oversaw a streamlined, binding lot election survey process to empower consumer choice; and (ii) initiated the marketing of the more than 18,000 acres of Sanctuary Belize and Kanantik development area assets to prospective investors and developers through a Request for Proposals (“RFP”) process.

The 90-day consumer survey was initiated on April 8, 2024 to allow eligible consumers who have not previously acquired title to their lot to make elections to: (i) buy out their lot in advance of the completion of the RFP process, to the extent that title to the underlying property is available to be transferred; (ii) defer the decision of whether to acquire their lot, or a new a lot, until after the RFP process has been completed, to the extent a new investor or developer may choose to offer lots for sale to consumers under terms and conditions that are acceptable; or (iii) waive any right to acquire a lot. Following the conclusion of the survey period, consumer choices were logged for

¹ Receivership reporting is generally expected to occur over three reporting periods, each covering a four-month interval, to provide progress updates in connection with the activities undertaken during the 2024 calendar year.

² All capitalized terms that are not otherwise defined herein shall have the meaning ascribed to them in the Redress Plan.



corresponding lots to accommodate consumer preferences and support the RFP process, as discussed in more detail below.

On May 29, 2024, the Receivership Team, together with international real estate broker CBRE, Inc. -- Global Commercial Real Estate Services (“CBRE”), commenced the RFP process for the sale of the Belize real estate assets by: (i) launching a dedicated website that includes offering materials; (ii) providing notifications by email and through social media to CBRE’s global network of thousands of prospective investors and developers; and (iii) issuing a press release. To facilitate the marketing and sale process, the Receivership Team and CBRE jointly developed offering materials, a virtual data room with due diligence materials, and guidance to prospective purchasers on bidding parameters. Following the conclusion of the survey period, the due diligence materials were supplemented to incorporate preliminary consumer survey elections to enable prospective bidders to formulate offers and consider what accommodations (if any) they may be willing to offer consumers in their bids.

In accordance with feedback offered by experienced developers, as well as guidance provided by CBRE and other real estate industry professionals, the bidding process is designed to be flexible with the objective of maximizing investor and developer interest, along with corresponding bids. Consistent with bidding parameter guidance, a call for submission of offers commenced on September 16, 2024, with bids being considered on a rolling basis. Pursuant to the June 2023 Order, the RFP process is planned to take up to nine months (running through the end of February 2025), but it may be extended upon notice to the Court that additional time may be necessary and appropriate to facilitate bidding. Moreover, any potential sale of the real estate assets under the Order will be subject to U.S. Court review and approval.



In addition to advancing the Court-ordered redress initiatives, the Receivership Team continued to, among other things, oversee the operation and maintenance of the Belize development areas, coordinate with legal counsel in connection with civil and criminal proceedings, and keep consumers informed of relevant developments through updates to the receivership website, distribution of Consumer Committee meeting minutes, and delivery of customer support in the form of email and telephone communication resources.

II. STATUS OF REDRESS INITIATIVES

As detailed in prior reports, under the June 2023 Order the Court authorized the Receiver to, among other things: (i) offer eligible consumers certain lot-related options through an online survey; and (ii) commence preparations for marketing activities in connection with the Belize land and other assets.

A. Consumer Lot Choice Survey Administration

The consumer lot choice survey was made available over a 90-day period -- from April 8, 2024 to July 8, 2024 -- and enabled all eligible consumers to select one of the following options:

- Acquire their lot(s) and proceed to finalize the purchase, to the extent that title to the property is available to be transferred, in advance of the RFP process being completed (“Option No. 1”);
- Defer the decision of whether to acquire their lot(s), 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 assets -- to the extent that an investor or developer may choose to offer lots for sale to consumers under terms and conditions that are acceptable to them (“Option No. 2”); or
- Decline to acquire their lot(s) 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 allowed those consumers believing that they already hold title to their lot to provide



notice to the Receivership Team accordingly for review and feedback.³ Consumers who hold title to a lot, of course, did not need to choose from Option Nos. 1, 2 or 3.

During the survey period, an FTC-approved vendor facilitated consumer selections through the delivery of tailored communications to address each phase of the lot choice program relative to individual engagement.⁴ These communications included notices that: (i) announced the survey, provided a detailed overview of the available options and described the risks associated with each; (ii) reminded eligible consumers to complete the survey by the July 8, 2024 deadline; (iii) identified instances in which there are competing claims on a lot and described the process by which the Receivership Team would determine which consumer has the best claim to it;⁵ (iv) advised consumers whether available records reflect that title has been transferred; and (v) confirmed final survey selections.

The survey administrator also delivered a series of email communications to consumers who selected Option No. 1. These consumers were first advised whether their lot was available for purchase based on the status of land records and the Court-ordered survey parameters. To the

³ For any consumers indicating that they already hold title, the Receivership Team reviewed available land records to assess whether it appears that title was, in fact, transferred from the receivership. In instances in which the Receivership Team's review did not reflect that a title transfer occurred, impacted consumers were informed and given the opportunity to resubmit their survey to select from Option Nos. 1, 2 or 3.

⁴ In preparation for survey administration, the Receivership Team provided the survey administrator with a master data file containing pertinent foundational information aligned to operative Redress Plan definitions and Court-ordered lot choice program mandates that were gathered through the Receivership Team's collection, analysis, and organization of consumer Claim Application materials, Belize government records, defendant company documents, and other sources. Among other things, the data file set forth detailed information relating to each eligible consumer and corresponding lot, including underlying contract terms, payment data, and other information required to calculate the new lot purchase price for those consumers considering completing the purchase of their lot under Option No. 1.

⁵ To reach this determination, the Receiver, in accordance with the June 2023 Order, considered the Amount Paid information for each consumer with an interest in the lot as determined during the Claim Application process, as well as other relevant information and circumstances.



extent their lot was deemed to be available for purchase, these consumers were provided with new reformed contract pricing information calculated in accordance with the terms of the June 2023 Order.⁶ Following evaluation of the pricing information, consumers who advised that they wished to further consider a buyout were then provided with a reformed contract, with 60 days to review and consider it. They were also encouraged to seek the guidance of a real estate professional and/or legal counsel to assist in understanding the terms and conditions, as well as conducting due diligence prior to deciding whether to complete the purchase by executing the contract.⁷

To assist consumers in evaluating which option may present the best path for them, the Receivership Team posted Frequently Asked Questions (“FAQs”) and several other helpful resources on the receivership website, including Sanctuary Belize and Kanantik developments area maps, surveys, photos, government subdivision approvals, as well as guidance on the Belize real estate lot purchase process.⁸ In addition, dedicated live customer service resources -- supported by the survey administrator -- were available by email and telephone to address consumer outreach. From April 8, 2024 through September 30, 2024, the survey administrator received and responded to more than 1,900 inquiries regarding the survey process and related redress matters. The most common consumer inquiries pertained to the implications of selecting each of the survey options, particularly relating to the process steps following the selection of Option No. 1. Customer support

⁶ The June 2023 Order directs that the buyout of a lot to be calculated by: (i) starting with the Seller Deceptive Price (as defined in the Redress Plan); (ii) multiplying it by a price multiplier of .65 (i.e., a 35% discount); (iii) dividing that figure by the Tax Adjustment Factor of 1.125 (i.e., a 12.5% discount); and then (iv) reducing the sum by the previous Amount Paid expenditures (as defined in the Redress Plan) for such lot.

⁷ The Receivership Team coordinated with Belize legal counsel to develop a standard reformed contract template to facilitate the purchase and closing process for consumers pursuing Option No. 1.

⁸ Consumers were also able to access their lot to the extent that they wanted to visit it and/or the development area prior to making a survey selection.



resources remain available through the survey administrator to consumers who are proceeding to complete the purchase of their lot in accordance with Option No. 1.

More than 100 additional consumer inquiries were also addressed over the Reporting Period by a separate customer support vendor and the Receivership Team concerning topics that included title and land tax issues, potential future redress payments, as well as complex survey-related topics that were escalated by the survey administrator. In addition, the Receivership Team continued to provide relevant information to consumers via email and by updating the receivership website (<https://www.sanctuarybelizereceivership.com>), which includes, among other things, Receiver reports, Consumer Committee meeting minutes, various guidance and reference resources related to the survey program, and Court filings.

B. Sanctuary Belize Survey Results

The following provides an overview of the survey results associated with Sanctuary Belize lot purchasers based on available data as of October 16, 2024:

Option No. 1:

- Sanctuary Belize consumers initially selected Option No. 1 -- indicating that they were interested in pursuing a buyout -- in connection with 245 lots.
- Sanctuary Belize consumers undertook the steps to enter into reformed contracts to complete their buyout and seek to acquire title in connection with 78 lots.
- Sanctuary Belize consumers were continuing to evaluate reformed contracts and deciding on whether to complete a buyout in connection with 47 lots.

Option No. 2:

- Sanctuary Belize consumers affirmatively selected Option No. 2 -- advising of their intent to wait and see if a lot will be made available to them under acceptable terms and conditions by a potential new development area owner after the RFP process -- in connection with 118 lots.
- Sanctuary Belize consumers were assigned Option No. 2 in connection with 507 lots.
 - With respect to 279 such lots, consumers did not return a timely survey response.
 - With respect to 105 such lots, joint owners did not make the same survey selection.



- With respect to 91 such lots, consumers initially selected Option No. 1 but, after being provided with pricing information and/or reformed contracts, did not complete the steps to enter into a new contract and proceed to closing.
- With respect to 32 such lots, consumers selected Option No. 1, but their lot was not available under the terms of the June 2023 Order.

Option No. 3:

- Sanctuary Belize consumers selected Option No. 3 and relinquished their ownership interests in connection with 320 lots.

Title Confirmations:

- The Receivership Team confirmed previous title transfer records in connection with 127 lots.
 - Consumers proceeding under this option remain entitled to redress payments.

Twenty-six Sanctuary Belize lots were the subject a competing claim analysis due to the existence of multiple consumers having a potential ownership interest. As set forth above, to resolve these instances, the Receivership Team, in accordance with the June 2023 Order, considered the Amount Paid information for each consumer with an interest in the lot as determined during the Claim Application process, in addition to other relevant information and circumstances.

C. Kanantik Survey Results

As previously reported, although government land records reflect that the Mango Springs subdivision received certain Belizean government approvals, other complicating factors were identified impacting the transferability of the individual lots, including the existence of encumbrances on the underlying land parcels, the lack of boundary surveys (which the defendants failed to complete), administrative lapses relating to the underlying land parcels in the Belize Land Titles Register, and the lack of recognition of the subdivided lots by the Belize taxing authority. The Receivership Team and FTC conferred regarding the identified challenges and submitted a joint request for a status conference following the conclusion of the July 8, 2024 survey deadline to



address the underlying issues with the Court and seek additional guidance. The Court granted the request, and convened a status conference on August 14, 2024.

In advance of the status conference, the survey administrator notified the relevant Kanantik consumers who selected Option No. 1 in connection with 77 corresponding lots (approximately 20% of the total eligible Kanantik lots) of the transfer limitations under the requirements of the June 2023 Order. Among other things, the Order provides that lot transfers may occur only “subject to the permissibility of such transactions pursuant to Belize legal and regulatory requirements, encumbrances, competing claims, and other relevant considerations that may preclude transferability,” and during the status conference, the Receivership Team confirmed with the Court that the Kanantik lots were, therefore, deemed not available for transfer under its requirements. All Kanantik consumers electing Option No. 1 were subsequently provided notice that, due to the factors impacting transferability, and after considering the anticipated timetables, costs, and uncertainties, as well as other receivership priorities, the Court agreed with the Receiver and FTC’s joint recommendation that the Receiver should not attempt to transfer the Kanantik lots in accordance with the June 2023 Order. Consequently, the survey administrator advised impacted consumers that they were assigned Option No. 2.

The following provides an overview of the survey results associated with Kanantik lot purchasers based on available data as of October 16, 2024:

Option No. 2:

- Kanantik consumers affirmatively selected Option No. 2 -- advising of their intent to wait and see if a lot will be made available to them under acceptable terms and conditions by a potential new development area owner after the RFP process -- in connection with 62 lots.
- Kanantik consumers were ultimately assigned Option No. 2 in connection with 226 lots.



- As noted above, with respect to 77 of such lots, consumers initially selected Option No. 1, but their lot was deemed not available under the terms of the June 2023 Order.
- With respect to 118 lots, consumers did not return a timely survey response.
- With respect to the remaining 31 lots, joint owners did not make the same survey selection.

Option No. 3

- Kanantik consumers selected Option No. 3 and relinquished their ownership interests in connection with 112 lots.
 - Consumers proceeding under this option remain entitled to available redress payments.

Title Confirmations

- There were no individual Kanantik lot title confirmations -- as it appears that the impediments to lot transferability discussed above precluded consumers from proceeding to closing and obtaining title.

III. BELIZE REAL ESTATE MARKETING AND SALES ACTIVITIES

On May 29, 2024, the Receivership Team and CBRE initiated the RFP process for the more than 18,000 acres of Belize land and other development area assets. In connection with the launch of the RFP, CBRE, among other things, activated a dedicated website showcasing the offering and enabling access to relevant records, provided notice by email and social media of the RFP to its global network of thousands of prospective investors and developers, and issued a press release. The Receivership Team and CBRE also made various materials available to prospective bidders including: (i) an Offering Memorandum that provides a detailed overview of the assets available for sale;⁹ (ii) due diligence materials contained in a virtual due diligence room, which include development area maps, surveys, title records, government permits and approvals, corporate records, land tax payment records, U.S. and Belize court filings and orders, photos, and aerial video

⁹ A copy of the Offering Memorandum for consumers is accessible through the receivership website utilizing this [link](#).



footage;¹⁰ and (iii) guidance on bidding parameters along with a bidder questionnaire & term sheet template to facilitate the submission of bids. Since the RFP launch, CBRE has coordinated tours of the development areas and fielded outreach concerning a variety of inquiries regarding the assets.

As detailed in prior reports, based on 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, the bidder questionnaire enables prospective purchasers to submit offers for the entire real estate portfolio, individual developments areas, or land tracts within the development areas.

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: (i) pursue residential development, commercial development, and/or other uses for the real estate; (ii) provide services and/or amenities, including 24-hour security, power and water hook up, roadway completion, utilities and infrastructure maintenance, and facilities access; (iii) maintain a form of controlling covenants, conditions, restrictions and/or easements; (iv) enable a property owners association (or similar body); and/or (v) 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

¹⁰ In developing the virtual data room and offering materials, the Receivership Team assembled, analyzed, organized and shared with CBRE a multitude of records, and leveraged information obtained from site visits during which the Receivership Team and CBRE conferred with local staff, undertook assessments of the Belize real estate and other receivership assets, evaluated comparable real estate offerings to support land valuation analyses, further developed marketing strategies in advance of the RFP launch, and guided a professional photography team that captured a significant volume of high-resolution photographs and video drone footage of the expansive development areas, as well as key assets.



credits from prior contract payments and/or offer the lots at discounts. Along with the bidder questionnaire, the proposed term sheet sets forth the general conditions under which a sale of the “as is” and “where is” offering, with no representations or warranties, could be consummated.¹¹

CBRE directed a call for offers beginning on September 16, 2024, and the Receivership Team anticipates that RFP process will generally include the following next steps, which may be subject to adjustment in order to facilitate bidding and contracting:

- Review, on a rolling basis, of any submitted offers in the form of completed bidder questionnaire & term sheet forms;
- Bidder(s) with offer(s) deemed to be viable to 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 to negotiate and enter into fully executed purchase agreement (requiring U.S. Court approval);
- Executed purchase agreement(s) to 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.

Pursuant to 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.

IV. BELIZE PROPERTY MANAGEMENT OVERSIGHT

In accordance with governing orders, the Receivership Team provided ongoing oversight of operations, maintenance and security of the Belize real estate assets over the Reporting Period.

¹¹ Among other things, the term sheet includes provisions relating to the prospective bidder’s due diligence obligations, earnest money deposit requirements, and anticipated negotiation of a purchase agreement, which will ultimately require Court approval before any sale may be consummated and closing may be scheduled.



Activities undertaken by local staff included maintenance of Sanctuary Belize's primary and secondary roads through rolling and grading, repairs to the wood at the marina and Sanctuary Caye dock, in addition to other maintenance activities completed in advance of tours by prospective bidders. In coordination with local staff, a quarry permit was also obtained. In addition, to mitigate risks and protect receivership assets, the annual general liability insurance policies for Sanctuary Belize and Kanantik were renewed.

The Receivership Team generally maintained the reduced level of staffing previously implemented in the first quarter of 2022, and continued to ensure the conservation of receivership assets, including through the review and coordination of procurement requests by local staff. Although staffing reductions and other efficiency measures have reduced historical expenses, annual operations and maintenance carrying costs at current levels are still projected to exceed \$1.7 million. The Receivership Team will continue to consider potential opportunities to limit expenses where possible, while meeting the requirements of the Court's orders.

V. ACCOUNTING AND FINANCIAL STATEMENTS

The financial data reflected in the statements below show the current net assets in the receivership estate, as well as net recoveries after expenses through August 31, 2024, unless specified otherwise. The operating expenses of Sanctuary Belize and Kanantik¹² are generally recorded on a cash basis as payments are approved and issued. The statements do not include data

¹² As provided in the Final Order Concerning Kanantik, the District Court ruled that the entities and corresponding land that comprise Kanantik are receivership assets. The Receiver has continued to conserve, manage and preserve the Kanantik development area for the benefit of consumers, despite the lack of liquid Kanantik assets to support operations and maintenance costs. Consequently, related costs incurred in connection with addressing Kanantik responsibilities have been satisfied by applying other receivership estate funds. As reflected in the tables in this Section of the Report, the Receivership Team is accounting for Kanantik and Sanctuary Belize expenditures separately, so that reimbursement may be effectuated following the sale of any of the Kanantik assets.



related to the value of certain receivership assets, including land, improvements, equipment, and other assets located in Belize. Factoring in the uniqueness of the Belize assets and goals of the receivership on behalf of the consumer stakeholders, the age and condition of non-land assets, efficiency considerations, and the flexible bidding contemplated by the RFP process (including a turnkey offering for all of the development area assets, as well as operations and maintenance resources), the Receivership Team anticipates further considering valuations for the collective Belize receivership assets in connection with ongoing real estate marketing and sales efforts.

Over the four-month Reporting Period, the Receivership Team continued to roll over the more than \$10.6 million in corresponding cash holdings into subsequent monthly, interest-bearing timed deposits. In doing so, the receivership estate generated additional income from higher interest rates associated with its cash holdings, resulting in earned and accrued interest during the Reporting Period of \$194,183.

Below are the Statement of Net Assets and Statement of Net Recoveries for the four-month Reporting Period.



In re Sanctuary Belize Receivership
Statement of Net Assets

**As of August 31,
2024**

Assets:

Cash	\$	12,192,682
Accrued interest on timed deposit	(1)	40,150
Total assets		\$ 12,232,832

Liabilities:

Allocated redress payment distribution per June 14, 2023 Court Order	(2)	\$ 76,229
Ankura professional fees and expenses	(3)	195,546
Barnes & Thornburg professional fees	(3)	40,490
Other accounts payable		70,958
Total liabilities		383,223

Net assets available **\$ 11,849,609**

Footnotes:

(1) In April 2024, the Receiver transferred \$10.63 million to a Citibank Timed Deposit account with an interest rate of 4.6% and a maturity date of September 3, 2024. On the maturity date, the receivership estate received the \$10.63 million deposit plus interest of \$42,826.15. The amount reported in this schedule is the calculated interest accrued on this timed deposit as of August 31, 2024.

(2) This liability accounts for redress payments that were issued but had not yet been accepted by consumers as of August 31, 2024, in addition to holdbacks for Post-Filing Transferee claims that were ultimately determined to be ineligible by the Court.

(3) Pursuant to the Court's June 18, 2024 Order Regarding Billing Guidelines for the Receiver and its Counsel, a 10% holdback is being applied in connection with fee application requests from the fourth quarter of 2023 forward, and is accounted for as a payable until the Court considers the holdback amounts as part of a final fee request submitted at the close of the receivership.



**In re Sanctuary Belize Receivership
Statement of Net Recoveries**

	For the Period May 1, 2024 to August 31, 2024	From Inception to August 31, 2024
Recoveries:		
Atlantic International Bank settlement	(1) \$ -	\$ 23,000,000
Previously reported recoveries	-	20,786,502
Other collections	68,228	1,173,756
Interest income	194,183	975,652
Total recoveries	\$ 262,411	\$ 45,935,910
Disbursements:		
Redress payment distributions	(2) -	\$ 9,966,090
Expenses:		
Sanctuary Belize operating expenses		
Payroll	\$ 305,447	\$ 5,281,012
Equipment, maintenance, and supplies	129,456	2,701,312
Employment taxes	34,313	847,956
Property taxes and other government payments	4,663	317,153
General, administrative, and other expenses	28,437	1,119,699
Legal fees and costs	26,225	576,753
Total Sanctuary Belize operating expenses	528,541	10,843,885
Kanantik operating expenses		
Payroll	13,949	389,857
Equipment, maintenance, and supplies	5,967	64,816
Employment taxes	-	44,422
Property taxes and other government payments	11,438	92,356
General, administrative, and other expenses	30,668	193,260
Legal fees and costs	-	43,138
Total Kanantik operating expenses	62,023	827,851
Real estate property expenses	730	1,811,201
Corporate entity expenses	-	80,859
Other expenses	(3) 80,738	244,154
Receiver fees and expenses		
Ankura fees and expenses	170,473	4,643,786
REA fees and expenses	-	2,847,275
Barnes & Thornburg fees and expenses	25,107	2,710,117
Arnold & Porter Kaye Scholer fees and expenses	-	111,084
Total receiver fees and expenses	195,580	10,312,261
Total distributions & expenses	867,612	34,086,301
Net recoveries/ (distributions & expenses)	\$ (605,201)	\$ 11,849,609

Footnotes:

(1) On October 19, 2023, the Court entered an order permitting the Receiver to use: (i) all interest that has accrued or will accrue on the Atlantic International Bank Limited ("AIBL") funds for the payment of any expenses of the receivership estate; and (ii) up to \$2 million of the principal of the AIBL funds for the payment of expenses of the receivership estate. As of August 31, 2024, approximately \$1,339,000 of the AIBL principal funds had been allocated for expenses (taking into account accrued liabilities).

(2) Under the Court's June 2023 Order, \$10 million was allocated for Sanctuary Belize consumer redress payments, and an aggregate of \$9,889,861.09 was transferred to eligible beneficiaries as of August 31, 2024.

(3) Other expenses includes costs for customer support services provided by vendor Rust Consulting, as well as for vendors for records storage.



VI. COURT PROCEEDINGS

Over the quarter, the Receivership Team coordinated with counsel regarding ongoing legal proceedings. An overview of those efforts and the current status of relevant court matters is set forth below.

Criminal Prosecution of Andris Pukke

- On or about April 5, 2023, a two-count federal indictment charging Andris Pukke was unsealed in the United States District Court for the Southern District of New York. The indictment alleged that Mr. Pukke committed wire fraud and unlawful monetary transactions in connection with Sanctuary Belize-related conduct that occurred between in or about 2011 to in or about 2018.
- On April 19, 2023, Mr. Pukke entered a plea of not guilty.
- On April 3, 2024, the government obtained a superseding indictment alleging obstruction of an official proceeding in place of the unlawful monetary transactions count.
- On June 3, 2024, Mr. Pukke entered a plea of not guilty in connection with the superseding indictment.
- Following prior adjournments, trial commenced the week of June 17, 2024.
- On July 10, 2024, the jury returned verdicts of guilty on each of the two counts in the indictment charging Mr. Pukke.
- On September 9, 2024, Mr. Pukke filed a motion for judgment of acquittal or new trial. Post-trial briefing is scheduled to be completed by the end of October 2024.
- A sentencing date has not yet been set.

Fourth Circuit Appeal

- On July 12, 2023, the defendants filed a Notice of Appeal of the Court's June 2023 Order and Order Reforming and Reaffirming the Final Orders.¹³
- On September 26, 2023, the defendants filed their opening brief in connection with their appeal.
- On November 17, 2023, the FTC filed its responding brief.
- On December 8, 2023, the defendants filed their reply brief.

¹³ The Notice of Appeal does not automatically stay the June 14, 2023 Orders that are the subject of appeal, and the defendants have not filed a separate motion seeking a stay, so the underlying Orders remain in effect.



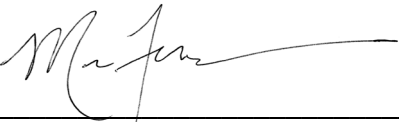
- Oral argument has been calendared for October 31, 2024.

United States Court of Federal Claims Complaint

- On July 3, 2023, certain of the defendants filed a complaint in the United States Court of Federal Claims alleging that the U.S. government “illegally exacted” assets from them in connection with the proceedings before the District Court.
- On September 29, 2023, the United States filed a motion to dismiss the complaint on the basis that the Court of Federal Claims lacks jurisdiction to hear the case and, even if it did have jurisdiction, the complaint does not state a valid claim for illegal exaction.
- On October 27, 2023, the defendants filed their opposition to the motion to dismiss.
- On September 9, 2024, the Court of Federal Claims granted the United States’s motion to dismiss.
- On September 13, 2024, the defendants filed a Notice of Appeal.

VII. CONCLUSION

Over the Reporting Period, the Receivership Team made additional progress to advance the key redress initiatives directed by the Court’s June 2023 Order. Between April 8, 2024 and July 8, 2024, the Receivership Team oversaw a streamlined, binding lot election survey process to enable consumer choice; and, on May 29, 2024, the Receivership Team, together with CBRE, initiated the RFP process to market for sale the Sanctuary Belize and Kanantik development area assets to prospective investors and developers. The Receivership Team will continue to keep consumers informed of receivership developments through ongoing reporting, Receivership website updates, Consumer Committee meeting minutes, and direct consumer communications.

By: 

Marc-Philip Ferzan
Receiver

Submitted: October 25, 2024