



ankura 

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

**Receiver Report of Activities for the
Period September 1, 2024 to December
31, 2024**

Submitted: February 28, 2025



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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 September 1, 2024 through December 31, 2024 (the “Reporting Period”), unless otherwise indicated.²

During the Reporting Period, the Receivership Team continued to advance the key redress initiatives in accordance with the Court’s June 14, 2023 Order Implementing Next Phase of Consumer Redress (Doc. 1446, the “June 2023 Redress Order”). In particular, the Receivership Team, in coordination with international real estate broker CBRE, made more progress relative to the marketing of the more than 18,000 acres of Sanctuary Belize and Kanantik development area land and other assets to prospective investors and developers. After carefully evaluating proposals submitted during extensive marketing to support the Court-ordered Request for Proposals (“RFP”) bidding process, the Receivership Team filed a motion with the Court initially on January 27, 2025 making the preliminary recommendation that First Belizean Investment Market Ltd. (“FBIM”) -- whose principals have previously developed substantial residential and commercial use projects in Belize -- be approved to proceed with the turnkey offer to purchase all development area assets for a total of \$20,500,000. In accordance with statutory requirements, the Receivership Team facilitated an overbidding process, which did not result in any qualified competitive bids. By

¹ Periodic receivership progress reporting for the benefit of the Court and stakeholders generally covers four-month intervals over the calendar year. Accordingly, three progress reports are planned for 2025.

² All capitalized terms that are not otherwise defined herein shall have the meaning ascribed to them in the Redress Plan and/or the Court’s orders.



March 14, 2025, the Receiver will make his final recommendation to the Court and submit a proposed form of Sale Authorization Order for consideration.

As stated in the Receiver's motion, it is expected that the proposed sale will result in a substantial benefit to the receivership estate, as it would: (i) relieve the estate of the significant recurring and emergent carrying costs in connection with the maintenance and operation of the sprawling Belize development area properties; (ii) pave the way for the Receiver to begin winding down the receivership estate (and for the Court to conclude this highly-litigated and long pending case); and (iii) enable the Receiver to make additional pro rata distributions to eligible Sanctuary Belize and Kanantik victim-consumers.

In addition to completing the RFP bidding and subsequent overbidding processes, the Receivership Team's activities over the Reporting Period included: (i) continuing to oversee the streamlined, binding lot choice election process to empower consumer choice, which enabled eligible consumers to complete a Lot Choice Survey over a 90-day period; (ii) managing the operations and maintenance of the Belize developments as required under the terms of the Court's orders; and (iii) coordinating with legal counsel regarding court proceedings and the anticipated sale of the Belize assets. Furthermore, the Receivership Team kept consumers informed of relevant developments through updates to the receivership website (www.SanctuaryBelizeReceivership.com), including Frequently Asked Questions ("FAQs") and court filings, email distributions to consumers, and other direct engagement via live customer support resources. To the extent that consumers have had additional questions about the RFP process and/or the Lot Choice Survey after reviewing the broad range of reference materials available on the receivership website, dedicated customer support representatives have remained



available over email (help@SanctuaryBelizeLotSurvey.com) and toll-free telephone helpline (1-833-637- 6358).

II. SUMMARY OF CASE HISTORY³

A. FTC's Complaint and Resultant Judgments

This matter was commenced on October 31, 2018 by the Federal Trade Commission (“FTC”) with the filing of a Complaint for Permanent Injunction and Other Equitable Relief (Doc. 1). The Complaint named 17 entity defendants and seven individual defendants, in addition to five relief defendants. As asserted in the Complaint, reflected in several settlement agreements, and ultimately proven by the FTC after a three-week bench trial, the defendants perpetrated a far-reaching fraud with respect to the sale of the Belize land assets, including by misleading lot purchasers about the no-debt nature of the project, the purported reinvestment of sales revenue, the construction of luxury and other amenities, the timeline for development, the state of the resale market for the lots, and the involvement of Andris Pukke, who, as noted by the Court (*see, e.g.*, Doc. 1020), had already been found guilty of criminal misconduct in connection with previous consumer deception schemes. The Sanctuary Belize judgments ultimately entered against the defendants required payment of more than \$120 million.

Among other orders, on August 23, 2019, the Court entered the Order Governing Interim Receivership Management (Doc. 559) that directed the Receiver to manage the Sanctuary Belize development in a manner designed to avoid waste and generally maintain the status quo, including for an inhabited residential community, during the pendency of the case. Between November 2019

³ Given the recent assignment of the Honorable Paula Xinis to the matter, this report provides an overview of relevant judgments, orders and filings associated with the receivership spanning more than six years. Additional case history is reflected in the record, including the Receivers' prior reports of activities (*see, e.g.*, Doc. 1334, 1342, 1365, 1378, 1412, 1455, 1481, 1505, 1525, 1539).



and January 2020, five stipulated judgments were entered into between the FTC and various defendants, each of which vested certain duties, powers and authorities in the permanent receiver (Docs. 668, 788, 789, 819 and 820).

On January 13, 2021, the Court entered an Order for Permanent Injunction and Monetary Judgment Against Defaulting Defendants John Usher, et al. (Doc. 1112) (“Default Judgment”). The Defaulting Corporate Defendants, as defined therein, included Sittee River Wildlife Reserve and Eco-Futures Belize Limited. The specified Assets that the receivership would ultimately control included the Defaulting Corporate Defendants themselves and the property controlled by those entities. The Default Judgment provided that the Receiver was authorized to take possession and control of the Receivership Assets, and to liquidate those assets subject to Court approval. *See* Default Judgment, at Section VII.

Similarly, on March 24, 2021, the Court entered an Amended Final Order for Permanent Injunction and Monetary Judgment Against Defendants Andris Pukke, Peter Baker and Luke Chadwick (Doc. 1194) (“Pukke Final Judgment”). The Corporate Defendants subject to the judgment included Sittee River Wildlife Reserve and Eco-Futures Belize Limited. The Pukke Final Judgment likewise provided that the Receiver is authorized to take possession and control of the Receivership Assets and to liquidate the Receivership assets subject to Court approval. *See* Pukke Final Judgment, at Section VII.

On March 24, 2021, the Court entered the Final Order Concerning Kanantik (Doc. 1193, “Kanantik Order”). The Kanantik Order confirmed that the entities affiliated with the Kanantik development are receivership assets, including Mango Springs Development Limited and G&R Development Company of Belize Limited.



In addition to the judgments and orders of the Court, the Receiver obtained orders on May 24, 2022 and November 29, 2022 from the relevant Belize courts for both Sanctuary Belize and Kanantik, respectively, that recognize, among other things, the Receiver's authority to perform his duties in Belize and to sell the Belizean assets.

B. Defendants' Unsuccessful Appeals

Pukke and other defendants appealed the judgments against them. On November 1, 2022, the Fourth Circuit Court of Appeals issued a published opinion on the consolidated appeals filed by, among others, Pukke, Baker and John Usher, in which it affirmed the District Court's orders appointing the Receiver and left the receivership intact -- without directing any changes. On January 4, 2023, the Court granted the FTC's motion to confirm the Receiver's control over all receivership assets pursuant to the Order Confirming Receiver's Possession of and Control Over Assets Previously Order to be Turned Over (Doc. 1397).

On June 14, 2023, the Court entered an Order Reforming and Reaffirming the Final Orders (Doc. 1447). Defendants Pukke, Baker and Usher again appealed. On November 12, 2024, the Fourth Circuit issued an opinion affirming the District Court (Doc. 1549-1), finding, among other things, that "the district court acted prudently in appointing a neutral third party to manage and disperse the assets appellants seek to control."

C. The Consumer Redress Orders

By way of additional background, on August 18, 2022, the Court entered an Order Regarding Implementation of the Redress Plan (Doc. 1373) ("August 2022 Redress Order"), which partially granted the FTC's motion (Doc. 1117) for implementation of a proposed redress plan (Doc. 1117-1) (the "Redress Plan"). Under the August 2022 Redress Order, the Receiver was directed to implement the first 150 days of the Redress Plan and submit a report to the Court within



180 days, which the Receiver did on March 10, 2023 (Doc. 1412). As described further in the Receiver's March 10, 2023 status report, pursuant to the August 2022 Redress Order, the Receivership Team developed and implemented a turnkey online Claim Application program to facilitate the broadest possible participation of eligible victims within required timelines, and to reconcile relevant financial information and lot ownership interests to support individual redress program benefits, as well as the anticipated marketing and sale process of the broader development areas. As a result of the Receiver's coordinated efforts, robust participation was made possible for victims, who were able to successfully submit Claim Applications and obtain lot-specific eligibility determinations in accordance with Redress Plan parameters. By the February 9, 2023 notification deadline, more than 2,840 eligibility notices were distributed to individual claimants in connection with over 1,700 applications received -- and 97% of those applications were determined to be eligible by the Receivership Team.

In March 2023, based on the institutional knowledge developed through the administration of the Claim Application process and considering a range of other relevant facts and circumstances, as well as marketplace dynamics, the Receivership Team presented recommendations to the Court concerning the next phase of consumer redress. Among other things, the recommendations included prioritizing the marketing of the various Belize land assets *before* undertaking substantial additional administration activities contemplated in the Redress Plan and incurring related expenses. The objectives of the recommendations were to maximize redress process efficiencies, achieve cost savings, and better inform consumer choices relative to the realities confronting the financially distressed development areas. More specifically, the Receivership Team sought Court approval to proceed with:



- Undertaking an accelerated approach to the marketing of Belize land assets tailored to market feedback and conditions;
- Enabling a binding lot election process to empower available consumer choices and streamline administration corresponding to those choices; and
- Issuing an initial round of redress payments to eligible Sanctuary Belize consumers.

On June 14, 2023, in accordance with the Receivership Team’s recommendations, the Court entered an order to govern the approach to redress. More particularly, the June 2023 Redress Order authorized the Receiver to undertake: (i) a Request for Information (“RFI”) process to further understand the commercial priorities of potential Belize real estate bidders and inform the RFP marketing and sales process relative to the unique facts and circumstances of the receivership’s Belizean assets; (ii) a flexible RFP process designed to maximize commercial interest and drive the most competitive offers; and (iii) an individual Lot Choice Survey process to allow eligible consumers without title to their lot to make elections to (a) buy out their lot in advance of the completion of the RFP process, to the extent that title to the underlying property was available to be transferred, (b) 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 (c) waive any right to acquire a lot.



III. THE MARKETING & PROPOSED SALE OF THE BELIZE DEVELOPMENT AREA ASSETS

A. Implementation of the RFI and RFP Processes

Following the instructive information-gathering through the Court-ordered RFI process,⁴ an initial 9-month timeline was contemplated for the RFP bidding process, as set forth in the June 2023 Redress Order. Relative to the multitude of challenges associated with offering and selling more than 18,000 acres of real estate in a developing country in Central America against the backdrop of the highly-publicized fraud scheme, the RFP process required substantial work to further validate the Belize assets, provide a comprehensive and user-friendly overview of the offering, and address numerous complex legal and procedural issues in the U.S. and Belize. Among other things, extensive efforts were required to:

- Reconcile Belize land records capturing the more than 18,000 acres in land assets that were broken up into hundreds of distinct parcels;
- Inventory personal property assets for Sanctuary Belize and Kanantik;
- Develop a virtual data room with extensive due diligence materials for prospective investors/developers, 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, photos, and aerial videos;

⁴ In accordance with the requirements of the June 2023 Redress Order, the Receivership Team and CBRE first engaged in an RFI process to, among other things, assess interest in the Belize land assets, better understand current market conditions, determine investment priorities and the needs of potential purchasers, and assist in the development of a formal bidding process. The Receivership Team and CBRE conducted several one-hour sessions with representative investors and developers, and completed the RFI process on August 18, 2023. Over the course of the RFI sessions, the participants generally suggested that flexibility in the bidding process would likely be perceived as beneficial to prospective bidders from across the world, and the likelihood of actual bids would be dependent on consideration of a broad range of factors, including, but not limited to, potential bidders' assessments of Belize's economy and workforce, the local real estate marketplace, the impacts of the negative history of the development areas arising out of the defendants' fraud scheme, the condition of existing infrastructure, and a host of other economic, legal and regulatory issues that would be the subject of due diligence.



- Prepare multimedia overview materials to support the offering, coordinated through a comprehensive offering memorandum⁵ and dedicated website;
- Provide guidelines to interested bidders in support of a flexible bidding process, which highlighted the Receivership Team’s preference for bids for all of the real estate assets (as opposed to portions thereof) and its goal of maximizing redress for victim-consumers; and
- Develop a bidder questionnaire with detailed inquiries concerning the nature and scope of bid, along with a bidder term sheet template to facilitate the submission of bids.

On May 29, 2024, the Receivership Team, together with CBRE, initiated the RFP process by: (i) launching a dedicated website that includes links to 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.

On September 16, 2024, the bidding window opened. More than 100 interested parties signed confidentiality agreements to gain access to detailed development area records and other curated materials in CBRE’s dedicated virtual data room, and a total of six bidders submitted formal written offers by the end of January 2025.⁶ The Receivership Team and CBRE evaluated the offers on a rolling basis and convened interviews with each bidder to review the terms of their proposals, discuss relevant information regarding their background and experience, and address questions about the receivership, court proceedings, and RFP process. In addition to quantitative considerations, each of the bids was generally evaluated across the following qualitative criteria: (i) scope of the offer for some or all of the assets and related financial aspects of bids; (ii) real estate development project experience; (iii) real estate development management and operations

⁵ A copy of the Offering Memorandum is accessible through the receivership website utilizing this [link](#).

⁶ While one of the original interested prospective bidders submitted materials to endeavor to qualify during the overbidder process, and one new prospective competitive bidder similarly took steps to seek to qualify, neither was able to meet the threshold requirements to make competitive offers at auction.



experience (including in Belize); (iv) status and source of funding for purchase; (v) existence of bid contingencies (or lack thereof); (vi) understanding of receivership sale on a “where-is, as-is” basis, without representations or warranties; (vii) consideration of potential accommodations for existing residents;⁷ (viii) consideration of potential accommodations for future lot purchasers; (ix) escrow amount; (x) professionalism and responsiveness; and (xi) understanding of Belize legal and regulatory environment, U.S. court process and RFP administration requirements.⁸

B. The Receivership Team’s Preliminary Recommendation

After diligently undertaking the RFI and RFP processes with CBRE, the Receivership Team made its preliminary recommendation to the Court in a motion initially filed on January 27, 2025 (Doc. 1556) that the Belize assets be approved for sale to FBIM subject only to the statutory overbid and sales notice process described below.⁹ The proposed sale is for all the real property commonly known as Sanctuary Belize, including Plenty Tract and Southern Long Coco Caye, as well as Kanantik, including Pelican Range Caye, and the personal property located thereon and related intangible assets. The sales price is \$20,500,000 -- \$16.8 million for the specified Sanctuary Belize assets, and \$3.7 million for the specified Kanantik assets, subject to the terms and conditions

⁷ This category included consideration of the bidder’s plans to provide, among other things, 24-hour security, power and water hookups, and roadway maintenance, as well as the bidder’s intent to follow existing subdivision plans, maintain some form of covenants, conditions, restrictions and easements, and operate a property owners’ association.

⁸ Based on available information following the administration of the Lot Choice Survey, it is the Receiver’s expectation that some consumers will be interested in purchasing lots from the new development area owners following the RFP process. However, a significant number of victims will likely never pursue lots in Belize and will, therefore, only receive redress payments. Accordingly, in evaluating bids, the Receivership Team balanced the objectives of maximizing sale proceeds for redress payments and crediting potential future lot purchase accommodations.

⁹ The January 27, 2025 filing was subsequently withdrawn in favor of an amended filing on February 3, 2025 to change the location of the potential public auction in accord with direction from the Court at a January 31, 2025 status conference.



of the Purchase Agreement and any pre-closing price adjustments as may be necessary in accord with the requirements therein.

As described in the Receiver’s motion, FBIM is a newly-established, dedicated Belize company formed to consummate the purchase and support the redevelopment of the receivership assets. FBIM is solely owned by Ambergris Caye Real Estate Development Company Limited (“ACRED”), which was established in Belize approximately 25 years ago and has successfully developed large-scale projects in Belize for residential and commercial use. One of the principals of ACRED is the Founder, President & CEO of Mainstreet Equity Corporation, a publicly traded real estate company listed on the Toronto Stock Exchange, which primarily focuses on the acquisition and redevelopment of residential properties.¹⁰ Notably, and among other things, this same individual was appointed the Honorary Consul General¹¹ of Belize for Canada in 1999.

The Receivership Team’s preliminary recommendation to the Court that FBIM be approved as the purchaser of the Belize assets is based on the comparative strength of its offer across the quantitative and qualitative evaluation criteria outlined above. Among other things, FBIM’s offer was selected ahead of those submitted by others because of: (i) the comprehensive scope of its bid (to acquire all of the Belize real estate and related assets); (ii) its principals’ residential and commercial real estate development and operations experience, including in Belize; (iii) the nature of its cash offer -- with immediate financial resources to consummate the sale, not dependent on third-party financing contingencies or side agreements; (iv) its efforts to proceed on an accelerated

¹⁰ As of the fourth quarter of 2024, Mainstreet Equity Corporation reported that its assets include more than 18,000 rental units across western Canada, valued at more than CDN \$3 billion. *See* https://assets.rentsync.com/mainstreet/documents/1733413125153_MEQ_Q4_2024_SEDAR_Report.pdf (last visited 2/28/25).

¹¹ As a general matter, the role of a Canadian Honorary Consul General involves representing the cross-border interests of the designated foreign country.



basis to endeavor to negotiate a purchase without a formal due diligence period and on a “where-is, as-is” basis; (v) its thoughtful and well-reasoned consideration of potential accommodations for existing and anticipated residents, as well as future lot purchasers; and (vi) the sophistication, professionalism and responsiveness of its personnel and advisors.

While, as mentioned above, all bids were carefully evaluated and methodically considered, the Receiver concluded in light of the foregoing that the FBIM offer was the strongest to achieve the multi-faceted goals of the receivership -- which include generating sales proceeds to support redress payments for eligible consumers, enabling redevelopment for Belize residents, and facilitating other priorities tied to interests of the diverse stakeholders in this matter. Notably, the proposed sale is also consistent with the stated objectives of the Belize government – *i.e.*, stabilizing the development areas, restoring confidence, and benefitting the local community through employment and other economic activity. *See* Doc. 1117-2. The Purchase Agreement, including an overview of its key terms, are contained in the Receivership Team’s court filing accessible on the Receiver’s website (<https://sanctuarybelizereceivership.com/>) and through this [link](#).

C. The Statutory Overbidding Process

To meet the requirements of the overbidding process set forth in 28 U.S.C. § 2001, the Receiver published a notice of the proposed sale in the *Amandala*, a national circulation Belizean newspaper, as well as in the regional *Caribbean Journal* with broad real estate industry-focused distribution via email beginning the final week of January 2025 and continuing over a four-week period. The notices provided in sum and substance as follows:

In the action pending in U.S. District Court for the District of Maryland, *In re Sanctuary Belize Litigation*, Case No. 18-cv-3309, notice is hereby given that the court-appointed receiver will conduct a public auction for the approximately 18,000 acres of real property and personal property thereon located in the Sanctuary Belize



and Kanantik developments in the Stann Creek District of Belize. Offering details may be found at www.cbresanctuarybelize.com. Sale is subject to Court confirmation after auction process is completed. Minimum bid price is at least \$22,550,000. Auction will take place on February 28, 2025, at 1:30 p.m. at 4747 Bethesda Avenue, Suite 600, Bethesda, MD 20814. To participate in the auction, prospective purchasers must meet certain bid qualification requirements, including submitting a signed purchase and sale agreement, an earnest money deposit of \$1,650,000, and proof of closing funds. All bidders must be qualified by 5:00 p.m. ET on February 25, 2025, by submitting the required materials via receiver's broker, CBRE. If interested in evaluating offering and qualifying as bidder, contact Jeff Woolson at +1 760-438-8530 or jeff.woolson@cbre.com.

The Receiver also posted the above notice on the receivership website

(<https://sanctuarybelizereceivership.com/>) and CBRE separately distributed the sale notice via email to its global network of prospective investors and developers.

Interested parties had the opportunity to participate at a public auction for the assets, provided they met the requirements to qualify no later than 5:00 pm ET on February 25, 2025 (“Bid Qualification Deadline”) by: (i) signing a purchase and sale agreement for the properties on *at least* as favorable terms and conditions as the FBIM contract, but with a threshold increased purchase price of \$22,550,000; (ii) providing the Receiver with an earnest money deposit of \$1,650,000; (iii) providing proof of funds necessary to close the sale transaction in the form of a current bank statement, cashier's check delivered to the Receiver, or other evidence deemed sufficient by the Receiver; and (iv) providing the Receivership Team with requested information relating to the bidder's principals and affiliates, background, experience, qualifications and other relevant matters. While two submissions were received during the specified overbidding process, neither prospective bidder was able to meet the foregoing requirements in order to qualify.

By March 14, 2025, the Receiver will make his final recommendation to the Court and submit a proposed form of Sale Authorization Order for consideration. If the Court approves the sale and enters the Sale Authorization Order, it is anticipated that a closing will be scheduled in



Belize within 45 days, and the corresponding land and personal property assets being formally conveyed to the new owner at the time of closing. Proceeds from the sale of Sanctuary Belize assets will be available for redress payments to eligible Sanctuary Belize consumers on a pro rata basis, and funds from sale of Kanantik assets will be available for redress payments to eligible Kanantik consumers on a pro rata basis.

IV. CONSUMER LOT CHOICE SURVEY ADMINISTRATION

As previously reported, the Lot Choice Survey was distributed to consumers by email on April 8, 2024, and consumers generally had through July 8, 2024 to review their lot choice options and consider other relevant factors in making their selection for each eligible lot. In accordance with the June 2023 Redress Order, each eligible consumer was afforded the opportunity to select one of three 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 consumers believing that they already hold title to their lot to provide notice to the Receivership Team accordingly for review and feedback. Consumers with title to a lot were not required 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. 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;¹² (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 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 Redress Order.¹³ 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. The Receivership Team coordinated with the survey administrator and Belize counsel to facilitate closings for consumers proceeding to purchase their lot pursuant to a reformed contract.

¹² To reach this determination, the Receiver, in accordance with the June 2023 Redress 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.

¹³ The June 2023 Redress 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.



The Receivership Team will continue to enable eligible consumers to complete closings provided they do so within the timeframe set forth in their reformed contract.

The survey itself, as well as FAQs, provided important information (including risk considerations and process steps) to help consumers evaluate which option was best for them. Other helpful resources, including a Belize real estate purchase process guide, maps, photos, and Sanctuary Belize and Kanantik government land records, were posted on the Receivership website. In addition, dedicated live customer service resources -- supported by the survey administrator -- were available by email and telephone to address consumer outreach. From September 1, 2024 through February 1, 2025, the survey administrator received and responded to more than 500 inquiries regarding the survey process and related redress matters.

Approximately 100 additional consumer inquiries were also addressed over the Reporting Period by the Receivership Team concerning topics that included receivership marketing activities, closings in connection with reformed contracts, 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, which includes, among other things, Receiver



reports, Consumer Committee meeting minutes, FAQs and various other guidance and reference resources, and Court filings.¹⁴

A. 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 February 13, 2025:

Option No. 1

- Sanctuary Belize consumers initially selected Option No. 1 -- indicating that they were interested in pursuing a buyout -- in connection with 250 lots.
- Sanctuary Belize consumers undertook the steps to enter into reformed contracts to complete their buyout and seek to acquire title in connection with 87 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 117 lots.
- Sanctuary Belize consumers were assigned Option No. 2 in connection with 551 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 129 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.

¹⁴ Following the Lot Choice Survey process, the Receivership Team also sent emails to lot purchasers who did not participate in the Claim Application process, but previously contacted the Receivership Team to express interest in potentially acquiring their lot, to offer them the ability to complete the sale under their original contracts (to the extent their lot was deemed available for transfer) and seek to acquire title. With respect to those individuals who were deemed ineligible to participate in the redress program during the Claim Application process and subsequently contacted the Receivership Team to express potential interest in acquiring their lot, those individuals were contacted as well via email following the Lot Choice Survey program (to the extent their lot was deemed available for transfer) and informed that, if they sought to pursue the purchase of their lot, they would need to timely seek the Court's intervention and, barring that, it was anticipated that their lot would be transferred to the new owner as part of the RFP sales process.



- With respect to 31 such lots, consumers selected Option No. 1, but their lot was not available under the terms of the June 2023 Redress Order.
- With respect to 7 such lots, consumers did not provide adequate documentation affirming that they held title, despite stating that they did.

Option No. 3

- Sanctuary Belize consumers selected Option No. 3 and relinquished their ownership interests in connection with 320 lots.
 - Consumers proceeding under this option remain entitled to available redress payments.

Title Confirmations

- The Receivership Team confirmed previous title transfer records in connection with 127 lots.

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 Redress 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.

B. 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 Redress 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 Redress 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 February 13, 2025:

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 61 lots.
- Kanantik consumers were ultimately assigned Option No. 2 in connection with 227 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 Redress Order.
- With respect to 119 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.

V. BELIZE PROPERTY MANAGEMENT OVERSIGHT

As required by the Court's governing orders, the Receivership Team continued to oversee operations, maintenance and security of the Belize real estate assets during the Reporting Period. Activities undertaken by local staff included maintenance activities that were completed in preparation for ongoing tours by prospective bidders, as well as repairs to the dock at Sanctuary Caye. Due to a protracted rainy season and supply challenges, road conditions in and around Sanctuary Belize were adversely impacted in late 2024 and early 2025. By the end of January 2025, Belize staff was able resume scheduled road maintenance activities, including patching, and will continue to focus efforts and prioritize repairs on the roadways most in need.¹⁵

¹⁵ As previously reported, to mitigate risks and protect receivership assets, the annual general liability insurance policies for Sanctuary Belize and Kanantik were also renewed.



The Receivership Team generally maintained the reduced level of staffing previously implemented in the first quarter of 2022, and continued to conserve 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 projected to exceed \$1.7 million. While the Receivership Team continues to consider potential opportunities to limit expenses while meeting the requirements of the Court's orders, an approved sale of the Sanctuary Belize and Kanantik development area assets would, of course, enable substantial savings as Belize operations can be wound down once a transfer is consummated.

VI. 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 December 31, 2024, unless otherwise specified. The operating expenses of Sanctuary Belize and Kanantik¹⁶ are generally recorded on a cash basis as payments are approved and issued. The statements do not include data related to the value of certain receivership assets, including land, improvements, equipment, and other assets located in Belize.

Over the four-month Reporting Period, the Receivership Team continued to roll over the nearly \$10.8 million in corresponding cash holdings into subsequent monthly, interest-bearing timed deposits. In doing so, the receivership estate generated additional income associated with its

¹⁶ 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.



cash holdings, resulting in earned and accrued interest during the Reporting Period of \$153,171.

The receivership estate also generated just under \$800,000, net of associated expenses, in additional revenue from the receipt of principal payments made by consumers who elected Option No. 1 under the Lot Choice Survey and proceeded to closing in connection with their reformed contract.

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 December 31, 2024
Assets:	
Cash	\$ 12,254,909
Accrued interest on timed deposit	(1) 29,647
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Total assets	\$ 12,284,556
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Liabilities:	
Allocated redress payment distribution per June 14, 2023 Court Order	(2) \$ 76,229
Ankura professional fees and expenses	(3) 198,427
Barnes & Thornburg professional fees	(3) 69,615
Other accounts payable	70,958
<hr/>	
Total liabilities	415,229
<hr/>	
Net assets available	\$ 11,869,327

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 \$10,670,443 deposit plus interest of \$42,826.15. Starting on September 3, 2024, the Receiver began rolling over the balance in the timed deposit account plus interest earned on a monthly basis. The timed deposit account earned interest at the rate of 4.25% in September 2024, 3.94% in October 2024, 3.71% in November 2024, and 3.59% in December 2024. The amount reported in this schedule is the calculated interest accrued on this timed deposit as of December 31, 2024.

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

(3) These amounts payable reflect the pending fee application requests relating to Ankura and Barnes & Thornburg invoices as of December 31, 2024 in accord with the guidelines set forth in the Court's June 18, 2024 Order Regarding Billing Guidelines for the Receiver and its Counsel. Pursuant to the Order, a 10% holdback will also be applied in connection with the fee application requests and 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 September 1, 2024 to December 31, 2024	From Inception to December 31, 2024
Recoveries:		
Atlantic International Bank settlement	(1) \$ -	\$ 23,000,000
Previously reported recoveries	-	20,786,502
Consumer Lot Purchases	853,075	853,075
Other collections	35,317	1,209,074
Interest income	153,171	1,128,823
Total recoveries	\$ 1,041,563	\$ 46,977,474
Disbursements:		
Redress payment distributions	(2) -	\$ 9,966,090
Expenses:		
Sanctuary Belize operating expenses		
Payroll	\$ 300,251	\$ 5,581,262
Equipment, maintenance, and supplies	117,357	2,818,669
Employment taxes	40,013	887,969
Property taxes and other government payments	6,749	323,902
General, administrative, and other expenses	72,759	1,192,457
Legal fees and costs	80,105	656,859
Total Sanctuary Belize operating expenses	617,233	11,461,118
Kanantik operating expenses		
Payroll	18,320	408,177
Equipment, maintenance, and supplies	1,061	65,876
Employment taxes	-	44,422
Property taxes and other government payments	-	92,356
General, administrative, and other expenses	826	194,086
Legal fees and costs	-	43,138
Total Kanantik operating expenses	20,207	848,057
Real estate property expenses	-	1,811,201
Corporate entity expenses	-	80,859
Other expenses	(3) 175,885	420,040
Receiver fees and expenses		
Ankura fees and expenses	156,799	4,800,585
REA fees and expenses	-	2,847,275
Barnes & Thornburg fees and expenses	51,722	2,761,838
Arnold & Porter Kaye Scholer fees and expenses	-	111,084
Total receiver fees and expenses	208,521	10,520,782
Total distributions & expenses	1,021,845	35,108,147
Net recoveries/ (distributions & expenses)	\$ 19,718	\$ 11,869,327

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. Further, on November 18, 2024, the Court entered an order permitting the Receiver to: (i) continue to use all interest that has accrued or will accrue on the AIBL funds for the payment of any expenses of the receivership estate; and (ii) use up to \$2 million of additional principal AIBL funds for the payment of expenses of the receivership estate. As of December 31, 2024, approximately \$2,010,000 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 December 31, 2024.

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



VII. COURT PROCEEDINGS

Over the Reporting Period, the Receivership Team continued to coordinate with counsel regarding several legal proceedings. An overview of the current status of relevant court matters is set forth below.

Criminal Conviction 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 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 3, 2024, the government obtained a superseding indictment alleging obstruction of an official proceeding in place of the unlawful monetary transactions count.
- 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 Pukke indictment.
- On September 9, 2024, Pukke filed a motion for judgment of acquittal or new trial. Briefing on the motion was completed on November 7, 2024. The motion remains pending.
- Pukke’s sentencing is currently scheduled for May 2, 2025 at 4:00 p.m.

Fourth Circuit Appeal

- On July 12, 2023, the defendants filed a Notice of Appeal of the Court’s June 2023 Redress Order and Order Reforming and Reaffirming the Final Orders.
- On December 8, 2023, the appeal was fully briefed.
- On October 31, 2024, oral argument was held.
- On December 12, 2024, the Fourth Circuit affirmed the rulings of the District Court.

United States Court of Federal Claims Proceeding

- 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.
- The appeal was fully briefed on February 25, 2025.

Finally, the District Court case has been assigned to a new judge, the Honorable Paula Xinis, following the unfortunate passing of the Honorable Peter J. Messitte. The case number has been slightly modified to reflect Judge Xinis's initials (now shown as: No. 18-cv-3309- PX).

VIII. CONCLUSION

Over the Reporting Period, the Receivership Team made substantial progress advancing the key redress initiatives directed in the Court's June 2023 Redress Order. Among other things, in coordination with CBRE, the Receivership Team completed an extensive marketing and RFP bidding process. These efforts resulted in the selection of a proposed buyer and the negotiation and execution of a purchase agreement for the sale of the Sanctuary Belize and Kanantik assets, contingent only on the remaining required procedural steps and the Court's approval. In this regard, the Receiver filed a motion with the Court making a preliminary recommendation for the approval of the sale. Following the completion of a statutory overbidding process, which did not result in any additional qualified bids, the Receivership Team is preparing a final recommendation for the Court's consideration to be submitted pursuant to its directive by March 14, 2025. The Receivership Team will continue to keep consumers informed about the status of the potential sale



and other pertinent receivership developments through its ongoing reporting, receivership website updates, and email and other direct consumer communications.

By: 

Marc-Philip Ferzan
Receiver

Submitted: February 28, 2025