

UNITED STATES DISTRICT COURT  
DISTRICT OF MARYLAND  
SOUTHERN DIVISION

*In re* SANCTUARY BELIZE LITIGATION

No: 18-cv-3309-PX

**MOTION FOR ORDER APPROVING AND AUTHORIZING PAYMENT OF  
RECEIVER’S AND PROFESSIONALS’ FEES AND COSTS FROM  
SEPTEMBER 1, 2024 THROUGH DECEMBER 31, 2024**

Marc-Philip Ferzan of Ankura Consulting Group, LLC (“Receiver”), the Receiver appointed as successor Receiver on October 26, 2021 pursuant to the Order Appointing Marc-Philip Ferzan as Receiver (Doc. 1305), hereby moves the Court for an order approving and authorizing payment of receivership fees and costs for the period from September 1, 2024 through December 31, 2024 (“Reporting Period”).

The Receiver specifically moves the Court for an order approving and authorizing the payment of fees of the Receiver and the members of the Receiver’s team at Ankura Consulting Group, LLC (“Ankura”) and his professionals, and reimbursement of costs during the Reporting Period, comprised of (a) Receiver’s fees, including the fees of the Receiver’s team at Ankura, of \$135,280.80 and Receiver’s costs of \$6,487.24, for a total of \$141,768.04; and (b) Receiver’s counsel Barnes & Thornburg LLP’s fees of \$46,101.69 and costs of \$497.45, for a total of \$46,599.14.

In accordance with the Order Regarding Billing Guidelines for the Receiver and its Counsel (Doc. 1519), the proposed order submitted herewith also includes a holdback to be paid at the Court’s discretion as part of the final fee request submitted at the close of the receivership

of (a) Receiver's fees, including the fees of the Receiver's team at Ankura, of \$15,031.20; and  
(b) Receiver's counsel Barnes & Thornburg LLP's fees of \$5,122.41.

Respectfully submitted,

Dated: February 28, 2025

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UNITED STATES DISTRICT COURT  
DISTRICT OF MARYLAND  
SOUTHERN DIVISION

*In re* SANCTUARY BELIZE LITIGATION

No: 18-cv-3309-PX

**MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT OF  
MOTION FOR ORDER APPROVING AND AUTHORIZING PAYMENT OF  
RECEIVER’S AND PROFESSIONALS’ FEES AND COSTS FEES AND COSTS FROM  
SEPTEMBER 1, 2024 THROUGH DECEMBER 31, 2024**

This memorandum of points and authorities is filed by Marc-Philip Ferzan of Ankura Consulting Group, LLC (“Receiver”) as successor Receiver to Robb Evans & Associates LLC (“Robb Evans”) in support of the Motion for Order Approving and Authorizing Payment of Receiver’s and Professionals’ Fees and Costs from September 1, 2024 through December 31, 2024 (“Motion”). (Ankura Consulting Group, LLC is referred to herein as “Ankura.”)

As detailed further below, and in the report, invoices and supporting declaration filed concurrently with the Motion, the Receivership Team, together with the Receiver’s counsel, Barnes & Thornburg LLP, have continued to perform extensive and wide-ranging tasks during the relevant reporting period, rendering important and necessary services that were highly beneficial to the estate, in the course of the Receiver’s diligent discharge of his duties pursuant to orders of the Court. The Receiver submits that the fees and expenses for which approval is sought are reasonable and necessary for the administration of the estate in light of the services rendered, and that the fees and expenses requested should be awarded in their entirety.

**I. SUMMARY OF BACKGROUND**

This lawsuit was commenced on October 31, 2018 by the Federal Trade Commission (“FTC”) with its filing of a Complaint for Permanent Injunction and Other Equitable Relief (Doc. 1) (“Complaint”). The lawsuit named 17 entity defendants and seven individual defendants, in addition to five relief defendants. On November 5, 2018, the Court issued an Ex Parte Temporary Restraining Order With Asset Freeze, Writs *Ne Exeat*, Appointment of a Temporary Receiver, and Other Equitable Relief, and Order to Show Cause Why a Preliminary Injunction Should Not Issue (“TRO”). Under the TRO, Robb Evans became temporary receiver over all entity defendants except for Atlantic International Bank Limited (“AIBL”) and over the assets of Andris Pukke (“Pukke”) and Peter Baker (“Baker”) valued at \$1,000 or more.

In January 2019, the Court granted the FTC’s motion to amend the Complaint, which added Michael Santos and Newport Land Group, LLC (“NLG”) as defendants. On February 13, 2019, the Court entered a Stipulated Preliminary Injunction as to Defendants Rod Kazazi, Foundation Partners, Brandi Greenfield, BG Marketing LLC, Frank Costanzo, Deborah Connelly, Ecological Fox LLC, Michael Santos, Angela Chittenden, and Beach Bunny Holdings LLC (Doc. 195) (“Stipulated Preliminary Injunction”). On October 3, 2019, the Court issued the Preliminary Injunction as to Defendants Andris Pukke, Peter Baker, Luke Chadwick, John Usher, Certain Corporate Defendants, and the Estate of John Pukke (Doc. 615) (“Pukke Preliminary Injunction”). Under the Stipulated Preliminary Injunction and Pukke Preliminary Injunction, Robb Evans remained as receiver over numerous Receivership Entities and over Pukke’s, Baker’s and Luke Chadwick’s (“Chadwick”) assets valued at \$1,000 or more.

On August 23, 2019, the Court entered the Order Governing Interim Receivership Management (Doc. 559) that requires the Receiver, among other things, to manage and maintain the Sanctuary Belize development.

On September 25, 2019, the Court entered the Stipulated Order for Permanent Injunction and Monetary Judgment Against Defendant Atlantic International Bank Limited (Doc. 607) (“AIBL Order”). Among other things, the AIBL Order required AIBL to turn over \$23,000,000 and ordered that the \$23,000,000 became a Receivership Asset. *Id.*

Between November 2019 and January 2020, five stipulated judgments were entered into between the FTC and various Defendants, each of which vested certain duties, powers and authority in Robb Evans as permanent receiver (Docs. 668, 788, 789, 819 and 820) (collectively, the “Stipulated Judgments”).

On January 13, 2021, the Court entered its Order for Permanent Injunction and Monetary Judgment Against Defaulting Defendants John Usher, et al. (Doc. 1112) (“Default Judgment”). Pursuant to the Default Judgment, Robb Evans remained as permanent receiver over the Defaulting Corporate Defendants, as defined therein, and John Usher was ordered to transfer his assets to Robb Evans, which would become assets of the receivership estate, with limited exceptions as set forth in the Default Judgment. On March 24, 2021, the Court entered its Amended Final Order for Permanent Injunction and Monetary Judgment Against Defendants Andris Pukke, Peter Baker and Luke Chadwick (Doc. 1194) (“Pukke Final Judgment”). Robb Evans remained as permanent receiver over the assets of Pukke, Baker and Chadwick, with limited exceptions as set forth in the Pukke Final Judgment. On March 23, 2022, the Court entered its Stipulated Order Partially Modifying the Court’s Orders at Docket Entries 1112 and 1194 as to Defendants Luke Chadwick, Prodigy Management Group LLC, Belize Real Estate

Affiliates LLC, Exotic Investor LLC, and Southern Belize Realty LLC (Doc. 1341) (“Chadwick Stipulated Order”). The Chadwick Stipulated Order modified the Default Judgment and Pukke Final Judgment as it pertained to Chadwick and four of his wholly owned entities.

On October 7, 2021, Robb Evans filed its Statement by Receiver, Robb Evans & Associates LLC, Regarding Receiver’s Status (Doc. 1293), advising the Court that as a result of various circumstances, including the fact that Brick Kane passed away on October 2, 2021, it determined that it could no longer serve as receiver beyond the short term. The same day, the FTC filed the FTC’s Motion to Appoint Marc-Philip Ferzan of Ankura Consulting Group, LLC as Receiver (Doc. 1294) (“Successor Receiver Motion”). The Court granted the Successor Receiver Motion, and issued its Order Appointing Marc-Philip Ferzan as Receiver on October 26, 2021 (Doc. 1305) (“Successor Receiver Order”), pursuant to which Marc-Philip Ferzan of Ankura Consulting Group, LLC was appointed as successor receiver.

On August 18, 2022, the Court entered its 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, as set forth therein at Sections II through III.A, and submit a report to the Court concerning the status of implementation of the Redress Plan within 180 days of the Effective Date of the Redress Plan, which the Receiver did on March 10, 2023 (Doc. 1412).

On November 1, 2022, the Fourth Circuit Court of Appeals issued its published opinion on the consolidated appeals filed by, among other defendants, Pukke, Baker and John Usher. In the opinion, the Fourth Circuit affirmed this Court’s orders appointing the Receiver and left the receivership unaffected. 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 its Order Reforming and Reaffirming the Final Orders (Doc. 1447). Defendants Pukke, Baker and Usher again appealed. On December 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." *Id.* at 13.

On June 14, 2023, the Court also entered its Order Implementing Next Phase of Consumer Redress Plan (Doc. 1446, "June 2023 Redress Order"). Among other things, the June 2023 Redress Order enabled the Receiver to make an initial distribution to Consumers with eligible Claim Applications, undertake marketing and sale related efforts as to the Belize Assets (as defined in the June 2023 Redress Order), and survey Consumers with eligible Claim Applications as to their choices with respect to lots. On December 28, 2023, the Court additionally entered the Stipulated Order Authorizing Measures to Assist Consumers During the Redress Process (Doc. 1499, "December 2023 Order").

Pursuant to multiple orders of the Court, the Receiver, and his counsel, "are entitled to reasonable compensation" and the Receiver is directed to file and serve on the parties periodic requests for the payment of reasonable compensation for the performance of his duties and for the cost of his out-of-pocket expenses from the assets of the receivership estate. (*See* Doc. 607, §IV; Doc. 688, §IX; Doc. 788, § III; Doc. 789, §VIII; Doc. 819, §V; Doc. 820, §X; Doc. 1112, §IX; Doc. 1194, §IX). This Motion is the eleventh request for payment of fees and costs incurred by the Receiver and his counsel since his appointment pursuant to the Successor Receiver Order. The prior ten fee motions filed as successor Receiver, covering the initial period from his

appointment through December 31, 2021, all of 2022, all of 2023, and the first eight months of 2024, were granted as set forth in the respective orders entered by the Court. (Docs. 1345, 1348, 1370, 1381, 1427, 1476, 1507, 1524, 1530, 1545). This Motion covers the four-month period from September 1, 2024 through December 31, 2024 (“Eleventh Reporting Period”) and includes a request for payment of the fees incurred by Barnes & Thornburg LLP (“Barnes & Thornburg”), counsel for the Receiver, during the Eleventh Reporting Period.

**II. SUMMARY OF THE FEES AND COSTS SOUGHT BY THE RECEIVER DURING THE ELEVENTH REPORTING PERIOD**

Concurrently with the filing of this Motion, the Receiver is filing his Receiver Report of Activities for the Period September 1, 2024 through December 31, 2024 (“Receiver’s Eleventh Report”). The Receiver’s Eleventh Report covering the four-month period is also attached as Exhibit 1 to the Declaration of Marc-Philip Ferzan (“Ferzan Declaration”) which accompanies this Motion. The Receiver’s Eleventh Report provides a detailed report concerning the status of the implementation of consumer redress as required by orders of the Court, including the June 2023 Redress Order. It also includes a detailed summary of the work undertaken by the Receiver during the Eleventh Reporting Period. The Receiver’s Eleventh Report also provides financial statements, including a Statement of Net Assets and a Statement of Net Recoveries (the “Financial Statements”), at pages 23-24. The Financial Statements reflect the fees and costs incurred during the Eleventh Reporting Period by the Receiver, including his team at Ankura, as well as Barnes & Thornburg. These fees and costs are more particularly detailed in the billing



records of Ankura and Barnes & Thornburg, and attached as Exhibits 2 and 3, respectively, to the Ferzan Declaration.<sup>1</sup>

During the Eleventh Reporting Period, spanning four months of Receivership activities, the Receiver incurred fees and costs as follows: (a) fees of \$150,312.00 and costs of \$6,487.24, for a total of \$156,799.24, for the Receiver and the Receiver's team at Ankura; and (b) fees of \$51,224.10 and costs of \$497.45, for a total of \$51,721.55, for Receiver's counsel at Barnes & Thornburg. The Receiver requests an order approving and authorizing the payment of: (a) Receiver's fees, including the fees of the Receiver's team at Ankura, of \$135,280.80 and Receiver's costs of \$6,487.24, for a total of \$141,768.04; and (b) Receiver's counsel Barnes & Thornburg LLP's fees of \$46,101.69 and costs of \$497.45, for a total of \$46,599.14. In accordance with the Order Regarding Billing Guidelines for the Receiver and its Counsel (Doc. 1519, "Guidelines Order"), the proposed order submitted herewith also includes a holdback to be paid at the Court's discretion as part of the final fee request submitted at the close of the receivership of: (a) Receiver's fees, including the fees of the Receiver's team at Ankura, of \$15,031.20; and (b) Receiver's counsel Barnes & Thornburg LLP's fees of \$5,122.41.

**III. THE FEES AND COSTS OF THE RECEIVER AND ITS COUNSEL ARE REASONABLE AND SHOULD BE PAID AS REQUESTED**

It is a fundamental tenet of receivership law that expenses of administration incurred by the Receiver, including those of the Receiver, his counsel and others employed by him, constitute priority expenses for which compensation should be paid from the assets of the receivership. As explained in the leading treatise *Clark on Receivers*:

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<sup>1</sup> The billing records filed with this Motion have been redacted where appropriate to preserve confidential, sensitive, tactical, strategic, attorney-client privileged and/or attorney work-product information.

The obligations and expenses, which the court creates in its administration of the property, are necessarily burdens on the property taken possession of, and this, irrespective of the question who may be the ultimate owner, or who may have the preferred lien, or who may invoke the receivership. The appointing court pledges its good faith that all duly authorized obligations incurred during the receivership shall be paid.

2 Clark, Ralph Ewing, *A Treatise on the Law and Practice of Receivers* § 637, p. 1052 (3rd ed. Rev. 1992); *see also SEC v. Merrill*, 18-cv-2844 RBD, 2019 WL 4916164, \*2 (D. Md. Oct. 4, 2019) (“A receiver appointed by a court who reasonably and diligently discharges his duties is entitled to be fairly compensated for services rendered and expenses incurred. The entitlement to reasonable compensation extends to the professionals employed by the receiver.”).

A receiver is an officer of the Court charged with a myriad of duties under the Court’s orders, many of which have no relationship to recovery of assets or increasing the funds available for distribution to creditors. Because of the nature of the administrative and other services required in receiverships, the benefit a receiver confers on receivership property cannot be determined based solely on the increase or decrease in the value of property in the receiver’s possession. As the Court explained in *Securities and Exchange Commission v. Elliott*, 953 F. 2d 1560, 1577 (11th Cir. 1992):

[I]t is sometimes difficult to ascertain what type of benefits a receiver has bestowed on receivership property . . . . [A] benefit to a secured party may take more subtle forms than a bare increase in monetary value. Even though a receiver may not have increased, or prevented a decrease in, the value of the collateral, if a receiver reasonably and diligently discharges his duties, he is entitled to compensation. [Citations omitted.]

*Securities and Exchange Commission v. Elliott*, 953 F. 2d at 1577.

The Court has broad discretion in determining the reasonableness of fees to be awarded a receiver. *See In re San Vicente Medical Partners Ltd.*, 962 F. 2d 1402, 1409-1410 (9th Cir. 1992). The Court may evaluate the time and effort expended by the receiver with respect to

specific projects and aspects of the administration of the estate, and may look to a number of different factors under the case law in approving receiver's and counsel's fees. *Id.* at 1409-1410.

The Receiver and the Ankura team, along with Barnes & Thornburg, have continued to perform extensive and wide-ranging tasks during the Eleventh Reporting Period in this complex and multi-faceted receivership proceeding and have rendered important and necessary services for the receivership estate during the Eleventh Reporting Period that were highly beneficial to the estate. As described in more detail in the Receiver's Eleventh Report, during the Eleventh Reporting Period, the Receivership Team continued to advance the key redress initiatives in accordance with the June 2023 Redress Order. In particular, the Receivership Team, in coordination with international real estate broker CBRE, made significant 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 and as amended on February 3, 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, subject to an overbidding process. The Receiver Team has since completed the overbidding process, which did not result in any qualified bids. By March 14, 2025, the Receiver will make his final recommendation to the Court and submit a proposed form of Sale Authorization Order for the Court's consideration.

In addition to intensive work with respect to the RFP marketing process, the Receivership Team's activities over the Eleventh 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, including facilitating individual lot purchase closings; (ii) managing the operations and maintenance of the Belize developments as required under the terms of the Court's orders; (iii) coordinating with legal counsel regarding court proceedings and the anticipated sale of the Belize assets; and (iv) keeping consumers informed of relevant developments through updates to the receivership website ([www.SanctuaryBelizeReceivership.com](http://www.SanctuaryBelizeReceivership.com)), including Frequently Asked Questions ("FAQs") and court filings, email distributions to consumers, and other direct engagement via live customer support resources.<sup>2</sup>

During the relevant time period, Barnes & Thornburg, among other things, advised with respect to matters relating to the RFP and sales process; drafted RFP and sale related documentation, including a form of purchase and sale agreement and revisions with respect to negotiation of the same; prepared a motion relating to necessary funding for receivership estate; analyzed filings with respect to potential litigation; engaged with holders of disputed Kanantik liens; and participated in conferences with FTC counsel and corresponded with FTC counsel relating to sale and other matters.

The work summarized above is also reflected in the detailed billing statements, Exhibits 2 and 3, attached to the Ferzan Declaration. The Receiver submits the fees are reasonable and

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<sup>2</sup> 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](mailto:help@SanctuaryBelizeLotSurvey.com)) and toll-free telephone helpline (1-833-637-6358).

necessary in light of the services rendered, and that the fees and expenses requested should be awarded in their entirety with the exception of the amounts that are subject to holdback in accordance with the Guidelines Order. *See Federal Trade Commission v. Capital Acquisitions & Management Corp.*, 2005 U.S. Dist. LEXIS 18504 (N.D. Ill. August 26, 2005).

**IV. CONCLUSION**

Based on the Motion, this Memorandum of Points and Authorities, and the supporting declaration of Marc-Philip Ferzan, along with the exhibits attached thereto, it is respectfully requested that the Court grant the Motion in its entirety and enter an order substantially in the form of the proposed order filed herewith.

Respectfully submitted,

Dated: February 28, 2025

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UNITED STATES DISTRICT COURT  
DISTRICT OF MARYLAND  
SOUTHERN DISTRICT

*In re* SANCTUARY BELIZE LITIGATION

No. 18-cv-3309-PX

**DECLARATION OF MARC-PHILIP FERZAN IN SUPPORT OF  
MOTION FOR ORDER APPROVING AND AUTHORIZING PAYMENT  
OF RECEIVER’S AND PROFESSIONALS’ FEES AND COSTS FROM  
SEPTEMBER 1, 2024 THROUGH DECEMBER 31, 2024**

I, Marc-Philip Ferzan, declare:

1. I am a Senior Advisor with Ankura Consulting Group, LLC (“Ankura”), and serve as the Court-appointed Receiver in the above-captioned action. I and my colleagues at Ankura assigned to support the receivership are collectively referred to in this declaration as the “Receivership Team.” I have personal knowledge of the matters set forth in this declaration, and if I were called upon to testify as to these matters, I could and would competently testify thereto based on my personal knowledge.

2. In accordance with Section IX of the Amended Final Order for Permanent Injunction and Monetary Judgment Against Defendants Andris Pukke, Peter Baker, and Luke Chadwick (Doc. 1194), the Receiver has prepared a Receiver Report of Activities for the Period September 1, 2024 to December 31, 2024 (the “Receiver’s Report”), which is being separately filed with the Court, a copy of which is also attached hereto as Exhibit 1, to update all stakeholders on the progress of the receivership and material developments impacting the estate from September 1, 2024 to December 31, 2024 (hereinafter, the “Reporting Period”), and to

support a request for payment for the performance of services and out-of-pocket expenses incurred that enabled the ongoing functions of the receivership estate. As shown on page 24 of the Receiver's Report at Exhibit 1, \$637,440 was expended on operations and maintenance costs associated with managing the Sanctuary Belize and Kanantik development areas during the four-month Reporting Period.

3. The Receiver also seeks payment of Ankura's fees and costs incurred over the Reporting Period, as set forth in detailed billing records attached hereto as Exhibit 2. During the Reporting Period, Ankura incurred fees of \$150,312 and costs of \$6,487.24, of which \$15,031.20 constitutes a holdback to be paid at the Court's discretion as part of the final fee request submitted at the close of the receivership, in accordance with the Order Regarding Billing Guidelines for the Receiver and its Counsel (Doc. 1519; the "Billing Guidelines Order").

4. The hourly rates charged by the Receivership Team in this case, as reflected in Exhibit 2, are substantially discounted from the commercial rates ordinarily charged by Ankura in private sector matters. The Receiver will abide by the provisions in the Court's October 26, 2021 Order (Doc. 1305) and the Billing Guidelines Order with respect to allowable hourly rates and charges.

5. Pursuant to my experience and responsibilities with Ankura, I am familiar with the methods and procedures used by the professionals assigned to the Receivership Team to record time associated with performing receivership duties. The records attached as Exhibit 2 are regularly prepared by the members of the Receivership Team at or about the time the services are rendered. Each member of the team has a duty to accurately record the time associated with his or her services. The records are then reviewed by Ankura's senior staff and me to ensure accuracy and reasonableness. Based on my experience, I believe the Receivership Team's

methods and procedures for recording time associated with services rendered for the receivership estate are reliable and accurate, and that Ankura's fees and costs are reasonable and necessary for the administration of the receivership estate.

6. Throughout the Reporting Period, I continued to engage Barnes & Thornburg LLP ("Barnes & Thornburg") as the Receiver's legal counsel to support the performance of my duties and responsibilities as was reasonable and necessary.

7. I supervised all work performed by Barnes & Thornburg throughout the Reporting Period.

8. Attached hereto as Exhibit 3 are copies of the billing records for the attorneys at Barnes & Thornburg who performed work on this matter during the Reporting Period. I am advised that Barnes & Thornburg's billing practices during the Reporting Period continued as generally described in prior firm declarations submitted with previous fee requests. As set forth in the billing records, Exhibit 3, during the Reporting Period, Barnes & Thornburg incurred fees of \$51,224.10 and costs of \$497.45, of which \$5,122.41 constitutes a holdback to be paid at the Court's discretion as part of the final fee request submitted at the close of the receivership, in accordance with the Billing Guidelines Order.

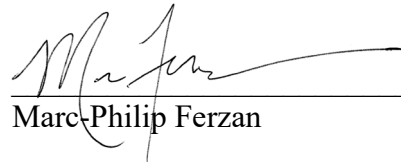
9. I have reviewed the billing records of Barnes & Thornburg attached hereto and validated that the work billed was performed at my direction, and was reasonable and necessary for administration of the receivership estate.

10. The billing records attached have been redacted where appropriate to protect confidential, sensitive, tactical, strategic, attorney-client privileged, and / or work product information. Information that has been redacted includes, but is not limited to, information pertaining to ongoing court proceedings.



11. I have worked with Ankura for more than eight years and have served in a variety of court-appointed independent oversight roles, including as monitor, trustee, redress administrator, and receiver. Based on my experience, I believe the amounts charged by the Receivership Team and Barnes & Thornburg for the services rendered during the Reporting Period are reasonable, appropriate, and necessary for the administration of the receivership estate considering the nature and scope of the services rendered, the quality of services provided, and the complexity of this receivership estate and issues involved, as well as other factors and circumstances.

I declare under penalty of perjury that the foregoing is true and correct and that this declaration was executed on February 28, 2025 in Montgomery County, Pennsylvania.



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Marc Philip Ferzan



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 period<sup>1</sup> from September 1, 2024 through December 31, 2024 (the “Reporting Period”), unless otherwise indicated.<sup>2</sup>

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

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<sup>1</sup> 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.

<sup>2</sup> 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](http://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 HISTORY<sup>3</sup>

### 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

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<sup>3</sup> 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,<sup>4</sup> 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;

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<sup>4</sup> 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 memorandum<sup>5</sup> 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.<sup>6</sup> 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

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

<sup>6</sup> 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;<sup>7</sup> (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.<sup>8</sup>

### **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.<sup>9</sup> 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

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<sup>7</sup> 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.

<sup>8</sup> 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.

<sup>9</sup> 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.<sup>10</sup> Notably, and among other things, this same individual was appointed the Honorary Consul General<sup>11</sup> 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

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<sup>10</sup> 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](https://assets.rentsync.com/mainstreet/documents/1733413125153_MEQ_Q4_2024_SEDAR_Report.pdf) (last visited 2/28/25).

<sup>11</sup> 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](http://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](mailto: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;<sup>12</sup> (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.<sup>13</sup> 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.

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<sup>12</sup> 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.

<sup>13</sup> 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.<sup>14</sup>

### **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.

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<sup>14</sup> 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.<sup>15</sup>

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<sup>15</sup> 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 Kanantik<sup>16</sup> 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

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<sup>16</sup> 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**

	<b>As of December 31, 2024</b>
<b>Assets:</b>	
Cash	\$ 12,254,909
Accrued interest on timed deposit	(1) 29,647
<b>Total assets</b>	<b>\$ 12,284,556</b>
<b>Liabilities:</b>	
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
<b>Total liabilities</b>	<b>415,229</b>
<b>Net assets available</b>	<b>\$ 11,869,327</b>

**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**

	<b>For the Period September 1, 2024 to December 31, 2024</b>		<b>From Inception to December 31, 2024</b>
<b>Recoveries:</b>			
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
<b>Total recoveries</b>		<b>\$ 1,041,563</b>	<b>\$ 46,977,474</b>
<b>Disbursements:</b>			
Redress payment distributions	(2)	-	\$ 9,966,090
<b>Expenses:</b>			
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
<b>Total distributions &amp; expenses</b>		<b>1,021,845</b>	<b>35,108,147</b>
<b>Net recoveries/ (distributions &amp; expenses)</b>		<b>\$ 19,718</b>	<b>\$ 11,869,327</b>

**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:   
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**Marc-Philip Ferzan**  
**Receiver**

Submitted: February 28, 2025

UNITED STATES DISTRICT COURT  
DISTRICT OF MARYLAND  
SOUTHERN DIVISION

*In re* SANCTUARY BELIZE LITIGATION

No: 18-cv-3309-PX

**[PROPOSED] ORDER GRANTING MOTION FOR ORDER APPROVING AND  
AUTHORIZING PAYMENT OF RECEIVER’S AND PROFESSIONALS’ FEES AND  
COSTS FROM SEPTEMBER 1, 2024 THROUGH DECEMBER 31, 2024**

The Motion for Order Approving and Authorizing Payment of Receiver’s and Professionals’ Fees and Costs From September 1, 2024 through December 31, 2024 (the “Motion”) filed by the Receiver, Marc-Philip Ferzan of Ankura Consulting Group, LLC (“Receiver”), came before this Court for determination pursuant to regularly noticed motion. The Court, having read and considered the Motion and all pleadings and evidence filed in support thereof, and opposition to the Motion, if any, and good cause appearing therefore, it is

ORDERED that:

1. The Motion is granted;
2. The following fees and costs incurred from September 1, 2024 through December 31, 2024 are hereby approved and authorized to be paid immediately from the assets of the receivership estate: (a) Receiver’s fees, including the fees of the Receiver’s team at Ankura, of \$135,280.80 and Receiver’s costs of \$6,487.24, for a total of \$141,768.04; and (b) Receiver’s counsel Barnes & Thornburg LLP’s fees of \$46,101.69 and costs of \$497.45, for a total of \$46,599.14.

3. In accordance with the Court's June 18, 2024 Order Regarding Billing Guidelines for the Receiver and its Counsel, the following additional fee amounts incurred from September 1, 2024 through December 31, 2024 are hereby held back and will be paid at the Court's discretion as part of the final fee request submitted at the close of the receivership: (a) Receiver's fees, including the fees of the Receiver's team at Ankura Consulting Group, LLC, of \$15,031.20; and (b) Receiver's counsel Barnes & Thornburg LLP's fees of \$5,122.41.

Dated:

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HONORABLE PAULA XINIS  
UNITED STATES DISTRICT JUDGE