

UNITED STATES DISTRICT COURT
DISTRICT OF MARYLAND
SOUTHERN DIVISION

In re SANCTUARY BELIZE LITIGATION

No: 18-cv-3309-PX

ORDER GRANTING RECEIVER’S AMENDED MOTION FOR (I) APPROVAL OF SALE OF REAL PROPERTY COMMONLY REFERRED TO AS SANCTUARY BELIZE AND KANANTIK, AS WELL AS RELATED PERSONAL PROPERTY; AND (II) OTHER RELATED RELIEF

The Amended Motion for (I) Approval of Sale of Real Property Commonly Referred to as Sanctuary Belize and Kanantik, as well as Related Personal Property; and (II) Other Related Relief (“Motion”), was brought by the Court’s appointed Receiver, Marc-Philip Ferzan of the Ankura Consulting Group, LLC (“Receiver”). The Court, having read and considered the Motion (Doc. 1556), memorandum of points and authorities in support (Doc. 1556-1) and Declaration of Marc Ferzan (“Ferzan Declaration”) (Doc. 1556-2-1556-3) and all other evidence filed in support of the Motion; and having held a status conference on January 31, 2025 with appearances as stated on the record; and having read and considered the correspondence filed by the Receiver on February 28, 2025, and the asset sale status report, final recommendation and request for entry of order filed by the Receiver on March 10, 2025 and supplemental declaration filed therewith; and having considered that the Federal Trade Commission (“FTC”) joined in the Receiver’s final recommendation; and having read and considered all papers filed in opposition to the Motion, if any, and the Receiver’s reply thereto; and having held any hearing, with appearances as stated on the record, and having considered the arguments made at the hearing; and having considered that:

- A. The Receiver is authorized pursuant to prior orders of the Court to control, market and sell the Property (as defined in the Purchase Agreement and Exhibits thereto), including without limitation pursuant to the Order for Permanent Injunction and Monetary Judgment Against Defaulting Defendants John Usher, et al. (Doc. 1112), Amended Final Order for Permanent Injunction and Monetary Judgment Against Defendants Andris Pukke, Peter Baker and Luke Chadwick (Doc. 1194) and Final Order Concerning Kanantik (Doc. 1193).
- B. In addition, the Receiver was more particularly authorized pursuant to the Request for Information (“RFI”) and Request for Proposals (“RFP”) bidding process directives set forth in the June 14, 2023 Order Implementing Next Phase of Consumer Redress (Doc. 1446, the “June 14, 2023 Order”) to, among other things, undertake efforts to market and sell the Property and engage an international real estate brokerage firm to assist in that process. In accordance with the foregoing order, the Property was formally marketed with substantial guidance and contribution from a dedicated team of experienced and knowledgeable professionals with global real estate firm CBRE, for approximately nine months, with pre-marketing activities occurring for several months before that.
- C. The extensive marketing and sales process undertaken for the more than 18,000 acres of Belize land and physical assets that make up the Property, as detailed in the Receiver’s Motion and the Ferzan Declaration, was commercially reasonable, constituted a fair process to sell the Property, and maximized the value of the Property and funds available for distribution to eligible consumer victims.
- D. After careful quantitative and qualitative evaluation of all bidder proposals submitted in connection with the RFP bidding process, the Receiver, solely in his capacity as Receiver and on behalf of the receivership entities Sittee River Wildlife Reserve, Eco-Futures Belize Limited, Mango Springs Development Limited, and G&R Development Company of

Belize Limited (collectively, the “Record Owner”), entered into the Purchase Agreement dated January 27, 2025 (“Purchase Agreement”) for the as-is, where-is sale of the Property, without representations or warranties, to First Belizean Investment Market Ltd.

(“Purchaser”) in accordance with the terms of the Purchase Agreement, now subject only to the Court’s approval.¹

- E. The Purchaser represents in the Purchase Agreement that it is not affiliated in any way with the Record Owner or its officers directors, employees, agents, representatives, and/or the FTC enforcement action Defendants Andris Pukke, Peter Baker, Luke Chadwick, John Usher, Rod Kazazi, Brandi Greenfield, Frank Costanzo, and/or Michael Santos.
- F. The Purchase Agreement provides for the sale and transfer of the Property to the Purchaser, in exchange for payment at closing of \$16.8 million for the specified Sanctuary Belize assets, and \$3.7 million for the specified Kanantik assets, subject to the terms and conditions of the Purchase Agreement and any pre-closing and post-closing price adjustments as may be necessary in accordance with the terms of the Purchase Agreement.
- G. Under the Purchase Agreement, the Purchaser is not acquiring any of the Record Owner companies, and is expressly not undertaking any obligation with respect to any development, construction, service, management, leasing, operation, maintenance, repair, employment (including employee severance or termination responsibilities of the receivership or Record Owner) or other contracts affecting the Property, including all amendments and modifications thereto, and/or all pre-Receiveership Memorandum of Sale contracts governing the purchase of individual lots at the Property, subject only to adherence to the terms of the Restrictive Covenants, Conditions and Easements (“RCCEs”)

¹ Any Terms used but not defined herein are as defined in the Purchase Agreement, a copy of which, in partially redacted form, was filed in the record as Document 1556-3.

in effect from time to time as may be amended, modified or terminated. The RCCEs also refer to the Deed of Incumbrance (as amended, the “Deed of Incumbrance”), dated as of March 21, 2016, among Sittee River, Eco-Futures Belize Limited and the Sanctuary Belize Property Owners Association (the “Association”), including the Declaration of Restrictive Covenants, Conditions and Easements of Sanctuary Belize (as amended, and dated as of March 3, 2016, by and among Sittee River, Eco-Futures Belize Limited and the Association, attached thereto).

- H. The Purchase Agreement also recognizes the nature, scope, and instrumentalities of the Defendants’ fraud scheme and provides, among other things, that Purchaser will have the unilateral right, after Closing, to amend, modify or terminate the RCCEs, abolish the Association and reconstitute a new property owners’ association in its discretion, as well as to amend, modify or terminate the Association Documents, which include all organizational documents or rules and regulations governing the Association (the “Association Documents”).
- I. The RCCEs and the Association were developed, established and implemented during, and as part of, the Defendants’ underlying fraud scheme. Therefore, the Purchaser’s ability to unilaterally amend, modify or terminate the RCCEs, abolish the Association and reconstitute a new property owners’ association in its discretion, and amend, modify or terminate all Association Documents is equitable and advisable under the facts and circumstances here, and is within the broad authority of the Court to approve and order in connection with the terms of a sale of receivership assets.
- J. Following the Receiver’s preliminary recommendation to the Court and Motion to approve the sale of the Belize assets to the Purchaser, the Receiver caused notice of the sale to be published, reflecting the opportunity for overbidding, as well as the deadline to qualify as a

competing bidder and date for an auction in the event of qualified overbidders. The notice was published once a week for four weeks in advance of the Receiver making his final recommendation to the Court in the Amandala, a national-circulation Belizean print newspaper, as well as in the regional Caribbean Journal via widespread electronic distribution by email to the publication's substantial online subscriber network.

- K. The Receiver additionally posted similar notice of the sale and overbidding opportunity on the receivership website (<https://sanctuarybelizereceivership.com/>) for the duration of the four-week period during which the advertisements appeared in the above-referenced print and electronic publications. CBRE also separately emailed notice of the sale to its substantial network of prospective global investors and developers within the four-week period during which notice of the sale was published.
- L. Notice of the sale, including publication thereof, and the overbid process set forth in the Motion was sufficient, equitable and in accordance with applicable law, including 28 U.S.C. §2001(a) and 28 U.S.C. §2002.
- M. There were no prospective purchasers who satisfied all of the requirements to qualify to bid in accordance with the process described in the Motion. As there were no qualifying bids, the Receiver did not hold an auction.
- N. The Receiver disputes that any amount is owing by the receivership estate in connection with the Kanantik property relative to the Deed of Mortgage dated June 19, 2015 between Mango Springs Development Ltd. and B.F. Kessler, who is believed to be deceased, and Agness A. Nagy Kessler ("Kessler"), who is a U.S. resident, in the stated principal amount of up to \$1,500,000 ("Kessler Lien"). Kessler was given notice of the Motion and did not respond to the Motion. Conveying the Property under the Purchase Agreement free and clear of the Kessler Lien by order of this Court is equitable and advisable under the facts

and circumstances here, and is within the broad authority of the Court in connection with the terms of a sale of receivership assets. Accordingly, upon entry of this Order, and in accordance with the Receiver's recognition orders previously obtained upon application from the High Court of Belize, the Receiver will make the necessary applications and take the required steps with the Government of Belize to seek to remove the Kessler Lien from the title of the corresponding Kanantik property.

- O. Purchaser having expressed its intent in the Purchase Agreement to, among other things, reconstitute a property owners association and to provide certain Sanctuary Belize development area services to consumer victim lot owners and purchasers who completed the buy outs of their lots and proceeded to closing, as well as to consider offering lots for sale in the future to those eligible consumer victims who the Receiver determined as part of the Lot Choice Survey under the Court's June 14, 2023 Order may have interest in potentially acquiring lots from a new development area owner under terms and conditions that may be acceptable to them, it will be necessary for the Receiver to provide the Purchaser with the names, contact information, Claim Application determinations, and other information that may constitute Personal Identification Information, as well as other confidential information (collectively, the "Confidential Consumer Information"). Such disclosure of the Confidential Consumer Information is equitable and advisable under the facts and circumstances here, and is within the broad authority of the Court to approve and order in connection with the terms of a sale of receivership assets.
- P. A Consumer Committee was established in this matter by order of the Court, and constituted with consumer victims, to serve as an advisory, non-governing body to receive progress updates from, and provide feedback to, the Receiver in regular, periodic meetings in connection with the Property and other receivership matters. Following the sale of the

Property pursuant to the terms of the Purchase Agreement, the receivership will turn its attention to winding down operations, seeking the Court's guidance to distribute final redress payments to eligible consumer victims, and addressing any remaining, viable creditor claims. Subject to the Receiver holding a final Consumer Committee meeting after the entry of this Order, the committee will have served its purpose such that it would not be beneficial to continue to expend receivership resources to host committee meetings. The conclusion of the Consumer Committee and corresponding meetings will not have any impact on the receivership's ongoing efforts to keep the impacted consumer stakeholders informed, as the Receiver will continue to employ the dedicated receivership website, email distributions, and other consumer communications channels to keep consumer stakeholders informed.

Based on findings made by the Court, and upon the record made before this Court, and due and proper notice of the Motion and the sale having been given, and good and sufficient cause appearing therefore, it is hereby **ORDERED, ADJUDGED AND DECREED THAT:**

1. The Motion shall be and is hereby granted.
2. The Receiver is authorized to sell the Property (as defined in the Purchase Agreement and Exhibits thereto), which is comprised of 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, to Purchaser pursuant to the Purchase Agreement.
3. Following an extensive marketing and sales process undertaken by the Receiver, the arm's length negotiation for the sale of the Property to Purchaser resulted in a purchase price that is fair and reasonable under the facts and circumstances, and is in the best interests of the receivership estate.

4. The sale of the Property complies with the requirements of 28 U.S.C. § 2001(a).

5. The terms and conditions of the Purchase Agreement are hereby approved by the Court. The Court authorizes the Receiver to perform all of his obligations under the Purchase Agreement and to consummate the sale and transfer of the Property.

6. The Property is being sold in an “as is, where is” condition, without any warranties or representations, and with all faults known and unknown, as more particularly set forth in the Purchase Agreement.

7. The Purchaser is acquiring only the assets that constitute the Property, not any of the Record Owner companies, and shall have no obligation with respect to any development, construction, service, management, leasing, operation, maintenance, repair, employment (including employee severance or termination responsibilities of the receivership or Record Owner) or other contracts entered into by the Record owner companies and/or affecting the Property, including all amendments and modifications thereto, and/or all pre-Receivership Memorandum of Sale contracts governing the purchase of lots at the Property, subject only to adherence to the terms of the RCCEs in effect from time to time as may be amended, modified or terminated.

8. In accordance with the Purchase Agreement, the Purchaser will recognize specified lot sales that were completed and proceeded to closing under reformed contracts entered into in conjunction with the Lot Choice Survey process or under pre-Receivership Memorandum of Sale contracts, regardless of whether the consumers have received title documents from the Government of Belize after Closing. Other than the foregoing, all pre-Receivership Memorandum of Sale contracts governing the purchase of individual lots at the Property are terminated as such lots are being sold pursuant to the Purchase Agreement and this Order.

9. The Receiver is authorized to execute all documents and instruments necessary or appropriate to complete, implement, effectuate and close the sale of the Property to Purchaser, including but not limited to, any and all instrument(s) conveying title to the Property to the Purchaser.

10. At Closing, the Property shall be transferred to Purchaser free and clear of any claim by the Record Owner such that Record Owner will have no claim to title to any of the Property upon Closing.

11. At Closing, the Property shall be transferred to Purchaser free and clear of any liens, encumbrances or related claims, other than the Permitted Exceptions as set forth in the Purchase Agreement.

12. At Closing, the Property shall be transferred to Purchaser free and clear of the Kessler Lien by this Order of the Court. The Receiver is hereby directed, with this Order, to make application and take all necessary steps with the Government of Belize to seek to remove the Kessler Lien from the title of the corresponding Kanantik property. Accordingly, the Receiver shall reserve an amount in escrow sufficient to account for the \$1,500,000 maximum face amount of the Kessler Lien. The Receiver may file a motion in this Court to determine whether Kessler has a valid and enforceable claim of any type against the receivership estate, the amount of any such claim, and/or whether all or any part of such a claim is secured. If the Kessler Lien is not removed from the corresponding Kanantik Property within 120 days after the Closing Date, the Receiver and Purchaser shall comply with the post-closing adjustment provision of Section 1.3 and Section 4.6(e) of the Purchase Agreement as may be applicable.

13. After Closing, by this Order, and in accordance with the Purchase Agreement, the Purchaser may unilaterally amend, modify or terminate the Sanctuary Belize RCCEs affiliated with the Property, abolish the Property Owners Association, and reconstitute a new property

owners' association in its discretion, and amend, modify or terminate all Property Owners Association Documents, all without further consent of any party or order of this Court.

14. In the performance of his obligations pursuant to this Order, the Receiver's liability in connection with the Purchase Agreement and the sale of the Property to the Purchaser shall be limited to the Record Owner's interest in the Property. Neither the Receiver nor his professionals and/or their corresponding firms shall have any personal liability for claims arising out of or relating to the performance of any actions necessary to complete the sale of the Property as provided for herein.

15. The Receiver is authorized to permit and/or cause to be paid from the proceeds of sale closing costs required to be paid by Seller under the Purchase Agreement and any prorated or other amounts applicable to Seller under the Purchase Agreement.

16. Subject to paragraph 12 of this Order, all net proceeds from the sale of the Property ("Net Proceeds") shall be paid to the receivership estate at Closing. The Receiver shall have the sole and exclusive right to oversee all of the Net Proceeds from the sale, on behalf of the receivership estate, and the Net Proceeds shall become property of the receivership estate free and clear of all liens and encumbrances, if any exist. The Receiver is authorized to permit and/or cause to be paid from the Net Proceeds of the sale, the commission fees and costs due to CBRE.

17. Any licensed title insurer, government official (whether in the United States, Belize, or other foreign country), and the Purchaser, Record Owner and Receiver may rely on this Order as authorizing the Receiver to transfer title to the Property free and clear of all liens and encumbrances.

18. Purchaser having expressed its intent in the Purchase Agreement to, among other things, reconstitute a property owners association and to provide certain Sanctuary Belize development area services to consumer victim lot owners holding title and purchasers who

completed the buy outs of their lots and proceeded to closing to seek title transfers, as well as to consider offering lots for sale in the future to those eligible consumer victims who the Receiver determined as part of the Lot Choice Survey may have interest in potentially acquiring lots from a new development area owner under terms and conditions that may be acceptable to them, the Court authorizes the Receiver to provide the Purchaser with the Confidential Consumer Information solely for these purposes.

19. Because following the sale of the Property, it is expected that the receivership will turn its attention to winding down operations, dissolving the Recorder Owner companies, distributing final redress payments to eligible consumer victims, and addressing any remaining, viable creditor claims, following a final Consumer Committee meeting to be hosted and administered by the Receiver after entry of this Order, and wherein members are to be thanked for their service and contributions, the committee is to be disbanded and corresponding meetings concluded.

20. This Court shall retain jurisdiction over any dispute involving the Receiver in connection with the sale of the Property and related receivership matters.

Dated: May 13, 2025

/s/

HONORABLE PAULA XINIS
UNITED STATES DISTRICT JUDGE