

UNITED STATES DISTRICT COURT  
DISTRICT OF MARYLAND  
SOUTHERN DIVISION

*In re* SANCTUARY BELIZE LITIGATION

No: 18-cv-3309-PJM

**MOTION FOR ORDER DETERMINING THAT FUNDS TURNED OVER TO THE  
TEMPORARY RECEIVER FROM NEWPORT LAND GROUP LLC'S BANK  
ACCOUNTS MAY BE USED FOR ALL RECEIVERSHIP PURPOSES**

Temporary Receiver Robb Evans & Associates LLC (“Receiver”), appointed pursuant to the 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 (Doc. 13) (“TRO”), extended pursuant to the Extension of Temporary Restraining Order and Interim Preliminary Injunction (Doc. 34) (“Interim Preliminary Injunction”), hereby moves the Court for an order determining that all funds turned over to the Receiver from bank accounts held in the name of Receivership Entity Newport Land Group LLC (“NLG”), in the sum of \$3,757,345.09, may be used by the Receiver for all receivership purposes.

This Motion is made and based upon the Memorandum in support of the Motion, the Declaration of Brick Kane (“Kane Declaration”), and the Request for Judicial Notice filed concurrently herewith, together with the documentary evidence accompanying the Kane Declaration and the documentary evidence for which judicial notice is requested. This Motion and the supporting papers are being served on the parties to this action and/or their counsel, as well as to NLG investors and persons who made deposits for lot purchases with NLG whose

contact information is known to the Receiver or known counsel for such investors and persons who made deposits with NLG.

Dated: May 14, 2019

By: /s/ Gary Owen Caris

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UNITED STATES DISTRICT COURT  
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*In re* SANCTUARY BELIZE LITIGATION

No: 18-cv-3309-PJM

**TEMPORARY RECEIVER’S MEMORANDUM IN SUPPORT OF MOTION FOR  
ORDER DETERMINING THAT FUNDS TURNED OVER TO THE TEMPORARY  
RECEIVER FROM NEWPORT LAND GROUP LLC’S BANK ACCOUNTS MAY BE  
USED FOR ALL RECEIVERSHIP PURPOSES**

Temporary Receiver Robb Evans & Associates LLC submits the following memorandum in support of its motion for an order determining that funds turned over to the Temporary Receiver from Newport Land Group LLC’s bank accounts may be used for all receivership purposes.

**I. INTRODUCTION AND STATEMENT OF FACTS**

The Temporary Receiver, Robb Evans & Associates LLC (“Receiver”) was appointed as Temporary Receiver in this action pursuant to the 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”) issued by the Court on November 5, 2018 (Doc. 13). Under the TRO, the Receiver became temporary receiver over all named Corporate Defendants (except for Atlantic International Bank, Ltd.) and over the assets of Andris Pukke (“Pukke”) and Peter Baker (“Baker”) valued at \$1,000 or more. The TRO was extended by the Extension of Temporary Restraining Order and Interim Preliminary Injunction (Doc. 34) filed November 29, 2018 (“Interim Preliminary Injunction”).

(The named Corporate Defendants that became receivership entities under the TRO are referred to herein as the “Original Receivership Entities.”)

The FTC filed a motion to amend the Complaint and a proposed Amended Complaint for Permanent Injunction and Other Equitable Relief (“Amended Complaint”) on December 28, 2018 adding Michael Santos (“Santos”) and Newport Land Group, LLC (“NLG”) as defendants. (Doc. 87) The Court granted the motion to amend on January 11, 2019. (Doc.107) On February 13, 2019 the Court entered a Stipulated Preliminary Injunction as to Santos and Defendants Rod Kazazi, Foundation Partners, Brandi Greenfield, BG Marketing LLC, Frank Costanzo, Deborah Connelly, Ecological Fox LLC, Angela Chittenden, and Beach Bunny Holdings LLC (Doc. 164) (“Stipulated Preliminary Injunction”). Under the Stipulated Preliminary Injunction, the Receiver remained as receiver over the stipulating Receivership Entities BG Marketing, LLC, Ecological Fox, LLC, and Foundation Partners, and NLG was expressly added as a named Receivership Entity. The Receiver remains temporary receiver over the Original Receivership Entities named in the TRO and over the assets of Pukke and Baker.

A. Newport Land Group LLC

Like the Original Receivership Entities, NLG offered Caribbean and Central American residential real estate opportunities to American consumers. Before he became a key player with NLG, Santos met Pukke in prison. Santos Motion to Dismiss, page 2, Doc. 322. Santos worked on and off for various Pukke-controlled entities, eventually acting as a fundraiser for NLG. *Id.* at pp. 3-4. According to Santos, NLG was formed by Pukke and Rod Kazazi (“Kazazi”). *Id.* at p. 4. In a California state court action since held in abeyance due to this proceeding and discussed in more detail below, Santos discussed the origins of NLG, stating: “In the first quarter of 2018, I met with Rod Kazazi and his business associate Andris Pukke about a new real estate

development project located in Costa Rica.” Declaration of Michael Santos, Paragraph 2 (Attached to the Request for Judicial Notice (“RJN”) filed concurrently herewith as Exhibit 1) (the “Santos Declaration”). Santos indicated that “Kazazi and Pukke informed me that they wished to raise \$10 million in capital from investors.” Santos Declaration, ¶3.

Santos was able to find 15 investors who collectively invested over \$3.3 million in Class A equity ownership in NLG. Santos Declaration, ¶8. The other investors’ perception of who owned and controlled NLG mirrored Santos’s. On November 16, 2018 the investors, including Santos, sued NLG in Orange County Superior Court (California state court) seeking a return of their investment funds. See Declaration of Brick Kane (“Kane Declaration”), ¶8. In the lawsuit, all the investors submitted declarations saying the same thing: that they met with Kazazi and Pukke<sup>1</sup> who were (i) acting as the face of the project; (ii) developing a master plan for the property; and (iii) seeking \$10,000,000 in equity funding. *See, e.g.*, Declaration of Alfonso Kolb, Jr., Paragraphs 2, 3 & 5 (the “Kolb Declaration”), RJN, Exhibit 2. Santos contributed \$1.4 million for Class A ownership, the largest single investor. Santos Declaration, ¶6; *see also* Kane Declaration, ¶8.

These investment funds were supposed to go to NLG’s development in Costa Rica called Rancho Del Mar. Kane Declaration, ¶13. Prospective lot purchasers were also solicited, and several placed deposits for lots in Rancho Del Mar. *Id.* All of the checks and wire transfers for these investments and lot deposits were made payable to or wire transferred to NLG and totaled \$3,879,571.50. *Id.* The real estate for the development was never purchased. Report of Receiver’s Activities for the Period from November 6, 2018 to February 21, 2019 (Doc. 219) (“Receiver’s Report”), p. 63; Kane Declaration, ¶13.

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<sup>1</sup> In addition, defendant Frank Costanzo (“Costanzo”) advised the Receiver that he was the Chief Executive Officer of NLG. Kane Declaration, ¶4.

NLG utilized two bank accounts at Bank of America, ending in account nos. 0794 and 8924 (referred to as the “0794 Account” and “8924 Account” and collectively as the “NLG Bank Accounts”). Kane Declaration, ¶13. When the Receiver took control of the NLG Bank Accounts, \$3,752,571.50 was in the 8924 Account and \$4,773.59 was in the 0794 Account for a total of \$3,757,345.09. *Id.* This sum was turned over to the Receiver in April 2019 after the Court issued the Stipulated Preliminary Injunction expressly naming NLG as a Receivership Entity. *Id.* Kazazi was one of two authorized signatories for the NLG Bank Accounts, in addition to Defendant Brandi Greenfield (“Greenfield”). Kane Declaration, ¶3. As of the inception of the receivership, the total amount in the NLG Bank Accounts was \$122,226.41 less than the amount raised from the investors and prospective lot purchasers for Rancho Del Mar (\$3,879,571.50 minus \$3,757,345.09 = \$122,226.41). Kane Declaration, ¶13.

The Receiver has undertaken a detailed analysis of the NLG Bank Accounts as well as the financial statements generated by QuickBooks by the Receivership Entities for NLG, as well as the financial statements maintained on QuickBooks for the named Receivership Entities. The NLG Bank Accounts were not segregated from the accounts held by the Original Receivership Entities. Specifically, nearly \$1.3 million was transferred from Original Receivership Entities into the 0794 Account. Kane Declaration, ¶11. The main source of the funds from the Original Receivership Entities into this account was \$360,900 from Buy International, Inc. (“Buy International”), \$831,000 from Eco-Futures Development (“EFD”), and \$95,000 from Global Property Alliance, Inc. (“GPA”). *Id.* **Therefore, the NLG Bank Accounts were commingled with nearly \$1.3 million in funds from the Original Receivership Entities.** All of this money originated from consumers who made payments to acquire lots in the Belize real estate development at Sanctuary Bay known as the “Reserve.” Kane Declaration, ¶11, Receiver’s

Report, p. 63. Notwithstanding various descriptions of the transfers from the Original Receivership Entities to NLG in the QuickBooks financial records for the Original Receivership Entities and for NLG, the Receiver has uncovered no legitimate business justification for these transfers. Kane Declaration, ¶11.

Based on this review of NLG's banking records and the financial records for NLG and the Original Receivership Entities, the Receiver determined that a substantial amount of money was paid from the NLG Bank Accounts for purposes unrelated to the Rancho Del Mar real estate project in Costa Rica. The Receiver determined that \$1,065,000 was paid from the NLG Bank Accounts to acquire land in the Bahamas for another real estate development project **unrelated to the Reserve project in Belize and unrelated to the Rancho Del Mar project in Costa Rica**. Kane Declaration, ¶12.

B. The Same Individuals Control the Original Receivership Entities and Newport Land Group

Pukke is the ultimate control person over NLG and the Original Receivership Entities, as evidenced by the facts set forth in the Receiver's Report, including pp. 3-7. The FTC alleges that though Pukke does not officially own any of the corporate defendants, he "is at the heart of the deceptive, unlawful real estate investment scheme alleged in this Complaint." Amended Complaint, ¶8. As Kane testified at the evidentiary hearing on the FTC's motion for preliminary injunction and as set forth in the Receiver's Report, the Receiver has determined that Pukke is the person with ultimate control over the Original Receivership Entities. He directed operational and financial matters and controlled sales, management and, most importantly, the cash generated by the Reserve. Kane Declaration, ¶9. Critically, Pukke diverted at least \$16 million from consumer payments intended for the Reserve. Receiver's Report pp. 5-7. As one of his associates noted, "Based on my observations, everyone, whether in the United States or Belize,

ultimately reported to Andris Pukke.” Declaration of Frank Costanzo, ¶18, Docket 238-2 (hereafter the “Costanzo Declaration”). Costanzo further noted “although operations in the United States were ostensibly owned by Peter Baker, they were ultimately controlled by Andris Pukke.” *Id.* at ¶19.

Pukke is aided by a central cast of characters. For instance, Kazazi is another control person over NLG and the Original Receivership Entities. As noted by Santos, he was presented to investors as one of the faces of NLG. He was an authorized signatory for the NLG Bank Accounts. Kane Declaration ¶3. At the same time, Kazazi was Chief Executive Officer of EFD and the Chief Financial Officer of GPA. *See* Federal Trade Commission’s (“FTC”) Memorandum in Support of Temporary Restraining Order (Doc. 5) (“Motion for TRO”) p. 63 and evidence filed in support thereof. Kazazi was also a bank signatory for GPA, Sittee River Wildlife Reserve (“SRWR”), Eco-Futures Belize Limited (“Eco-Futures Belize”), EFD, and Foundation Development Management, Inc. (“FDM”) as well as NLG. *Id.* He conveyed to third parties that he had a “senior executive role” at the Reserve. *Id.* Among other things, Kazazi has incorporated entities associated with the Reserve, directed financial transfers, negotiated lot buyback agreements, and coordinated SBE’s<sup>2</sup> response to negative press. *Id.* Kazazi “oversaw the finances of the SBE” and “knew how much money the SBE had at any given time.” Costanzo Declaration, ¶20.

Greenfield was the other authorized signatory on the NLG Bank Accounts besides Kazazi and held the title of “Manager” of NLG. Kane Declaration, ¶¶3,4. NLG’s website lists her as a Founding Partner of NLG. Motion for TRO, PXC154, p. 8. At the same time, Greenfield was the “Director of Sales” for the Reserve and authorized to sign contracts for EFD. Motion for

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<sup>2</sup> “SBE” is used by the FTC to refer to the Reserve.



TRO at p. 59 and evidence cited therein. Greenfield had a role in the telemarketing scripts being used to sell lots in the SBE. Costanzo Declaration, ¶21.

Costanzo is another control person over the Original Receivership Entities. Costanzo held himself out as CEO of NLG. Kane Declaration, ¶4; Costanzo Declaration, ¶26. Costanzo also used the name Frank Connelly and Frank Costanzo-Connelly. Costanzo Declaration, ¶7. Under the name Frank Connelly, Costanzo is presented as a Founding Partner and the CEO of NLG on its website. Motion for TRO, PXC154, p. 8. Costanzo is also an officer of FDM, Buy International and EFD. Motion for TRO, p. 61, and evidence filed in support thereof. He has described himself as having “significant personal knowledge of the sales and marketing and planned development related to the Sanctuary Belize.” Costanzo Declaration, ¶8. Costanzo stated that NLG “shared control people with the other United States based companies.” *Id.* at ¶14. Costanzo further indicated that NLG was a “core company” in the marketing and development of projects including the Reserve. *Id.* at ¶12. For instance, NLG listed on its website two portions of the Reserve, Laguna Palms and Bamboo Springs, as current developments. Motion for TRO, PXC154, pages 5, 12, 17, 21 and 22.

Santos also moved between NLG and the Original Receivership Entities. As noted above, he raised millions of dollars in investments for NLG. At the same time, he was also a Director for Communications for GPA and Director of Business Development for GPA, Buy Belize and Buy International. Amended Complaint ¶29. He had at least one work station, stored documents at the Original Receivership Entities’ office location and received mail at that address. Federal Trade Commission’s Motion and Memorandum in Support Seeking Leave to Immediately Amend Complaint to Add Michael Santos and Newport Land Group LLC as Defendants and For Preliminary Injunction Against Michael Santos, Section II, page 3, Docket

87 (hereafter “Motion to Amend”). Santos filmed marketing videos in the defendant’s conference rooms. *Id.* Santos also ran a YouTube channel where he made videos marketing the Laguna Palms portion of the Reserve. Costanzo Declaration, ¶26. Costanzo appeared as CEO of NLG in some of these videos with Santos to sell lots in the Reserve. *Id.* Though NLG was ostensibly created to develop residential real estate in countries other than Belize, NLG ultimately ended up doing marketing for the Reserve.

## II. ARGUMENT

As set forth both below, there are four reasons why the Receiver is entitled to use the funds which were in the NLG Bank Accounts for all receivership purposes. First, NLG is properly treated as a Receivership Entity under the TRO due to its status as an affiliate of the Original Receivership Entities. Second, NLG is properly treated as a Receivership Entity under the TRO because it conducted business at 3333 Michelson Drive and was involved in the Reserve project in Belize. Third, NLG is an asset beneficially owned and controlled by Pukke, and Pukke’s assets are property of the receivership estate under the TRO. Fourth, nearly \$1.3 million belonging to the Original Receivership Entities was transferred into the NLG Bank Accounts and commingled with funds originating from Rancho Del Mar investors and prospective lot purchasers, thereby mandating that the Receiver treat the funds originating in the NLG Bank Accounts as part of a unitary receivership estate and not segregated in any manner. Each of these arguments is discussed below.

### A. NLG is Properly Treated as a Receivership Entity Under the TRO Due to its Status as an Affiliate of the Original Receivership Entities

First, NLG is properly treated as a Receivership Entity under the TRO due to its status as an affiliate of the Original Receivership Entities based on common ownership and control of NLG and the Original Receivership Entities. Under the TRO, all “Receivership Entities” are

under the control of the Receiver. TRO, XVI(A) and (B), p. 27. The Term “Receivership Entities” includes, *inter alia*, all “Corporate Defendants.” TRO, Definitions (H), p. 11. The term “Corporate Defendant(s)” includes the Original Receivership Entities and each of their “subsidiaries, **affiliates**, successors and assigns.” TRO, Definitions (B), p. 11 (emphasis added).

The term “affiliate” is not defined by the TRO. As noted by the Fourth Circuit Court of Appeals, “[a]ffiliate is a well-established term in the business context, and always denotes some significant degree of control between two entities. *See, e.g., Black's Law Dictionary* 58 (West 6th ed.1990) (defining “affiliate” as “signify[ing] a condition of being united; being in close connection, allied, associated, or attached as a member or branch...” *Jermar, Inc. v. L.M. Communications II of South Carolina, Inc.*, 181 F.3d 88 (table), 1999 WL 381817, \*4 (4<sup>th</sup> Cir. 1999). “In standard legal parlance, ‘affiliate’ denotes a close connection or association between two persons.” *Cox v. Shah*, 187 F.3d 629 (table), 1999 WL 492664, \*8 (4<sup>th</sup> Cir. 1999). *See also Black's Law Dictionary* 59 (7th ed. 1990) (defining “affiliate” as “a corporation related to another corporation by shareholders or other means of control.”); Merriam-Webster’s Collegiate Dictionary 10<sup>th</sup> Edition 20 (defining “affiliated” as “closely associated with another”).

NLG is an affiliate of the Original Receivership Entities and subject to the TRO since the same people controlled NLG and the Original Receivership Entities. As noted in detail above, Pukke, Kazazi, Costanzo, Greenfield and Santos each had key control authority for both NLG and the Original Receivership Entities, with Pukke being the ultimate control person. Thus, NLG is properly considered an affiliate of the Original Receivership Entities since it was under the common control of Pukke, Costanzo, Kazazi, Costanzo, Greenfield and Santos who were all also running the Original Receivership Entities.

Early on, the Receiver determined that it should treat NLG as a Receivership Entity and exercised all of its rights and duties specified in the TRO. Kane Declaration, ¶10. Section XVI.W of the TRO authorized the Receiver to determine if any nonparty was, in fact, a Receivership Entity. On December 5, 2018, counsel for the Receiver advised the parties to the lawsuit and various other parties in interest of this determination as required by Section XVI.X of the TRO. Kane Declaration, ¶10. In that letter, the Receiver advised the parties this determination could be challenged by filing a motion with the Court. No such motion was ever filed. Kane Declaration, ¶10. Further, in the Motion to Amend, the FTC noted that it was not moving to add NLG to the Preliminary Injunction since “the Receiver has already deemed Newport Land Group LLC a Receivership Entity and taken control over it and its assets.” Motion to Amend, fn. 4.

B. NLG is Properly Treated as a Receivership Entity Under the TRO Since it Conducted Business at 3333 Michelson Drive and was Involved in the Reserve

NLG falls under the TRO’s definition of “Receivership Entities” for a second reason. The TRO’s definition of Receivership Entity includes (i) any entity that is operated from 3333 Michelson Drive, Suite 500, Irvine, California (“Michelson Premises”) and “assists, facilitates or otherwise conducts business related” to the Reserve. TRO Definition H, p. 11. Thus, this is a two-pronged test. Did NLG work out of the Michelson Premises? If so, did it conduct business related to the Reserve? Both prongs are satisfied.

For the first prong, when the Receiver took control of the Receivership Entities, it was learned that NLG had a mailing address but that this address was merely a “virtual office” and no work was conducted there. Kane Declaration ¶7. Rather, mail was delivered to the Michelson Premises where the other Receivership Entities were located. *Id.* NLG had a mail slot at the

Michelson Premises. *Id.* Additionally, the QuickBooks log-in information for NLG was kept at the Michelson Premises alongside the other Receivership Entities. *Id.* at ¶5. NLG's QuickBooks were maintained by the Original Receivership Entities operating at the Michelson Premises. *Id.* at ¶6. The FTC asserts that the Michelson Premises was NLG's "*de facto* principal place of business..." Amended Complaint, ¶18. Santos had a work station, stored documents and received mail at the Michelson Premises. Motion to Amend, Section II, page 3, and evidence cited therein.

In addition to sharing the Michelson Premises with the Original Receivership Defendants, the second prong of Definition H is satisfied because NLG was involved in advertising, marketing, distributing and selling real estate investments in Belize. Santos ran a YouTube channel where he made videos marketing the Laguna Palms portion of the Reserve. Costanzo Declaration, ¶26. Costanzo was the CEO of NLG and appeared in some of these videos with Santos to sell lots in the Reserve. *Id.* NLG listed on its website two portions of the Reserve, Laguna Palms and Bamboo Springs, as current developments. Motion for TRO, PXC154, pages 5, 12, 17, 21 and 22.

C. NLG is an Asset Beneficially Owned and Controlled by Pukke, and Pukke's Assets are Property of the Receivership Estate Under the TRO

Even if NLG weren't an affiliate of the Corporate Defendants or didn't meet the TRO's definition of Receivership Entity, NLG would still be properly subject to the TRO since it is ultimately controlled by and thus an asset of Pukke. The TRO granted the Receiver control of "[a]ll Assets held by or for the benefit of Individual Defendant[] Andris Pukke." TRO, XVI(B). Pukke was ultimately in charge of all of the Corporate Defendants and was the primary financial beneficiary. Pukke diverted over \$16 million, much of which was used for his own personal benefit. Receiver's Report pp. 5-7 and Exhibit 4 thereto. The Receiver further determined:

From 2015 and continuing into 2018, Pukke developed, promoted, and ultimately directed and caused additional offshore development projects to be started in Mexico, Costa Rica, the Bahamas, and the Dominican Republic. The financial records and documents show that each of these four additional projects is similar in concept and design to the Reserve.

Receiver's Report, p. 9. Frank Costanzo noted "although operations in the United States were ostensibly owned by Peter Baker, they were ultimately controlled by Andris Pukke." Costanzo Declaration, ¶19. The Receiver further determined:

From the forensic accounting and other analysis of the accounting and business records of the Receivership Entities completed to date, the Temporary Receiver has confirmed these financial records often contain misleading and inaccurate posting entries and descriptions that hide or mislead cash diversions by Pukke. As detailed in the Financial Information section of this report, Pukke ignored any rules regarding corporate governance.

*Id.*, p. 4.

Therefore, even if for some reason NLG is not deemed to be a Receivership Entity despite its affiliate status and its qualification as a Receivership Entity under Definition H of the TRO, it should be deemed to be an asset of Pukke's and therefore part of the receivership estate for all purposes.

D. Since There was Commingling Between NLG and the Original Receivership Entities, the Receiver Properly Treats Funds from the NLG Bank Accounts as Part of the Unitary Receivership Estate

As shown above, there was extensive commingling between the various Receivership Entities and NLG, such that nearly \$1.3 million dollars was transferred to NLG from the Original Receivership Entities. Since there is commingling between NLG and the Original Receivership Entities, the Receiver properly treats the NLG Bank Accounts as part of the overall receivership estate.

Case law clearly supports this. For instance, the Court in *SEC v. Byers*, 637 F.Supp.2d 166 (S.D. N.Y. 2009) considered the request of the receiver to consider certain real estate and commodities funds as commingled and thus properly distributed pro rata to all claimants. The

real estate funds had been extensively commingled. *Id.* at 178. The commodities funds, conversely, showed limited commingling. *Id.* Those with claims related to the commodities funds argued that their claims should be paid with money in the commodities account (and receive a more favorable treatment) since it was “their” money. *Id.* at 179. The Court disagreed, noting that since commingling did occur, what the investors considered “their” money “in all likelihood...includes money transferred from an investor who never had any intention of investing in a commodity fund.” *Id.* Undertaking a comprehensive review of case law on this point, the Court noted that money was fungible and that any evidence of commingling was enough to “taint” all of the funds. *Id.* at 177-78. The commodities account claimants argued that the low level of commingling protected them, but the Court held there was no need to show that the commingling was systematic or pervasive and “there is some evidence that commingling occurred, and the law does not appear to require more than that.” *Id.* at 178.

This commingling concept espoused by *Byers* was recently reiterated in *SEC v. Bivona*, 2017 WL 4022485 (N.D. Ca. 2017). Like *Byers*, some of the claimants argued against pooling of the assets and that their claims should trace to certain funds. The Court disagreed, noting “[t]here are few hard-and-fast rules for how courts should exercise their discretion in such circumstances, but one deeply engrained principle holds that where multiple people have been victimized, all victims of the fraud be treated equally.” *Id.* at \*6 (internal quotations and citations omitted). “If a particular investor who is able to “trace” his or her investment is permitted to do so, other victims will end up receiving a smaller portion of whatever remains. In effect, the investor who obtains relief based on tracing will obtain preferential treatment vis-à-vis other investors.” *Id.* at \*7.

The Class A Investors and those who placed lot deposits with NLG should not be permitted to argue against the Receiver's use of the NLG Accounts because of a claimed ability to trace their deposits. From a threshold perspective, \$1.3 million was moved from Original Receivership Entities to NLG. To favor those with claims against NLG would negatively impact claimants against the Original Receivership Entities. The overwhelming authority is that tracing is not allowed for equitable remedies. *See United States v. Real Property Located at 13328 and 13324 State Highway 75 N.*, 89 F.3d 551, 553–54 (9th Cir.1996) (affirming allocation of proceeds of disgorged property pro rata to victims of a fraudulent investment scheme, regardless of whether claimants can trace their funds, because “the equities demand[ ] that all victims of the fraud be treated equally”).

It would be inequitable to permit the NLG investors and prospective lot purchasers exclusive access to all of the funds from the NLG Bank Accounts when nearly \$1.3 million came into those accounts from the Original Receivership Entities. If the \$3,757,345.09 attributed to the NLG Bank Accounts were devoted exclusively to repaying the \$3,879,571.50 raised from NLG investors and prospective lot purchases, those claimants would receive 96.8% of their claims to the detriment of other consumers in this case.

Conversely, because all potentially defrauded consumers and investors should be treated equally, the funds attributable to the NLG Bank Accounts should be used to fund common receivership expenses. This Court has broad supervisory powers and the discretion to determine the scope of the entities and assets subject to the TRO. *In re San Vicente Medical Partners, Ltd.*, 962 F.2d 1402, 1408 (9<sup>th</sup> Cir. 1992); *SEC v. Elmas Trading Corp.*, 620 F.Supp. 231 (D. Nev. 1985), *aff'd* 805 F.2d 1039 (9<sup>th</sup> Cir. 1986); *Delaware Watch Co. v. FTC*, 332 F.2d 745, 746-47 (2d Cir. 1964) (affirming an FTC order holding a company liable because it was part of a “maze



of interrelated companies” through which “the same individuals were transacting an integrated business”); *Commodity Futures Trading Comm’n. v. Wall Street Underground, Inc.*, 281 F. Supp. 2d 1260, 1271 (D. Kan. 2003) (noting that when corporations act as a common enterprise, each may be liable for the deceptive acts and practices of the other)(citing *Sunshine Art Studios, Inc. v. FTC*, 481 F.2d 1171, 1175 (1st Cir. 1973)).

Since the receivership estate is viewed as a whole, not by its individual pieces, it is appropriate that all assets from all the entities be used to fund the expenses of the entire receivership estate. The “primary purpose of equity receiverships is to promote orderly and efficient administration of the estate by the district court for the benefit of creditors.” *SEC v. Hardy*, 803 F.2d 1034, 1038 (9th Cir.1986); *FTC v. 3R Bancorp*, No. 04 C 7177, 2005 WL 497784, at \*3 (N.D.Ill. Feb. 23, 2005). Allocating receivership expenses among all the harmed investors is proper. *SEC v. Alpine Mut. Fund Trust*, 824 F.Supp. 987 (D. Colo. 1993). In *Alpine*, the receiver wanted the receivership expenses spread *pro rata* against all claimants. *Id.* at 995. Some claimants objected, arguing that certain of the expenses did not benefit them. The receiver argued that “under a theory of unjust enrichment ... allowing certain creditors to avoid paying expenses would grant them the benefit of the Receiver’s efforts in ‘marshalling, preserving and enhancing the value of the ... assets’ without having to pay” for those services. *Id.* The Court agreed that expenses should be shared *pro rata*, stating “in our view, whether the work of the Receiver has *always* benefited the creditors is irrelevant where the creditors have received some benefit.” *Id.* (Emphasis in original.) Therefore, it is appropriate that funds transferred from the NLG Bank Accounts to the Receiver may be used for all receivership purposes.

### III. CONCLUSION

As shown above, (i) NLG is properly treated as a Receivership Entity under the TRO due

to its status as an affiliate of the Original Receivership Entities; (ii) NLG is properly treated as a Receivership Entity under the TRO since it conducted business at the Michelson Premises and was involved in the Reserve project in Belize; (iii) NLG is properly considered a Receivership Entity because it is an asset beneficially owned and controlled by Pukke, and Pukke's assets are property of the receivership estate under the TRO; and (iv) the extensive commingling of funds between the Original Receivership Entities and NLG precludes the segregation of funds turned over to the Receiver from the NLG Bank Accounts.

For the reasons set forth herein, the Receiver respectfully requests that the Court issue an order that all funds turned over to the Receiver from the NLG Bank Accounts may be used for all receivership purposes.

Dated: May 14, 2019

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By: /s/ James E. Van Horn

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Attorneys for Temporary Receiver, Robb Evans  
& Associates LLC

UNITED STATES DISTRICT COURT  
DISTRICT OF MARYLAND  
SOUTHERN DIVISION

*In re* SANCTUARY BELIZE LITIGATION

No: 18-cv-3309-PJM

**DECLARATION OF BRICK KANE IN SUPPORT OF MOTION FOR  
ORDER DETERMINING THAT FUNDS TURNED OVER TO THE TEMPORARY  
RECEIVER FROM NEWPORT LAND GROUP LLC'S BANK ACCOUNTS  
MAY BE USED FOR ALL RECEIVERSHIP PURPOSES**

I, Brick Kane, declare:

1. I am the President of Robb Evans & Associates LLC ("Receiver"), the Temporary Receiver in this action. This lawsuit was commenced on October 31, 2018 by the Federal Trade Commission ("FTC") on October 31, 2018 with its filing of a Complaint for Permanent Injunction and Other Equitable Relief ("Complaint"). The lawsuit named 17 entity defendants and seven individual defendants, in addition to five relief defendants. The Court issued its Ex Parte Temporary Restraining Order With Asset Freeze, Writs *Ne Exeat*, Appointment of a Temporary Restraining Order and Other Equitable Relief, and Order to Show Cause Why a Preliminary Injunction Should Not Issue ("TRO") on November 5, 2019. Under the TRO, the Receiver became temporary receiver over all named Corporate Defendants except for Atlantic International Bank, Ltd. ("AIBL") and over the assets of Andris Pukke ("Pukke") and Peter Baker ("Baker") valued at \$1,000 or more. The Court extended the duration of the TRO pursuant to an Extension of Temporary Restraining Order and Interim Preliminary Injunction on November 20, 2018. The FTC filed a motion to amend the Complaint and a proposed Amended Complaint for Permanent Injunction and Other Equitable Relief ("Amended Complaint") on

December 28, 2018 adding Michael Santos and Newport Land Group, LLC (“NLG”) as defendants. The Court granted the motion to amend on January 11, 2019. 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 (“Stipulated Preliminary Injunction”). Under the Stipulated Preliminary Injunction, the Receiver remained as receiver over the stipulating Receivership Entities BG Marketing, LLC, Ecological Fox, LLC, and Foundation Partners, and NLG was expressly added as a named Receivership Entity. The Receiver remains Temporary Receiver over the remaining Receivership Entities named in the TRO and over the assets of Pukke and Baker. For the purposes of this declaration, the term “Original Receivership Entities” describes those entities originally named as Defendants in the action and originally named as Receivership Entities specifically in the TRO and is not intended to refer to NLG.

2. I have been one of the members of Robb Evans & Associates LLC primarily responsible for the supervision, management and administration of the receivership estate, the Receiver’s taking possession and control of the business and operations of the Receivership Entities, as defined in the TRO, the review and investigation of the business, operations and assets of the Receivership Entities and the individuals whose assets are under receivership, and the Receiver’s exercise of the other powers and duties set forth in the TRO and Stipulated Preliminary Injunction. I have been involved in the Receiver’s ongoing review and detailed analysis of the Receivership Entities’ financial records, banking records, and other business records and files. I was personally involved in the preparation and review of the Receiver’s Report of Activities for the Period From November 6, 2018 to February 21, 2019 (“Receiver’s

Report”) filed on February 22, 2019. 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.

3. Early in the case, based on the Receiver’s review of banking records pertaining to NLG and NLG’s financial records, the Receiver determined that NLG had two bank accounts at Bank of America (ending in account nos. 0794 and 8924 and referred to herein as the “0794 Account” and “8924 Account” respectively, and collectively as the “NLG Bank Accounts”). The Receiver determined that the 0794 Account was utilized as an operating account and the 8924 account was utilized to deposit funds paid by prospective equity investors in a Costa Rica real estate development project known as Rancho Del Mar, as well as for lot deposits made by prospective lot purchasers in the Rancho Del Mar project. Defendants Rod Kazazi (“Kazazi”) and Brandi Greenfield (“Greenfield”) were the sole account signatories on the NLG Bank Accounts.

4. Based on the Receiver’s review of the pleadings and supporting evidence submitted by the Federal Trade Commission (“FTC”) in support of its motion for the TRO, as well as the Receiver’s independent investigation, interviews, and review of pertinent documentation pertaining to the Receivership Entities, the Receiver was aware that Kazazi was a senior officer of at least two of the Original Receivership Entities and that Kazazi and Greenfield each had senior and extensive management roles with a variety of Original Receivership Entities. The signature cards for the two accounts at Bank of America evidence that Kazazi and Greenfield each held the title of “Manager” of NLG. True and correct copies of the signature cards are attached collectively hereto as Exhibit 1. In interviews with the Receiver, defendant Frank Costanzo (“Costanzo”) advised us that he was the Chief Executive Officer of NLG. Based

on the Receiver's review of the pleadings and supporting evidence submitted by the FTC in support of its motion for a TRO, we were also aware that Costanzo was an officer of three Original Receivership Entities.

5. When the Receiver took possession and control of the named Receivership Entities' premises at 3333 Michelson Drive, Suite 500, Irvine, California ("Michelson Premises") on November 7, 2018, the user names and passwords for a variety of different bank accounts and QuickBooks financial records were located on the premises. Included in that list were user names and passwords for the NLG Bank Accounts. We confirmed in our interviews that day that the Controller over the Original Receivership Entities which conducted business at the Michelson Premises had on-line access to the NLG Bank Accounts.

6. Based on the Receiver's review of the QuickBooks records for the Original Receivership Entities, we determined that NLG's QuickBooks were maintained by the Original Receivership Entities operating at the Michelson Premises.

7. Upon taking possession and control of the Michelson Premises, the Receiver learned that mail addressed to NLG was forwarded to the Michelson Premises from a mailing address NLG used at 19800 MacArthur Blvd., Suite 300, Irvine, CA. The Receiver observed a mail slot at the Michelson Premises expressly for NLG. The Receiver also learned that the MacArthur location was a "virtual" office but no work was conducted by NLG at that location.

8. In late November 2018, the Receiver was advised that the investors in the Costa Rica development project known as Rancho Del Mar had sued NLG in Orange County Superior Court (California state court) on November 16, 2018 seeking a return of their investment funds. I was provided copies of the pertinent pleadings filed in that action in support of a pre-judgment attachment order against the funds held in the NLG Bank Accounts and I reviewed these

pleadings. The pleadings, including numerous declarations from the plaintiffs in the state court action, confirmed that Kazazi and Andris Pukke (“Pukke”) were the two principals behind NLG and the Costa Rica real estate project.

9. As I testified at the evidentiary hearing on the FTC’s motion for preliminary injunction, and as set forth in the Receiver’s Report, the Receiver has determined that Pukke is the person with ultimate control over the Original Receivership Entities. He directed operational and financial matters and controlled sales, management and, most importantly, the cash generated by the Belize real estate development at Sanctuary Bay known as the “Reserve”.

10. As a result of the various facts set forth above, the Receiver determined that NLG was a Receivership Entity, as that term is defined in the TRO at Definitions B and H. Specifically, the Receiver determined that it was a Corporate Defendant as defined in the TRO at Definition B, because it was an affiliate of the named Corporate Defendants (except Atlantic International Bank, Ltd.) due to common ownership and/or control of NLG and the Original Receivership Entities, and it was a Receivership Entity as defined in the TRO at Definition H, because it was a Corporate Defendant. Therefore, the Receiver determined that it should treat NLG as a Receivership Entity and exercise all of its rights and duties specified in the TRO as to NLG, as provided at Section XVI.W of the TRO. On December 5, 2018 counsel for the Receiver advised the parties to the lawsuit and various other parties in interest of this determination as required pursuant to Section XVI.X of the TRO. In that letter, the Receiver’s counsel advised the parties this determination could be challenged by filing a motion with the court. No such motion was ever filed. A true and correct copy of the letter is attached hereto as Exhibit 2.

11. The Receiver has undertaken a detailed analysis of the NLG Bank Accounts as well as the financial statements for NLG maintained on QuickBooks by the Original Receivership Entities, and the financial statements maintained on QuickBooks for the Original Receivership Entities. The Receiver determined that the NLG Bank Accounts and funds were not segregated from the bank accounts and funds held by the Original Receivership Entities. Specifically, nearly \$1.3 million funded exclusively from consumers who made payments in connection with the Reserve was transferred from the Original Receivership Entities into the 0794 Account. The main source of the funds from the Original Receivership Entities to NLG was \$360,900 from defendant Buy International, Inc., \$831,000 from defendant Eco-Futures Development, and \$95,000 from defendant Global Property Alliance, Inc. Therefore, the NLG Bank Accounts were commingled with nearly \$1.3 million in funds from the Original Receivership Entities. Notwithstanding varying characterizations in Quick Books for these transfers, the Receiver has uncovered no legitimate business justification for these transfers.

12. Based on the Receiver's review of NLG's banking records and the financial records for NLG and the Original Receivership Entities, the Receiver further determined that a substantial amount of money was paid from the NLG Bank Accounts for purposes unrelated to the Rancho Del Mar real estate project in Costa Rica. The Receiver has verified, based on its review of the financial statements and banking records, that \$1,065,000 was paid from the NLG Bank Accounts to acquire land in the Bahamas for another real estate development project unrelated to the Reserve in Belize and unrelated to the Costa Rica project.

13. At the inception of the receivership, the NLG Bank Accounts had funds totaling \$3,757,345.09 including \$3,752,571.50 from the 8924 Account and \$4,773.59 from the 0794 Account. This sum was eventually turned over to the Receiver on April 4, 2019 after the Court



issued the Stipulated Preliminary Injunction expressly naming NLG as a Receivership Entity. However, based on a review of the banking records and accounting records, the Receiver has determined that a total of \$3,879,571.50 was raised from investors and prospective purchasers of lots in the Costa Rica real estate development project. This means that NLG did not segregate and preserve the funds raised from investors and prospective purchasers of lots in the Costa Rica project. Instead, it used funds from the Original Receivership Entities which came from consumers who acquired property in Belize at the Reserve, as well as from the investors and prospective purchasers of lots in the Costa Rica project, to fund expenses unrelated to the Costa Rica development project, principally \$1,065,000 to acquire land in the Bahamas. As of the inception of the receivership, the total amount in the NLG Bank Accounts, \$3,757,345.09, was \$122,226.41 less than the amount raised from the investors and prospective lot purchasers for Rancho Del Mar, \$3,879,571.50. The real estate for the Rancho Del Mar project in Costa Rica was never purchased.



I declare under penalty of perjury that the foregoing is true and correct and that this declaration was executed on May 14, 2019 at Sun Valley, California.

  
BRICK KANE

# EXHIBIT 1

<b>Bank of America</b> <b>Merrill Lynch</b>		<b>Deposit Account Documentation</b> <b>Signature Card</b>		
<b>I. ACCOUNT INFORMATION</b>				
Select One: <input type="checkbox"/> Update (Add/Delete) Signers (existing accounts only)		<input type="checkbox"/> Replace Existing Signature Card with this Signature Card		<input checked="" type="checkbox"/> New Account
Account # (If new account, Bank will complete):		0794		
Account Holder LEGAL NAME (Must match Federal Income tax return)		Newport Land Group LLC		State of Formation: Wyoming
<input type="checkbox"/> Owner Business Name of Disregarded Entity (Must match 1st line of W9)				
<input type="checkbox"/> Third Party/Funds Owner (if applicable)				
<input type="checkbox"/> DBA Name (Must provide copy of fictitious filing)				
Optional Descriptive Account Title:				
Statement Address: 11980 MacArthur Blvd Ste 300				
City: Irvine		State: CA	Postal Code: 92663	
<b>II. BUSINESS TYPE</b>				
<b>Business Type</b>				
<input type="checkbox"/> Corporation		<input type="checkbox"/> Sole Proprietorship		<input type="checkbox"/> Joint Venture
<input type="checkbox"/> General Partnership		<input type="checkbox"/> Limited Partnership		<input type="checkbox"/> Limited Liability Partnership
<input type="checkbox"/> Government Authority Agency		<input type="checkbox"/> Other		<input type="checkbox"/> Unincorporated Organization or Association
<input checked="" type="checkbox"/> Limited Liability Company:		<input type="checkbox"/> Manager Managed		<input checked="" type="checkbox"/> Member Managed
<input type="checkbox"/> Sole Member				
(Other Type: <input type="text"/> )				
<b>III. Designated Account Signers</b>				
Add or Delete	Printed Name	Title (If signer also on Banking Association, Title Must Match)	Signature	Signer Limited to Check Signing ONLY
Add	Brandi Greenfield	Manager		<input type="checkbox"/>
				<input type="checkbox"/>
				<input type="checkbox"/>
				<input type="checkbox"/>
				<input type="checkbox"/>
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				<input type="checkbox"/>
				<input type="checkbox"/>

EXHIBIT 1

DEPOSIT ACCOUNT DOCUMENTATION-SIGNATURE CARD			
<b>IV. CUSTOMER ACKNOWLEDGEMENT &amp; AGREEMENT</b>			
<p>You begin or continue a deposit account relationship with us by giving us information about your business and by signing this Agreement. The deposit agreement we give you is part of your agreement with us regarding use of your account and tells you the current terms governing your account. We may change the deposit agreement at any time and will inform you of changes that affect your rights and obligations. By signing below, you acknowledge receipt of the deposit agreement. The deposit agreement includes a provision for alternative dispute resolution.</p> <p>By signing below, you authorize each person who has signed in the Designated Account Signer section on page one, to operate any account opened under this signature card now or in the future. The authority to operate an account includes: authority to sign checks and other items and to give us other instructions, including by electronic signature, electronic record or other electronic form, to withdraw funds; to endorse and deposit checks and other items payable to or belonging to you to the account; and to transact other administrative business, including by electronic signature, electronic record or other electronic form relating to the account, including closing the account. If you wish to restrict a designated signer's authority to check signing you must indicate that by checking the box to the right of their name. We may rely on this authorization for any account opened under this signature card until we receive written notice revoking the authorization at the office where we maintain the account, and we have a reasonable time to act upon such notice. By signing below, this organization agrees to be bound to the above Agreement and Authorization.</p> <p>For CA Public Funds only: Any person signing this Agreement for the Organization certifies that they are duly authorized to do so as evidenced by attached banking resolution/contract for deposit of moneys or existing banking resolution/contract for deposit of money on file with us.</p>			
Printed Name <b>Brandi Greenfield</b>	Title <b>Manager</b> <small>(Certifying individual must be authorized on Banking Resolution, This MUST match)</small>	Signature 	Date <b>11/4/16</b>
<b>V. SUBSTITUTE FORM W9 / CERTIFICATION</b>			
<input checked="" type="checkbox"/> Employer Identification Number	[REDACTED] <b>973</b>		
<input type="checkbox"/> Social Security Number			
Legal name of the owner of the Federal E.I.N. or SSN listed above		<b>Nowport Land Group, LLC</b>	
Federal tax Classification; check only one of the following seven boxes			
<input type="checkbox"/> Individual/sole proprietorship or single member LLC	<input type="checkbox"/> C Corporation	<input type="checkbox"/> S Corporation	<input type="checkbox"/> Partnership
<input type="checkbox"/> Trust/estate	<input checked="" type="checkbox"/> Limited liability company. Enter the tax classification (C corporation, S-B corporation, Partnership) <b>C corp</b>		
Note: For a single-member LLC that is disregarded, do not check LLC; check the appropriate box in the line above for the tax classification of the single-member owner.			Exemption (Codes apply only to certain entities, not individuals) Exempt party code (if any) Exemption from FATCA reporting code (if any) (Applies to accounts maintained outside the U.S.)
<input type="checkbox"/> Other (see instructions from IRS)			
<p>Under penalties of perjury, I certify that: 1) the employer identification number or social security number shown on this form for this account holder is correct (or the account holder is willing for a number to be issued); and 2) the account holder is not subject to backup withholding because (a) the account holder is exempt from backup withholding, or (b) the account holder has not been notified by the Internal Revenue Service (IRS) that it is subject to backup withholding as a result of failure to report all interest or dividends, or (c) the IRS has notified the account holder that it is no longer subject to backup withholding; and 3) the account holder is a United States person (defined below*); and 4) The FATCA code(s) entered on this form (if any) indicating that the organization is exempt from FATCA reporting is correct.</p> <p>Certification instructions: Cross out item 3 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return.</p> <p>* If the organization listed above is a foreign entity use the applicable IRS Form W-9 (for additional information please see IRS instructions). The term "United States person" means a citizen or resident of the United States; a partnership created or organized in the United States or under the laws of the United States or of any State; a corporation created or organized in the United States or under the laws of the United States; or of any state or any estate or trust other than a foreign estate or foreign trust.</p> <p>By signing below, the account holder agrees to be bound by the above Tax Information Certification.</p> <p>The Internal Revenue Service does not require your consent to any provision of this document other than the certification required to avoid backup withholding.</p>			
Printed Name <b>Brandi Greenfield</b>	Title <b>Manager</b>	Signature 	Date <b>11/4/16</b>

<b>Bank of America</b> <b>Merrill Lynch</b>	<b>Deposit Account Documentation</b> <b>Signature Card</b>
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**I. ACCOUNT INFORMATION**

<b>Select One:</b>	<input type="checkbox"/> Update (Add/Delete) Signers <small>(existing accounts only)</small>	<input type="checkbox"/> Replace Existing Signature Card with this card	<input checked="" type="checkbox"/> New Account
Account #: <span style="background-color: black; color: black;">XXXXXXXXXX</span> 8924 <small>(If new account, Bank will complete)</small>			

**Primary Purpose of Account:**

General Business Operations (payables, receivables, payroll, taxes)

Money Services Business\*\*  Casinos or Gaming\*\*

\*Does not apply to Certificates of Deposit

\*\*Additional information may be required prior to opening an account.

Account Holder Legal Name: <small>(Must match exact name on Formation Documents)</small>	Newport Land Group LLC	State of Formation: WY
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Owner Business Name of Disregarded Entity:  
(Must match 1<sup>st</sup> line of W9)

Third Party/Funds Owner:  
(If applicable, W-9/W-8 required from Third Party/Funds Owner)

DBA Name:  
(Must provide copy of fictitious filing)

Optional Descriptive Account Title:

Statement Address: 19800 MacArthur Blvd., Suite 300

City: Irvine	State: CA	Country: US	Postal Code: 92612
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**II. BUSINESS TYPE**

**Business Type**

Corporation  Sole Proprietorship  Joint Venture  Limited Liability Partnership

General Partnership  Limited Partnership  Unincorporated Organization Association

Government Authority Agency  Other

Limited Liability Company-Manager Managed  Limited Liability Company-Member Managed  Limited Liability Company-Sole Member

**III. Designated Accounts Signers**

Add or Delete	Printed Name	Title <small>(If signer uses on Banking Resolution, Title Must Match)</small>	Signature	Signer Limited to Check Signing ONLY
Add	Brandi Greenfield	Manager		<input type="checkbox"/>
Add	Rod Kazazi	Manager		<input type="checkbox"/>
				<input type="checkbox"/>
				<input type="checkbox"/>

Account # \_\_\_\_\_ DEPOSIT ACCOUNT DOCUMENTATION-SIGNATURE CARD

**IV. CUSTOMER ACKNOWLEDGEMENT & AGREEMENT** 8924

You begin or continue a deposit account relationship with us by giving us information about your business and by signing this Agreement. The deposit agreement we give you is part of your agreement with us regarding use of your account and tells you the current terms governing your account. We may change the deposit agreement at any time and will inform you of changes that affect your rights and obligations. By signing below, you acknowledge receipt of the deposit agreement. The deposit agreement includes a provision for alternative dispute resolution.

By signing below, you certify that all information you may have previously provided to us regarding the beneficial ownership of your Organization is, to the best of your knowledge, complete and correct, and to the extent it is not, you are now providing us with updated information as required by law.

By signing below, you authorize each person who has signed in the Designated Account Signer section on page one, to operate any account opened under this signature card now or in the future. The authority to operate an account includes: authority to sign checks and other items and to give us other instructions, including by electronic signature, electronic record or other electronic form, to withdraw funds; to endorse and deposit checks and other items payable to or belonging to you to the account; and to transact other administrative business, including by electronic signature, electronic record or other electronic form relating to the account, including closing the account. If you wish to restrict a designated signer's authority to check signing you must indicate that by checking the box to the right of their name. We may rely on this authorization for any account opened under this signature card until we receive written notice revoking the authorization at the office where we maintain the account, and we have a reasonable time to act upon such notice. By signing below, this organization agrees to be bound to the above Agreement and Authorization.

For CA Public Funds only: Any person signing this Agreement for the Organization certifies that they are duly authorized to do so as evidenced by attached banking resolution/contract for deposit of moneys or existing banking resolution/contract for deposit of money on file with us.

**V. Consent to Electronic Delivery of Account Material**

By signing below, you consent to have documentation regarding your accounts and services delivered through electronic delivery such as secure e-mail or our digital banking portal. Information delivered electronically may include sensitive information about your accounts and services, disclosures and terms governing your accounts and services, and information that could facilitate unauthorized transactions against your accounts. As such, you must ensure that the e-mail address that you choose below is secure and accessible by each of your designated account signers, but only by those individuals. Additionally, you should check this e-mail address as important notices may be transmitted periodically. If you would like physical copies of documentation, please contact your service representative.

Brandi Greenfield	Manager		4-12-18
Printed Name	Title (Certifying individual must be authorized on Banking Resolution, Title MUST match)	Signature	Date

E-mail Address for electronic delivery (Required for new account opening): brandi@sandianrybelize.com

**VI. SUBSTITUTE FORM W9 / CERTIFICATION** (If foreign entity, W-8 required. Section VI leave blank.)

1. Name (as shown on your income tax return) do not leave this line blank.	Newport Land Group LLC
2. Business name/disregarded entity name, if different from above	
3. <input checked="" type="checkbox"/> Employer Identification Number	973
<input type="checkbox"/> Social Security Number	

**4. Federal Tax Classification; check only ONE of the following seven boxes**

<input type="checkbox"/> Individual/sole proprietorship or single member LLC <input type="checkbox"/> C Corporation <input type="checkbox"/> S Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Trust/estate	Exemptions (Codes apply only to certain entities, not individuals) Exempt payee code (if any) _____ Exemption from FATCA reporting code (if any) _____ (Applies to accounts maintained outside the U.S.)
<input checked="" type="checkbox"/> Limited liability company. Enter the tax classification (C=corporation, S=S corporation, P=partnership) <u>C</u>	
<input type="checkbox"/> Other (see instructions from IRS) _____	

Under penalties of perjury, I certify that: 1) the employer identification number or social security number shown on this form for this account holder is correct (or the account holder is waiting for a number to be issued); and 2) the account holder is not subject to backup withholding because: (a) the account holder is exempt from backup withholding, or (b) the account holder has not been notified by the Internal Revenue Service (IRS) that it is subject to backup withholding as a result of failure to report all interest or dividends, or (c) the IRS has notified the account holder that it is no longer subject to backup withholding; and 3) the account holder is a United States person (defined below); and 4) The FATCA code(s) entered on this form (if any) indicating that the organization is exempt from FATCA reporting is correct.

**Certification Instructions:** Cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return.

\* If the organization listed above is a foreign entity use the applicable IRS Form W-8 (for additional information please see IRS instructions). The term "United States person" means a citizen or resident of the United States; a partnership created or organized in the United States or under the laws of the United States or of any State; a corporation created or organized in the United States or under the laws of the United States; or of any state or any estate or trust other than a foreign estate or foreign trust.

By signing below, the account holder agrees to be bound by the above Tax Information Certification.

The Internal Revenue Service does not require your consent to any provision of this document other than the certifications required to avoid backup withholding.

Brandi Greenfield	Manager		4-12-18
Printed Name	Title	Signature	Date

# EXHIBIT 2

# BARNES & THORNBURG LLP

2029 Century Park East, Suite 300  
Los Angeles, CA 90067-2904 U.S.A.  
(310) 284-3880  
Fax (310) 284-3894

www.btlaw.com

Gary Owen Caris  
(424) 363-2920  
gcaris@btlaw.com

December 5, 2018

*Via Email or United States Mail As Noted On Attached Service List*

**TO: THE PARTIES AND COUNSEL ON THE ATTACHED SERVICE LIST AND TO  
NEWPORT LAND GROUP, LLC**

Re: Federal Trade Commission v. Ecological Fox LLC et al., United States District  
Court, District of Maryland, Case No. 18-cv-3309-PJM  
Our Client: Robb Evans & Associates LLC, Temporary Receiver ("Receiver")

Dear Ladies and Gentlemen:

This office represents the Receiver in connection with the above-referenced matter. This letter is being written pursuant to Section XVI.X of the 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") issued on November 5, 2018. The terms of the TRO remain in effect pursuant to the Extension of Temporary Restraining Order and Interim Preliminary Injunction entered November 20, 2018.

Please be advised that the Receiver identifies Newport Land Group, LLC ("Newport Land Group") as a Receivership Entity, as that term is defined in the TRO at Definition H. The Receiver shall treat Newport Land Group as a Receivership Entity and exercise all of its rights and duties specified in the TRO as to that entity, as provided at Section XVI.W of the TRO. If Newport Land Group challenges this determination, it may file a motion with the Court in this action, pursuant to Section XVI.X of the TRO.

EXHIBIT 2



Counsel and Parties  
December 5, 2018  
Page 2

Please feel free to contact the undersigned should you have any questions regarding the foregoing.

Very truly yours,

BARNES & THORNBURG LLP



Gary Owen Caris

GOC:cm

cc: Brick Kane, Robb Evans & Associates LLC (via e-mail)  
Attachment: Service List

**UNITED STATES DISTRICT COURT  
DISTRICT OF MARYLAND  
SOUTHERN DIVISION**

*In re* SANCTUARY BELIZE LITIGATION

No: 18-cv-3309-PJM

**TEMPORARY RECEIVER’S REQUEST FOR JUDICIAL NOTICE IN SUPPORT OF  
MOTION FOR ORDER DETERMINING THAT FUNDS TURNED OVER TO THE  
TEMPORARY RECEIVER FROM NEWPORT LAND GROUP LLC’S BANK  
ACCOUNTS MAY BE USED FOR ALL RECEIVERSHIP PURPOSES**

Temporary Receiver Robb Evans & Associates LLC (“Receiver”) submits the following request for judicial notice in support of its motion for an order determining that funds turned over to the Temporary Receiver from Newport Land Group LLC’s Bank Accounts may be used for all receivership purposes (the “Motion”).

**I. INTRODUCTION AND STATEMENT OF FACTS**

The Motion filed by the Receiver makes references to docket records in this case and limited references to a California state court proceeding related to the NLG Bank Accounts at issue in the Motion. The Receiver requests that the Court take judicial notice of these docket records in connection with the Motion. Pursuant to Federal Rule of Civil Procedure 201, the Court may take judicial notice on its own, or, alternatively, it must take judicial notice if a party requests it and the Court is supplied with the necessary information. F.R.C.P. 201(c). This Court “may judicially notice a fact that is not subject to reasonable dispute because it: (1) is generally known within the trial court’s territorial jurisdiction; or (2) can be accurately and readily determined from sources whose accuracy cannot reasonably be questioned.” F.R.C.P.

201(b). This circuit routinely takes judicial notice of docket records and other court records. *See Lolavar v. de Santibanes*, 430 F.3d 221, 224 n. 2 (4th Cir. 2005) (taking judicial notice of court records); *Colonial Penn Ins. Co. v. Coil*, 887 F.2d 1236, 1239 (4th Cir. 1989) (taking judicial notice in a subsequent civil case of defendants' guilty pleas in the related criminal prosecution for arson).

## **II. DOCUMENTS AND PLEADINGS REQUESTED FOR JUDICIAL NOTICE**

- A. *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
  - a. Case: 18-cv-3309-PJM, Docket 13.<sup>1</sup>
- B. Extension of Temporary Restraining Order and Interim Preliminary Injunction
  - a. Case: 18-cv-3309-PJM, Docket 34.
- C. Federal Trade Commission's Motion and Memorandum in Support Seeking Leave to Immediately Amend Complaint to Add Michael Santos and Newport Land Group LLC as Defendants and For Preliminary Injunction Against Michael Santos
  - a. Case: 18-cv-3309-PJM, Docket 87.
- D. Amended Complaint for Permanent Injunction and Other Equitable Relief
  - a. Case: 18-cv-3309-PJM, Docket 114.
- E. Stipulated Preliminary Injunction as to Santos and Defendants Rod Kazazi, Foundation Partners, Brandi Greenfield, BG Marketing LLC, Frank Costanzo,

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<sup>1</sup> Filings in this case's docket have not been attached as Exhibits but can be provided to Court upon request. The two filings from outside this case have been attached as Exhibits. Reference to a particular Docket Number denotes a reference to all exhibits, affidavits and other documentation filed in connection with or related to the particular docket number.

Deborah Connelly, Ecological Fox LLC, Angela Chittenden, and Beach Bunny Holdings LLC

a. Case: 18-cv-3309-PJM, Docket 164.

F. Motion and Memorandum to Dismiss for Failure to State a Claim by Michael Santos

a. Case: 18-cv-3309-PJM, Docket 322.

G. Declaration of Michael Santos

a. *Michael Santos et al v. Newport Land Group LLC et al*, Case 30-2017-00908630-CU-BC-CJC, Superior Court of California, County of Orange, Central District, attached hereto as Exhibit 1.

H. Declaration of Alfonso Kolb, Jr.

a. *Michael Santos et al v. Newport Land Group LLC et al*, Case 30-2017-00908630-CU-BC-CJC, Superior Court of California, County of Orange, Central District, Attached hereto as Exhibit 2.

I. Report of Receiver's Activities for the Period from November 6, 2018 to February 21, 2019

a. Case: 18-cv-3309-PJM, Docket 219.

J. Reply in Support of Motion for Temporary Restraining Order

a. Case: 18-cv-3309-PJM, Docket 238.

b. Specific reference is made to Declaration of Frank Costanzo, Docket 238-2.

K. Federal Trade Commission's Memorandum in Support of Temporary Restraining Order.

a. Case: 18-cv-3309-PJM, Docket 5.

b. Specific reference is made to the exhibit marked as PXC154.

For the reasons set forth herein, the Receiver respectfully requests that the Court take judicial notice of the above-referenced pleadings and court filings.

Dated: May 14, 2019

By: /s/ Gary Owen Caris

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14486379v1

# EXHIBIT 1

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JASMIN TENGONCIANG, ROEL PAHL, CLARISSA TENGONCIANG,  
ALLAN PRIJOLES, and MARY JANE PRIJOLES

SUPERIOR COURT OF CALIFORNIA

COUNTY OF ORANGE, CENTRAL DISTRICT

MICHAEL SANTOS, HEARTLAND  
PROPERTY GROUP, INC., DARREN  
CHRISTIAN, JULIE SANTOS, CHAN  
MARTIN, JAMIE TENG, JULIANA  
TENGONCIANG, QUAN LIN, YU LIN,  
ALFONSO KOLB JR., JASMIN  
TENGONCIANG, ROEL PAHL, CLARISSA  
TENGONCIANG, ALLAN PRIJOLES, and  
MARY JANE PRIJOLES,

Plaintiffs,

v.

NEWPORT LAND GROUP LLC, a Wyoming  
limited liability company; and DOES 1  
through 10,

Defendants.

**ELECTRONICALLY FILED**  
Superior Court of California,  
County of Orange

**11/16/2018 at 10:40:00 AM**

Clerk of the Superior Court  
By Alan Silva, Deputy Clerk

Case No. 30-2017-00908630-CU-BC-CJC

**DECLARATIONS OF MICHAEL  
SANTOS, DAVID HEIMAN, DARREN  
CHRISTIAN, JULIE SANTOS, CHAN  
MARTIN, JAMIE TENG, JULIANA  
TENGONCIANG, QUAN LIN, YU LIN,  
ALFONSO KOLB JR., JASMIN  
TENGONCIANG, ROEL PAHL,  
CLARISSA TENGONCIANG,  
ALLAN PRIJOLES, and MARY JANE  
PRIJOLES IN SUPPORT OF EX PARTE  
APPLICATION FOR RIGHT TO  
ATTACH ORDER AND WRIT OF  
ATTACHMENT OR, IN THE  
ALTERNATIVE, TEMPORARY  
PROTECTIVE ORDER**

DECLARATIONS

EXHIBIT 1

**DECLARATION OF MICHAEL SANTOS**

I, Michael Santos, declare as follows:

1. I am an individual over the age of eighteen. I make this declaration in support of the Ex Parte Application for a Right to Attach Order and Writ of Attachment or In the Alternative, Temporary Protective Order, in the above-captioned case. I make this declaration based on my own personal knowledge. If called as a witness, I could and would testify competently as to the facts contained below.

2. In the first quarter of 2018, I met with Rod Kazazi and his business associate Andris Pukke about a new real estate development project located in Costa Rica. At the time, they were exploring property in Costa Rica. I was shown a video of a property taken from an airplane. The name of the property was Rancho Del Mar. The property was described as 1,600 acres with three miles of coastline. Kazazi and Pukke intended to create a master plan that would include amenities and 1,500 home sites. The project was to be branded "Rancho Del Mar." The website for the development is located at <http://www.ranchodelmarcostarica.com>.

3. Messrs. Kazazi and Pukke informed me that they wished to raise \$10 million in capital from investors. I have invested in properties before and have the knowledge necessary to conduct due diligence on such an endeavor. Rod Kazazi provided me with the names of sophisticated investors who had purchased interests in an earlier project in another country. As part of the due diligence that I undertook for myself and others, I spoke or visited with several sophisticated investors who informed me that they were satisfied and pleased with their prior real estate investments in development projects with Mr. Kazazi. I also traveled to Costa Rica to visit the property for an "equity investor tour." Other potential investors were also on the tour. Individuals from the development side of the project were also present.

4. I acted as an information liaison between the investors and the development team and passed on the information that I received about the development to the other investors.

5. After reviewing the financial prospectus, conducting my own due diligence, speaking with Mr. Kazazi and Mr. Pukke, and speaking and/or visiting with other investors, I agreed to



1 invest at least \$1,000,000 in the Rancho Del Mar project. I also continued to serve as a liaison  
2 between the development team and the other investors who joined me in the plan to become Class  
3 A investors in Rancho Del Mar, LLC.

4 6. On July 30, 2018, I provided a cashier's check in the amount of \$1,400,000. Mr.  
5 Kazazi requested that the cashier's check be made out to Newport Land Group, LLC. Attached as  
6 Exhibit A is a true and correct copy of that cashier's check. Attached as Exhibit B is a true and  
7 correct copy of a Power of Attorney from my wife, Carole Santos, permitting me to act on her  
8 behalf to the extent that the \$1,400,000 that I contributed is considered community property.

9 7. Between August and November 3, 2018, Mr. Pukke informed me that the seller of the  
10 Rancho Del Mar property was making unreasonable demands in connection with the purchase and  
11 sale of the 1,600 acres, which he advised me delayed the closing of escrow. Mr. Pukke confirmed  
12 to me that all the funds, both those invested by me and those invested by the other investors, are  
13 secure in the Bank of America account for Newport Land Group.

14 8. On November 7, 2018, I learned of the existence of an action filed by the Federal Trade  
15 Commission in the District Court of Maryland against Mr. Rod Kazazi, Mr. Andris Pukke, various  
16 entities, and others. The FTC Complaint arises from development projects in Belize that are not  
17 related in any way to the Costa Rica Rancho Del Mar project. Neither Newport Land Group nor  
18 Rancho Del Mar Costa Rica is mentioned in the FTC Complaint. I tried to contact Rod Kazazi by  
19 phone, by text, and by email to learn more about the events with the FTC and demand my money  
20 back. Rod Kazazi sent me one text on Nov. 8 indicating he was in a meeting and that he would call  
21 me after. But he did not call me and he has not communicated with me or the other Class A  
22 investors, despite repeated attempts to reach him by phone, text, and email. I've spoken with  
23 Andris Pukke repeatedly. Mr. Pukke told me that the Costa Rica project could not and would not  
24 close. Newport Land Group cannot move forward on Costa Rica in light of the FTC freeze against  
25 all of the developer's assets and human resources. Mr. Pukke has informed me that, as a result of  
26 the FTC Complaint, Newport Land Group will not accept any further monies from any investors,  
27 will not close on the Rancho Del Mar project in Costa Rica, and will comply with a Court order to  
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1 return monies to its investors. Andris Pukke informed me, and I believe, that the \$3,350,000 of  
2 funds provided by the investors (including the \$1,400,000 I provided) are safe and secure and in  
3 the Newport Land Group bank account ending in 8924 at Bank of America. I have sent a demand  
4 letter to Newport Land Group demanding the return of my investment, but have not received a  
5 response. Attached as Exhibit C is a true and correct copy of my demand letter to Newport Land  
6 Group.

7 9. I have spoken with Newport Land Group executive, Mr. Andris Pukke, who has  
8 informed me that Newport Land Group will not oppose the provisional relief sought in this  
9 Application seeking the return of the investment monies to the Plaintiff investors. Mr. Pukke told  
10 me that, on advice of counsel for his FTC matter, Rod Kazazi is not communicating with anyone  
11 about his business dealings. Andris Pukke told me that no one is going to oppose the return of  
12 Plaintiffs' money. It is the FTC action that blocks Mr. Kazazi's capacity to return the money. Out  
13 of an abundance of caution, however, Newport Land Group will return the monies after the Court  
14 enters an appropriate order. Similarly, Newport Land Group is unlikely to appear and/or oppose  
15 the entry of a judgment that would permit the Plaintiff investors to be made whole.

16 10. Newport Land Group is essentially insolvent in that it has no assets other than the  
17 monies currently on hand (which are owed to the Plaintiff investors). There is no bona fide  
18 dispute as to the amounts owed to me or to the other investors. However, Newport Land Group  
19 has not paid over the monies and has not used those monies to satisfy the debt. Despite a demand  
20 that Newport Land Group return the monies, it is unwilling to do so absent a court order. If the  
21 monies are not attached, held, frozen or deposited into a Court escrow, then the monies may be at  
22 risk for a disposition that would be contrary to the interests of the Plaintiff investors, to the  
23 detriment of the valid, legitimate and bona fide claims and impede my ability to collect these  
24 monies later.

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1 I declare under the penalty of perjury under the laws of the State of California that the  
2 foregoing is true and correct and that I executed this Declaration in Costa Mesa, California on  
3 November 13, 2018.

*Michael Santos*

Michael Santos

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# EXHIBIT 2

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**ELECTRONICALLY FILED**  
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JASMIN TENGONCIANG, ROEL PAHL, CLARISSA TENGONCIANG,  
ALLAN PRIJOLES, and MARY JANE PRIJOLES

SUPERIOR COURT OF CALIFORNIA

COUNTY OF ORANGE, CENTRAL DISTRICT

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ALFONSO KOLB JR., JASMIN  
TENGONCIANG, ROEL PAHL, CLARISSA  
TENGONCIANG, ALLAN PRIJOLES, and  
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Plaintiffs,

v.

NEWPORT LAND GROUP LLC, a Wyoming  
limited liability company; and DOES 1  
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Defendants.

Case No. 30-2017-00908630-CU-BC-CJC

**DECLARATIONS OF MICHAEL  
SANTOS, DAVID HEIMAN, DARREN  
CHRISTIAN, JULIE SANTOS, CHAN  
MARTIN, JAMIE TENG, JULIANA  
TENGONCIANG, QUAN LIN, YU LIN,  
ALFONSO KOLB JR., JASMIN  
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CLARISSA TENGONCIANG,  
ALLAN PRIJOLES, and MARY JANE  
PRIJOLES IN SUPPORT OF EX PARTE  
APPLICATION FOR RIGHT TO  
ATTACH ORDER AND WRIT OF  
ATTACHMENT OR, IN THE  
ALTERNATIVE, TEMPORARY  
PROTECTIVE ORDER**

**DECLARATION OF ALFONSO KOLB JR.**

I, Alfonso Kolb Jr., declare as follows:

1. I am an individual over the age of eighteen. I make this declaration in support of the Ex Parte Application for a Right to Attach Order and Writ of Attachment or In the Alternative, Temporary Protective Order, in the above-captioned case. I make this declaration based on my own personal knowledge. If called as a witness, I could and would testify competently as to the facts contained below.

2. In the first quarter of 2018, Michael Santos told me about a new real estate development project located in Costa Rica. Mr. Santos traveled to Costa Rica and met with Rod Kazazi and his business associate Andris Pukke regarding the project. At the time, they were exploring property in Costa Rica. The name of the property was Rancho Del Mar and was described as 1,600 acres with three miles of coastline. I understand that Kazazi and Pukke intended to create a master plan that would include amenities and 1,500 home sites. The project was to be branded "Rancho Del Mar." The website for the development is located at <http://www.ranchodelmarcostarica.com>.

3. I understand that Messrs. Kazazi and Pukke wished to raise \$10 million in capital from investors. I have invested in properties before and have the knowledge necessary to conduct due diligence on such an endeavor. As part of the due diligence, I spoke with Michael Santos at length. I visited the corporate office of the developer. At the office, I met with Andris Pukke and with Brandi Greenfield. Rod Kazazi was in Costa Rica at the time so we did not meet with him.

4. Michael Santos acted as an information liaison between the investors and the development team and provided me with the information that I received about the development.

5. After reviewing the financial prospectus, conducting my own due diligence, speaking with Mr. Santos, Mr. Kazazi and Mr. Pukke, and speaking and/or visiting with other investors, I, together with Jasmin Tengonciang, agreed to invest \$50,000 in the Rancho Del Mar project. Along with other investors, I became part of the Class A investors in Rancho Del Mar, LLC.

6. On July 26, 2018, I together with Jasmin Tengonciang, deposited \$50,000 to a Chase bank account ending in 2275, which together with other investors, aggregately transferred a total

1 amount of \$100,000 to Newport Land Group's bank account at Bank of America, account number  
2 ending in 8924 on July 31, 2018. Attached as Exhibit D is a true and correct copy of the July  
3 Chase bank statement showing our deposit of \$50,000 (July 26, 2018) and Exhibit E is the  
4 aggregate transfer of \$100,000 (July 31, 2018) to Newport Land Group bank account.

5 7. It is my understanding that between August 1, 2018 and November 3, 2018, the seller  
6 of the Rancho Del Mar property was making unreasonable demands in connection with the  
7 purchase and sale of the 1,600 acres, which delayed the closing of escrow. I further understand  
8 that all the funds, both those invested by myself and those invested by the other investors, are  
9 secure in the Bank of America account for Newport Land Group.

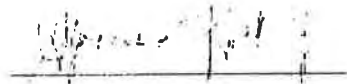
10 8. On or about November 8, 2018, I learned of the existence of an action filed by the  
11 Federal Trade Commission in the District Court of Maryland against various entities and Mr.  
12 Pukke. The FTC Complaint arises from development projects in Belize that are not related in any  
13 way to the Costa Rica Rancho Del Mar project. Newport Land Group is not mentioned in the FTC  
14 Complaint. Nevertheless, it is my understanding that Mr. Kazazi and Mr. Pukke have informed  
15 Mr. Santos that, as a result of the FTC Complaint, Newport Land Group will not accept any  
16 further monies from any investor, will not close on the Rancho Del Mar project in Costa Rica and  
17 will comply with a Court order to return monies to its investors. I am informed and believe that  
18 the \$3,350,000 of funds provided by the investors (including the \$50,000 I provided) are safe and  
19 secure and in the bank account for Newport Land Group ending in 8924 at Bank of America.

20 9. I understand that Mr. Santos spoke with Andris Pukke of Newport Land Group. Mr.  
21 Rod Kazazi has not responded to email messages, voice messages, or text messages since the FTC  
22 Action. Mr. Pukke informed Michael Santos that Newport Land Group will not oppose the  
23 provisional relief sought in this Application seeking the return of the investment monies to the  
24 Plaintiff investors. Out of an abundance of caution, however, Newport Land Group will only  
25 return the monies after the Court enters an appropriate order. Similarly, Newport Land Group is  
26 unlikely to appear and/or oppose the entry of a judgment that would permit the Plaintiff investors  
27 to be made whole.

28 10. Newport Land Group is essentially insolvent in that it has no assets other than the

1 monies currently on hand (which are owed to the Plaintiff investors). There is no bona fide  
2 dispute as to the amounts owed to me or to the other investors. However, Newport Land Group  
3 has not paid over the monies and has not used those monies to satisfy the debt. Despite a demand  
4 that Newport Land Group return the monies, it is unwilling to do so absent a court order. A true  
5 and correct copy of the demand sent by the investors to Newport Land Group is attached hereto as  
6 Exhibit F. If the monies are not attached, held, frozen or deposited into a Court escrow, then the  
7 monies may be at risk for a disposition that would be contrary to the interests of the Plaintiff  
8 investors, to the detriment of the valid, legitimate and bona fide claims and impede my ability to  
9 collect these monies later.

10 I declare under the penalty of perjury under the laws of the State of California that the  
11 foregoing is true and correct and that I executed this Declaration in Menifee, California on  
12 November 12, 2018.



Alfonso Kolb Jr.

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