

In re Sanctuary Belize Litigation

Consumer Committee Meeting

Virtual Teleconference

December 15, 2022 | 3:30pm – 5:00pm ET

Attendees	
Name	Affiliation
James (Jimbo) Slocum	Consumer Committee Member
Jodi Vance	Consumer Committee Member
Leslie Thomas	Consumer Committee Member
Linda Ozminkowski	Consumer Committee Member
Michele Weslander Quaid	Consumer Committee Member
Shawna Arop	Consumer Committee Member
Shryl Kirkbride	Consumer Committee Member
Benjamin Theisman	FTC
Marc Ferzan	Receivership Team
Rachel Woloszynski	Receivership Team
Terry Brody	Receivership Team

Agenda

- I. Redress Plan (or “Compensation Plan”) Update
- II. Receivership Update
- III. Consumer Committee Member Engagement

Meeting called to order at 3:30pm ET

I. Redress Plan (or “Compensation Plan”) Update

Claim Application Process:

- The Receivership Team has made significant progress on the components of the Compensation Plan that have been approved as part of the District Court’s August 18th Order and, as part of its efforts, steps have been incorporated into the process to gather, validate, and organize necessary foundational information that will enable us to proceed to the remedy phases of the Compensation Plan more quickly, once approved.
- Since the October 27, 2022 launch of the Claim Application, the Receivership Team has confronted a significant population of consumers who requested assistance to better understand application requirements and/or overcome challenges in using technology to complete the online claims process. Additionally, factoring in the significant passage of time from when the lots were purchased, many lot buyers indicated that they lacked corresponding transaction records. Customer support resources were scaled to help claimants address these challenges.
- The Receivership Team has processed a large number of Claim Applications involving “non-standard” scenarios, and sorting through many instances where the ownership status of properties has changed over the last 15 years. Among other things, the claims process has required updating more complex ownership structures involving business entities, individual retirement accounts, and trusts, as well as situations where consumers have divorced or passed away.
- In accord with the Compensation Plan requirements, lot buyers have until **January 10, 2023** to resolve Claim Application deficiencies identified by the Receivership Team. Between now and then, the Receivership Team will continue to support lot buyers, including through the “Contact Us” resource found on the Receiver’s website (https://www.sanctuarybelizereceivership.com/contact_us/new); the Claim Application Agent Helpline that is available on weekdays from 8:00am ET - 6:00pm ET at 1-856-246-5171; and by hosting the various online resources available on the Receiver’s website (<https://www.sanctuarybelizereceivership.com/documents>).
- On **February 9, 2023**, the Receivership Team plans to provide lot buyers with Claim Application eligibility determinations.

Progress to Date:

- As of the December 12, 2022 Claim Application deadline, more than 1,600 completed Claim Applications were submitted to the Receivership Team. Factoring in co-owner scenarios, these Claim Applications involved more than 2,700 individuals and entities.
- The Receivership Team expects a handful of claimants will be able to establish a legitimate basis for requesting more time to complete their Claim Applications as may be necessary, so we anticipate receiving some additional applications in the coming weeks. During this time, we also will continue to work with those claimants working to resolve identified deficiencies in their Claim Applications.
- After the eligibility determinations are made, in accord with the August 18th Order, the Receivership Team will submit a progress report to the Court, which will include more

detailed information concerning the Claim Application process, consumer participation, and outcomes.

II. Receivership Update

Operations & Maintenance:

- The Receivership Team continues to coordinate with local management to address ongoing operations, maintenance needs, and road repairs.

Liquidation of Belize Land & Other Assets:

- Among other things, the Receivership estate includes land and other assets located in Belize, pursuant to relevant settlement agreements, US District Court Orders, and Belize Supreme Court Recognition orders.
- As a general matter, the Receivership Team intends to liquidate and/or transfer Belize assets in accord with the Compensation Plan at the appropriate time, following the resolution of certain remaining issues before the US courts, and pursuant to recognition orders the Receiver has obtained from the Belize Supreme Court.
- In this regard, we previously shared that the Receiver obtained a recognition order in Belize in connection with Sanctuary Belize development area. On November 29, 2022, the Receivership Team secured a recognition order from the Belize Supreme Court in connection with the Kanantik land assets.

Sales and Marketing:

- The Receivership Team also continues to prepare for anticipated marketing and sales efforts in anticipating of seeking to attract qualified developer(s). Among other things, we have continued to validate Belize government land records in order to facilitate potential due diligence requirements and contracting processes.
- In addition, the Receivership Team continues to monitor market conditions that could impact the marketing and sale of the Belize land assets.

Litigation Update:

- As previously discussed, the November 1, 2022 Opinion by the US Court of Appeals for the Fourth Circuit largely affirmed the US District Court's judgments against the defendants and kept the receivership intact. While the Fourth Circuit upheld the monetary judgments as part of the contempt order, the equitable monetary judgments issued under Section 13(b) of the FTC Act were vacated based on the U.S. Supreme Court's decision in *AMG Capital Management, LLC v. Federal Trade Commission*.
- Subsequently, on November 17, 2022, the FTC filed a Motion for Clarification or, in the Alternative, Petition for Panel Rehearing. In its motion, the FTC sought to confirm that the monetary aspects of the default judgments entered against John Usher and certain corporate appellants remained in effect. While the FTC's motion was denied in a very short opinion, it was anticipated that these matters could be addressed by the US District Court on remand.
- Subsequently, on December 2, 2022, the defendants filed a Petition for Rehearing before the Fourth Circuit Court of Appeals, seeking to vacate the \$120.2 million contempt sanction against Pukke, Baker, and Usher. At the time of the Consumer Committee meeting, that Petition was pending.

- On December 13th, in anticipation of a remand back to the District Court, the FTC filed a Request for a Status Conference with Judge Messitte. Later that same day, the defendants filed an Opposition to the FTC's Request for a Status Conference. The Court scheduled the Status Conference for December 22, 2022 at 11:00 am ET.

III. Consumer Committee Member Engagement

- Engagement on issues raised by Consumer Committee members has generally been incorporated into the above meeting minutes.

Meeting adjourned at 4:47pm ET