

In re Sanctuary Belize Litigation

Consumer Committee Meeting

Virtual Teleconference

January 26, 2023 | 3:30pm – 5:00pm ET

Attendees	
Name	Affiliation
Craig Hibbert	Consumer Committee Member
James (Jimbob) Slocum	Consumer Committee Member
Jodi Vance	Consumer Committee Member
Leslie Thomas	Consumer Committee Member
Lisa Daniels	Consumer Committee Member
Michele Weslander Quaid	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. Receivership Administration Update
 - a. Court Proceedings
 - b. Compensation Plan / Claims Administration Update
 - c. Operations & Maintenance
- II. Consumer Committee Member Feedback / Questions

Meeting called to order at 3:30pm ET

I. Receivership Administration Update

Court Proceedings:

- After the conclusion of appellate proceedings before the U.S. Court of Appeals for the Fourth Circuit, the litigation is now back before Judge Messitte in the U.S. District Court. Below are the highlights of the proceedings that took place over the past month:
 - On December 22, 2022, the District Court held a status conference to discuss proceedings following formal remand, including an anticipated motion by the FTC to address the impact of the Fourth Circuit’s ruling.
 - On December 27, 2022, the FTC filed a motion in the District Court to confirm the Receiver’s control over all assets that have been turned over to it pursuant to prior Court orders.
 - On December 30, 2022, the Fourth Circuit denied the defendants’ Petition for Rehearing.
 - On January 4, 2023, the District Court granted the FTC’s motion to confirm the Receiver’s control over all assets that have been turned over to it pursuant to prior Court orders, stating that no receivership asset shall be returned to any of the defendants (absent further Court Order) and confirming that the Receiver “shall retain exclusive control, custody, and possession of all Receivership Assets....”
 - On January 4, 2023, the District Court entered a Stipulated Order setting a briefing schedule in connection with the anticipated motion by the FTC addressing the impacts of the Fourth Circuit’s rulings.
 - On January 6, 2023, the defendants moved for a stay of the remand to the District Court pending the filing of a petition for a writ of certiorari to the U.S. Supreme Court. The Fourth Circuit denied the motion.
 - On January 17, 2023, the matter was formally remanded back to the District Court, commencing the briefing period for the filings to address the Fourth Circuit’s rulings.

Compensation Plan / Claims Administration Update:

- To date, over 1,700 Claim Applications have been submitted.
- The Receivership Team continued to work closely with claimants to resolve deficiencies and get claims through the review process.
- In accord with Compensation Plan mandates and the Court’s August 18, 2022 Order, the Receivership Team is scheduled to distribute eligibility determinations to consumers on February 9, 2023.
- The Receivership Team will subsequently provide a Progress Report to the Court by March 13, 2023 with additional detail concerning the Claim Application program,

including participation numbers and other relevant metrics. This report will be shared with the entire consumer population.

- Other parts of the Compensation Plan – for example, how and when payments will be distributed, and options to keep a lot – remain under the Court’s consideration and haven’t yet been approved.

Operations & Maintenance:

- As a general matter, operations & maintenance functions are keeping pace with expectations under the requirements of applicable Court orders.
- Following the significant weather events in the third quarter of 2022, the Receivership Team and Belize staff were able to advance a number of priority initiatives, including:
 - identifying and prioritizing targeted road repairs;
 - mitigating erosion near the Sanctuary Belize Beach Club with the installation of a breakwater barrier and sand replenishment to blunt current impacts;
 - replacing certain outdated electrical system infrastructure in the base yard, network room, and Security Office to ensure the safety of personnel and protect essential electronic equipment (including network and internet connectivity devices); and
 - conducting repairs to the diesel fuel line that leads to the Sanctuary Belize Marina.
- While undertaking these priority initiatives, the Receivership Team was able to largely leverage in-house staff, equipment, and materials to drive cost efficiencies.
- Consumer Committee members brought to the Receivership Team’s attention the presence of debris that had washed up on the island in the Sanctuary Belize development area. The Receivership Team indicated that it would coordinate with local management staff to address this matter.

II. Consumer Committee Member Feedback / Questions

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

Meeting adjourned at 4:19pm ET