

UNITED STATES DISTRICT COURT  
DISTRICT OF MARYLAND  
SOUTHERN DIVISION

*In re* SANCTUARY BELIZE LITIGATION

No: 18-cv-3309-PJM

**MOTION FOR ORDER APPROVING SETTLEMENT WITH JORGE DIAZ-CUETO  
AND BELLA MAR ESTATES, LTD. PURSUANT TO STIPULATION FOR ENTRY OF  
JUDGMENT**

Receiver, Marc-Philip Ferzan of Ankura Consulting Group, LLC (“Receiver”), the successor Receiver to Robb Evans & Associates LLC (“Original Receiver”) in the above-captioned matter, hereby moves the Court for an order approving the settlement entered into with Jorge Diaz-Cueto (“Diaz-Cueto”) and Bella Mar Estates, Ltd. (“Bella Mar”), the Defendants in litigation initiated by the Original Receiver, captioned *Robb Evans and Associates LLC, as Court-Appointed Receiver in the In Re Sanctuary Belize Litigation v. Jorge Diaz-Cueto and Bella Mar Estates, Ltd.*, Civil Action No. PJM-21-2049 (“Receiver Action”), pursuant to the Stipulation for Entry of Judgment as to Defendants Jorge Diaz-Cueto and Bella Mar Estates, Ltd. (“Stipulation for Judgment”) a copy of which is attached as Exhibit 1 to the Declaration of Marc-Philip Ferzan (“Ferzan Declaration”) which accompanies this Motion.

On August 12, 2021, the Original Receiver commenced the Receiver Action against Diaz-Cueto and Bella Mar (collectively, the “Defendants”) seeking to recover the principal sum of \$1,065,000, plus interest pursuant to claims for relief for rescission, breach of contract, the recovery of actual and constructive fraudulent transfers, unjust enrichment, alter ego, and turnover of receivership property against the Defendants in connection with Receivership Entity Newport Land Group LLC’s attempt to acquire certain property in the Bahamas from Bella Mar

prior to the inception of the receivership. The parties to the Receiver Action have resolved all of their disputes and differences and have reached an agreement as set forth in the Stipulation for Judgment, subject to Court approval. The terms of the Stipulation for Judgment provide, among other things, that:

1. The Receiver is awarded judgment against the Defendants, jointly and severally, in the sum of \$1,065,000 (“Judgment Amount”), but will accept \$350,000 in full settlement as generally described below and as more particularly set forth in the Stipulation for Judgment.

2. Defendants will pay three payments to the Receiver under the Stipulation for Judgment totaling \$350,000: (a) \$25,000 on or before January 26, 2023; (b) \$275,000 on or before March 15, 2023; and (c) \$50,000 on or before April 15, 2023. Provided these three payments are made to the Receiver timely, defined to mean within ten days following written notice of default (“Cure Period”), **the total payments to be made to the Receiver in full satisfaction and settlement of the Receiver’s claims against the Defendants is \$350,000.** The Defendants have already made the first two payments as required by the Stipulation for Judgment, and the \$300,000 is being held by counsel for the Receiver in its trust account pending Court approval of this settlement.

3. Defendants have provided the Receiver with Financial Statements (“Financial Statements”) under penalty of perjury and a declaration under penalty of perjury describing the source of funding for the settlement payments (“Funding Affidavit”). The Financial Statements and Funding Affidavit support the reasonableness of the settlement.

4. If Defendants fail to make all payments within the Cure Period or if there is a material breach by either Defendant regarding the Financial Statements or Funding Affidavit, the Receiver may immediately file the Stipulation for Judgment concurrently with a motion seeking

immediate entry of judgment for the Judgment Amount, less any amounts paid to the Receiver under the Stipulation for Judgment.

5. Within fifteen days following the Effective Date, defined to mean the first date that all parties to Stipulation for Judgment have executed it and an order of this Court is entered approving it, the Receiver will file a request for the Court to dismiss the Receiver Action without prejudice, subject to the Court's retention of jurisdiction to enter judgment as provided in the Stipulation for Judgment.

6. General and mutual releases are entered into between the Receiver and the Defendants, as more particularly set forth in the Stipulation for Judgment.

For the reasons set forth in the accompanying Memorandum of Points and Authorities and Ferzan Declaration, the Receiver believes that the Stipulation for Judgment is fair and reasonable, beneficial to the receivership estate and should be approved.

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This Motion is made and based upon the accompanying Memorandum of Points and Authorities, Ferzan Declaration and the Stipulation for Judgment attached thereto as Exhibit 1.

Respectfully submitted,

Dated: April 7, 2022

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UNITED STATES DISTRICT COURT  
DISTRICT OF MARYLAND  
SOUTHERN DIVISION

*In re* SANCTUARY BELIZE LITIGATION

No: 18-cv-3309-PJM

**MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT OF MOTION FOR  
ORDER APPROVING SETTLEMENT WITH JORGE DIAZ-CUETO AND BELLA  
MAR ESTATES, LTD. PURSUANT TO STIPULATION FOR ENTRY OF JUDGMENT**

**I. INTRODUCTION AND STATEMENT OF FACTS**

On October 31, 2018, the Federal Trade Commission (“FTC”) filed a Complaint for Permanent Injunction and Other Equitable Relief commencing the above-captioned matter (“FTC Action”), originally captioned as *Federal Trade Commission v. Ecological Fox, LLC et al.*, as a civil enforcement action. The lawsuit named 17 entity defendants and seven individual defendants, in addition to five relief defendants. On November 5, 2018, the Court issued an Ex Parte Temporary Restraining Order With Asset Freeze, Writs *Ne Exeat*, Appointment of a Temporary Receiver, and Other Equitable Relief, and Order to Show Cause Why a Preliminary Injunction Should Not Issue (“TRO”). Under the TRO, Robb Evans & Associates LLC (“Original Receiver”) became temporary receiver over all entity defendants except for Atlantic International Bank Limited, and each of their subsidiaries, affiliates, successors and assigns, as well as any other entity that: (1) is located at, registered to, or operated from 3333 Michelson Drive, Suite 500, Irvine, California, and assists, facilitates, or otherwise conducts business related to the sale of real estate in Belize; (2) assists, facilitates, or otherwise conducts business related to the acts identified in the Findings of Fact in the TRO, and is owned or controlled by any defendant in the FTC

Action; or (3) are assets that are otherwise in the receivership and that are corporations or other legal entities. The Original Receiver was also appointed receiver over the assets of Andris Pukke (“Pukke”) and Peter Baker (“Baker”) valued by the Original Receiver at \$1,000 or more.

The Original Receiver’s role as temporary receiver under the TRO was continued by the Interim Preliminary Injunction (Doc. 34) entered by the Issuing Court on November 20, 2018.

Pursuant to § XVI.W and § XVI.X of the TRO, the Original Receiver determined that Newport Land Group LLC (“Newport”) was a receivership entity and properly notified the parties in interest of this determination on December 5, 2018.

The Original Receiver’s role was made permanent pursuant to Preliminary Injunctions entered on February 13, 2019 and October 3, 2019 (Docs. 195 and 615) (collectively, the “Preliminary Injunctions”). Among other things, the February 13, 2019 Preliminary Injunction expressly named Newport as a receivership entity along with at least three other entity defendants. Among other things, the October 3, 2019 Preliminary Injunction made the Original Receiver permanent receiver over Newport, as well as numerous other entity defendants. Pursuant to the October 3, 2019 Preliminary Injunction, among other things, the Original Receiver was also appointed as receiver over the assets of Pukke, Baker and Luke Chadwick (“Chadwick”) valued by the Original Receiver at \$1,000 or more.

On January 13, 2021 the Court entered its Order for Permanent Injunction and Monetary Judgment Against Defaulting Defendants John Usher et al. (Doc. 1112) (“Default Judgment”). Pursuant to the Default Judgment, the Original Receiver remained as

permanent receiver over the Defaulting Corporate Defendants, as defined therein, and John Usher (“Usher”) was ordered to transfer his assets to the Original Receiver, which would become assets of the receivership estate, with limited exceptions as set forth in the Default Judgment.

On March 24, 2021 the Court entered its Amended Final Order for Permanent Injunction and Monetary Judgment Against Defendants Andris Pukke, Peter Baker and Luke Chadwick (Doc. 1194) (“Pukke Final Judgment”). The Original Receiver remained as permanent receiver over the assets of Pukke, Baker and Chadwick, with limited exceptions set forth in the Pukke Final Judgment.

Other final judgments have been entered in the FTC Action, each of which vested certain duties, powers and authority in the Original Receiver. (Docs. 668, 788, 789, 819 and 820). (All of the orders and judgments described in herein are collectively referred to as the “Receivership Orders.”)

The Receivership Orders gave the Original Receiver broad powers including, *inter alia*, (i) control of all of the entities described in therein as receivership entities (the “Receivership Entities”); (ii) the assumption and control of all assets of the Receivership Entities and the assumption and control of all assets of the individuals described in these Recitals, with limited exceptions (these individuals and the Receivership Entities are collectively referred to as the “Receivership Defendants”); and (iii) the authority to institute any litigation related to the Receivership Defendants, including, without limitation, the ability to pursue fraudulent or voidable transfers.

On August 12, 2021, the Original Receiver filed an action captioned *Robb Evans and Associates LLC, as Court-Appointed Receiver in the In Re Sanctuary Belize Litigation v. Jorge*

*Diaz-Cueto and Bella Mar Estates, Ltd.*, Civil Action No. PJM-21-2049 (“Receiver Action”), against Jorge Diaz-Cueto (“Diaz-Cueto”) and Bella Mar Estates, Ltd. (“Bella Mar” and, together with Diaz-Cueto, the “Defendants”) seeking to recover the sum of \$1,065,000, plus interest pursuant to claims for relief for rescission, breach of contract, the recovery of actual and constructive fraudulent transfers, unjust enrichment, alter ego, and turnover of receivership property in connection with Newport’s attempt to acquire certain property in the Bahamas from Bella Mar prior to the inception of the receivership.

On October 26, 2021, the Court issued its Order Appointing Marc-Philip Ferzan as Receiver (Doc. 1305) pursuant to which the Original Receiver was discharged as receiver in the FTC Action and the Receiver was appointed as successor receiver, with all rights, powers, authorities and duties that the Original Receiver had under all orders of the Court in the FTC Action, including without limitation the Receivership Orders.

On March 23, 2022, the Court entered its Stipulated Order Partially Modifying the Court’s Orders at Docket Entries 1112 and 1194 etc. (Doc. 1341) which modified the Default Judgment and Pukke Final Judgment as it pertained to Chadwick and four of his wholly owned entities.

After several appeals were taken in connection with various orders and judgments, on November 1, 2022 the United States Fourth Circuit Court of Appeals (“Fourth Circuit”) affirmed, in part, the Pukke Final Judgment. The parties to the FTC Action dispute whether the Fourth Circuit affirmed in whole or in part the Default Judgment. The Fourth Circuit remanded the matter for further proceedings consistent with its decision. The Fourth Circuit opinion left unaltered all of the Receiver’s rights, powers, authorities and duties under the Receivership



Orders. There is currently pending the FTC's Motion to Reform and Reaffirm Final Orders (Doc. 1404) on remand.

The Receiver and the Defendants have resolved all of their disputes and differences and have reached an agreement set forth in the Stipulation for Judgment attached as Exhibit 1 to the Declaration of Marc-Philip Ferzan ("Ferzan Declaration") to resolve the Receiver Action, subject to Court approval.

In connection with the settlement set forth in the Stipulation for Judgment, Defendants each provided to the Receiver written financial statements under penalty of perjury (collectively, the "Financial Statements") and a declaration under penalty of perjury describing the source of funding for the settlement set forth herein ("Funding Affidavit"). The Financial Statements disclose that Diaz-Cueto does not have assets of any significant value which may fund a settlement or satisfy a judgment beyond the settlement amount reached pursuant to the Stipulation for Judgment and that Bella Mar has no assets of any worth other than its purported ownership in the property in the Bahamas which is at the core of the dispute reflected in the Receiver Action. While the Defendants contend that Bella Mar has good and marketable title to the real property described in the Receiver Action, the Receiver contends that whether or not Bella Mar has good and marketable title to the subject real estate, a point he does not concede, the property is of questionable value and/or would be extraordinarily difficult, time consuming and expensive to market and sell. The Funding Affidavit discloses that because of the financial condition of the Defendants, Diaz-Cueto had to obtain a loan from a third party, who in turn borrowed funds secured by that third party's interest in real property, to fund approximately \$221,000 of the settlement reflected in the Stipulation for Judgment. The Funding Affidavit further discloses that the balance of the funds paid and to be paid under the Stipulation for

Judgment is and will be funded from transactions consummated by Diaz-Cueto in the ordinary course of business as a practicing attorney and businessman in Miami-Dade County, Florida.

The Funding Affidavit further states that none of the settlement funds come directly or indirectly from any of the Receivership Defendants in the FTC Action.

## **II. TERMS OF THE STIPULATION FOR JUDGMENT**

The Receiver and Defendants have negotiated and executed a comprehensive Stipulation for Judgment, a copy of which is attached as Exhibit 1 to the Ferzan Declaration. The key terms of the Stipulation for Judgment provide that:

1. The Receiver is awarded judgment against the Defendants, jointly and severally, in the sum of \$1,065,000 (“Judgment Amount”), but will accept \$350,000 in full settlement as generally described below and as more particularly set forth in the Stipulation for Judgment.

2. Defendants will pay three payments to the Receiver under the Stipulation for Judgment totaling \$350,000: (a) \$25,000 on or before January 26, 2023; (b) \$275,000 on or before March 15, 2023; and (c) \$50,000 on or before April 15, 2023. Provided these three payments are made to the Receiver timely, defined to mean within ten days following written notice of default (“Cure Period”), **the total payments to be made to the Receiver in full satisfaction and settlement of the Receiver’s claims against the Defendants is \$350,000.** The Defendants have already made the first two payments as required by the Stipulation for Judgment, and the \$300,000 is being held by counsel for the Receiver in its trust account pending Court approval of this settlement.

3. Defendants have provided the Receiver with the Financial Statements and Funding Affidavit. The Financial Statements and Funding Affidavit support the reasonableness of the settlement.

4. If Defendants fail to make all payments within the Cure Period or if there is a material breach by either Defendant regarding the Financial Statements or Funding Affidavit, the Receiver may immediately file the Stipulation for Judgment concurrently with a motion seeking immediate entry of judgment for the Judgment Amount, less any amounts paid to the Receiver under the Stipulation for Judgment.

5. Within fifteen days following the Effective Date, defined to mean the first date that all parties to Stipulation for Judgment have executed it and an order of this Court is entered approving it, the Receiver will file a request for the Court to dismiss the Receiver Action without prejudice, subject to the Court's retention of jurisdiction to enter judgment as provided in the Stipulation for Judgment.

6. General and mutual releases are entered into between the Receiver and the Defendants, as more particularly set forth in the Stipulation for Judgment.

**III. THE STIPULATION FOR JUDGMENT IS FAIR AND REASONABLE AND SHOULD BE APPROVED**

The leading treatise on receivership law states:

The only justification for the compromise of claims is that it is done for the best interests of the receivership and the estate under the control and possession of the court.

3 *Clark on Receivers* § 655 (3d ed. 1992).

The court appointing a receiver must use its discretion in determining whether it is for the best interests of the estate that the receiver be authorized to compromise a claim, and when the appointing court has

not abused its discretion in giving instructions to the receiver, its orders will not be disturbed or reviewed in the appellate court.

*Id.* at § 770.

Under Rule 9019 of the Federal Rules of Bankruptcy Procedure, the court in a bankruptcy case may approve a proposed compromise of controversies after notice and an opportunity for hearing. In the Fourth Circuit, courts have adopted a four-part test in evaluating compromises in bankruptcy:

In order to approve a settlement . . . , a court must consider the following factors: (1) the probability of success in litigation; (2) the likely difficulties in collection; (3) the complexity of the litigation involved, and the expense, inconvenience and delay necessarily attending it; and (4) the paramount interest of the creditors. *Will v. Northwestern Univ. (In re Nutraquest, Inc.)*, 434 F.3d 639, 644 (3d Cir. 2006) (citation omitted); *see also In re Bowman*, 181 B.R. 836, 843 (Bankr.D.Md.1995).

*In Re Final Analysis, Inc.*, 417 B.R. 332, 341 (Bankr. D. Md. 2009); *see also In re Bowman*, 181 B.R. 836 (Bankr. D. Md. 1995), adopting this four-part standard and citing other Circuit Courts of Appeal, including the Seventh Circuit in *In re American Reserve Corp.*, 841 F.2d 159, 161 (7th Cir. 1987) and the Ninth Circuit in *In re Woodson*, 839 F.2d 610, 620 (9th Cir. 1988).

The foregoing factors have been examined by courts in receiverships in approving settlements, but the court in a federal equity receivership has even broader authority to approve proposed settlements by a receiver and to look to other factors in determining that the settlement

should be approved. *See Gordon v. Dadante*, 336 Fed. Appx. 540 (6th Cir. 2009) (settlement by receiver in a federal equity receivership within the receiver's discretion and should be approved if it is fair); *Securities and Exchange Commission v. Credit Bancorp, Ltd.*, No. 99 Civ. 11395, 2002 WL 1792053 at \*4-5 (S.D.N.Y. Aug. 2, 2002); *Securities and Exchange Commission v. Princeton Economic International, Inc.*, No. 99 Civ. 9667, 2002 WL 206990 at \*1 (S.D.N.Y. Feb. 8, 2002). “[R]eceivers benefit from the general presumption that district courts favor settlements.” *Sterling v. Stewart*, 158 F.3d 1199, 1202 (11th Cir. 1998). The District Court's determination of the fairness of a settlement by the Receiver is subject to the sound discretion of the Court and will only be overturned based on a clear showing of abuse of discretion. *Gordon v. Dadante*, 336 Fed. Appx. at 545 (holding that district court did not abuse its discretion in approving settlement agreement entered into by a receiver); *Securities and Exchange Commission v. Arkansas Loan and Thrift Corp.*, 427 F.2d 1171, 1172 (8th Cir. 1970) (court finds no abuse of discretion in trial court's approval of receiver's settlement on fidelity bond claim); *see also Sterling v. Stewart*, 158 F.3d at 1204 (affirming the district court's approval of a settlement because “the court did not abuse its discretion in concluding that the settlement decision was fair.”)

Courts in the Fourth Circuit have held that there is a strong presumption in favor of finding a settlement fair. *See, e.g., Lomascolo v. Parsons Brinckerhoff, Inc.*, 2009 WL 3094955, at \*10 (E.D.Va. Sept. 28, 2009) (noting the “strong presumption in favor of finding a settlement fair” in the context of a class action settlement) (internal quotation omitted). Because a settlement hearing is not a trial, the court's role is more “balancing of likelihoods rather than an actual determination of the facts and law in passing upon ... the proposed settlement.” *Decohen v. Abbasi, LLC*, 299 F.R.D. 469, 479 (D. Md. 2014) (quoting *Flynn v. FMC Corp.*, 528 F.2d 1169,

1173 (4th Cir. 1975) (internal quotations omitted).)

The settlement between the Receiver and Defendants is a very favorable and cost-effective resolution for the estate and should be approved under the foregoing authorities. The Receiver has entered into a Stipulation for Judgment which resolves the matter without any further litigation expense for immediate payment of \$350,000, \$300,000 of which has already been paid and the remaining \$50,000 of which is due on April 15, 2023. The Defendants have provided Financial Statements demonstrating that they do not have the ability to fund a settlement of this amount without obtaining a third party loan and would not have the financial ability to satisfy a judgment in any amount greater than this should one be entered against them. Diaz-Cueto has also provided a Funding Affidavit which demonstrates that the settlement primarily will be satisfied with funds he borrowed from a third party, who in turn obtained these funds through a loan secured by their real estate, and all settlement funds are unrelated to the Receivership Defendants in the FTC Action.

While the Receiver believes the Receiver Action is meritorious, it is nevertheless a fact-intensive case with several complex legal issues. It would be expensive to continue to litigate the Receiver Action through summary judgment and/or trial and, most importantly, a judgment would be difficult to collect. Given all of these factors, the Receiver believes that the Stipulation for Judgment is fair and reasonable, beneficial to the receivership estate and should be approved.

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**IV. CONCLUSION**

For the reasons set forth herein, it is respectfully requested that the Court grant the Receiver's motion to approve the settlement set forth in the Stipulation for Judgment in its entirety.

Respectfully submitted,

Dated: April 7, 2023

By: /s/ Gary Owen Caris  
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UNITED STATES DISTRICT COURT  
DISTRICT OF MARYLAND  
SOUTHERN DIVISION

*In re* SANCTUARY BELIZE LITIGATION

No: 18-cv-3309-PJM

**DECLARATION OF MARC-PHILIP FERZAN IN SUPPORT OF MOTION FOR  
ORDER APPROVING SETTLEMENT WITH JORGE DIAZ-CUETO AND BELLA  
MAR ESTATES, LTD. PURSUANT TO STIPULATION FOR ENTRY OF JUDGMENT**

I, Marc-Philip Ferzan, declare:

1. I am a Senior Adviser with Ankura Consulting Group, LLC (“Ankura”) and serve as the Court-appointed successor Receiver (“Receiver”) in this action. I and my colleagues at Ankura assigned to support the receivership are collectively referred to in this declaration as the “Receivership Team.” I was appointed successor receiver on October 26, 2021 to replace Robb Evans & Associates LLC (“Original Receiver”). As Receiver, I am one of the members of the Receivership Team primarily responsible for the supervision, management and administration of the receivership estate. I have personal knowledge of the matters set forth in this declaration, or I have gained knowledge of the matters set forth in this declaration through other members of the Receivership Team, or through my review of various books, documents, records and Court files pertaining to the receivership, as well as documents described in this declaration.

2. On August 12, 2021, the Original Receiver filed an action captioned *Robb Evans and Associates LLC, as Court-Appointed Receiver in the In Re Sanctuary Belize Litigation v. Jorge Diaz-Cueto and Bella Mar Estates, Ltd.*, Civil Action No. PJM-21-2049 (“Receiver Action”), against Jorge Diaz-Cueto (“Diaz-Cueto”) and Bella Mar Estates, Ltd. (“Bella Mar” and, together with Diaz-Cueto, the “Defendants”) seeking to recover the sum of \$1,065,000, plus



interest pursuant to claims for relief for rescission, breach of contract, the recovery of actual and constructive fraudulent transfers, unjust enrichment, alter ego, and turnover of receivership property in connection with Newport Land Group LLC's attempt to acquire certain property in the Bahamas from Bella Mar prior to the inception of the receivership.

3. The Receiver and the Defendants have resolved all of their disputes and differences and have reached an agreement set forth in the Stipulation for Entry of Judgment as to Defendants Jorge Diaz-Cueto and Bella Mar Estates, Ltd. ("Stipulation for Judgment"), a true and correct copy of which is attached hereto as Exhibit 1, to resolve the Receiver Action, subject to Court approval.

4. In connection with the settlement set forth in the Stipulation for Judgment, Defendants each provided to the Receiver written financial statements under penalty of perjury (collectively, the "Financial Statements") and a declaration under penalty of perjury describing the source of funding for the settlement set forth herein ("Funding Affidavit"). The Financial Statements disclose that Diaz-Cueto does not have assets of any significant value which may fund a settlement or satisfy a judgment beyond the settlement amount reached pursuant to the Stipulation for Judgment and that Bella Mar has no assets of any worth other than its purported ownership in the property in the Bahamas which is at the core of the dispute reflected in the Receiver Action. While the Defendants contend that Bella Mar has good and marketable title to the real property described in the Receiver Action, whether or not Bella Mar has good and marketable title to the subject real estate, a point I do not concede, the property is of questionable value and/or would be extraordinarily difficult, time consuming and expensive to market and sell. The Funding Affidavit discloses that because of the financial condition of the Defendants, Diaz-Cueto had to obtain a loan from a third party, who in turn borrowed funds secured by that

third party's interest in real property, to fund approximately \$221,000 of the settlement reflected in the Stipulation for Judgment. The Funding Affidavit further discloses that the balance of the funds paid and to be paid under the Stipulation for Judgment is and will be funded from transactions consummated by Diaz-Cueto in the ordinary course of business as a practicing attorney and businessman in Miami-Dade County, Florida. The Funding Affidavit further states that none of the settlement funds come directly or indirectly from any of the Receivership Defendants in the FTC Action.

5. The key terms of the Stipulation for Judgment provide that:

(a) The Receiver is awarded judgment against the Defendants, jointly and severally, in the sum of \$1,065,000 ("Judgment Amount"), but will accept \$350,000 in full settlement as generally described below and as more particularly set forth in the Stipulation for Judgment.

(b) Defendants will pay three payments to the Receiver under the Stipulation for Judgment totaling \$350,000: (a) \$25,000 on or before January 26, 2023; (b) \$275,000 on or before March 15, 2023; and (c) \$50,000 on or before April 15, 2023. Provided these three payments are made to the Receiver timely, defined to mean within ten days following written notice of default ("Cure Period"), the total payments to be made to the Receiver in full satisfaction and settlement of the Receiver's claims against the Defendants is \$350,000. The Defendants have already made the first two payments as required by the Stipulation for Judgment, and the \$300,000 is being held by counsel for the Receiver in its trust account pending Court approval of this settlement.

(c) Defendants have provided the Receiver with the Financial Statements and Funding Affidavit. The Financial Statements and Funding Affidavit support the reasonableness of the settlement.

(d) If Defendants fail to make all payments within the Cure Period or if there is a material breach by either Defendant regarding the Financial Statements or Funding Affidavit, the Receiver may immediately file the Stipulation for Judgment concurrently with a motion seeking immediate entry of judgment for the Judgment Amount, less any amounts paid to the Receiver under the Stipulation for Judgment.

(e) Within fifteen days following the Effective Date, defined to mean the first date that all parties to Stipulation for Judgment have executed it and an order of this Court is entered approving it, the Receiver will file a request for the Court to dismiss the Receiver Action without prejudice, subject to the Court's retention of jurisdiction to enter judgment as provided in the Stipulation for Judgment.


(f) General and mutual releases are entered into between the Receiver and the Defendants, as more particularly set forth in the Stipulation for Judgment.

6. I believe that the settlement between the Receiver and Defendants is a very favorable and cost-effective resolution for the estate and should be approved. The Stipulation for Judgment resolves the matter without any further litigation expense for immediate payment of \$350,000, \$300,000 of which has already been paid and the remaining \$50,000 of which is due on April 15, 2023. The Defendants have provided Financial Statements demonstrating that they do not have the ability to fund a settlement of this amount without obtaining a third party loan and would not have the financial ability to satisfy a judgment in any amount greater than this should one be entered against them. Diaz-Cueto has also provided a Funding Affidavit which

demonstrates that the settlement primarily will be satisfied with funds he borrowed from a third party, who in turn obtained these funds through a loan secured by their real estate, and all settlement funds are unrelated to the Receivership Entities or any other defendants in the FTC Action.

7. While I believe the Receiver Action is meritorious, it is nevertheless a fact-intensive case and I am advised it has several complex legal issues. It would be expensive to continue to litigate the Receiver Action through summary judgment and/or trial and, most importantly, a judgment would be difficult to collect. Given all of these factors, I believe that the Stipulation for Judgment is fair and reasonable, beneficial to the receivership estate and should be approved.

I declare under penalty of perjury that the foregoing is true and correct and that this declaration was executed on April 7, 2023 in Haverford, Pennsylvania.

  
\_\_\_\_\_  
Marc-Philip Ferzan

25882821v1

# EXHIBIT 1

UNITED STATES DISTRICT COURT  
DISTRICT OF MARYLAND  
SOUTHERN DIVISION

ROBB EVANS AND ASSOCIATES LLC,  
AS COURT-APPOINTED RECEIVER IN  
THE *IN RE SANCTUARY BELIZE*  
*LITIGATION*

Plaintiff,

v.

JORGE DIAZ-CUETO and BELLA MAR  
ESTATES, LTD.,

Defendants.

Civil Action No. PJM-21-2049

**STIPULATION FOR ENTRY OF JUDGMENT AS TO DEFENDANTS JORGE DIAZ-CUETO  
AND BELLA MAR ESTATES, LTD.**

Plaintiff Marc-Philip Ferzan of Ankura Consulting Group, LLC, as Court-appointed successor receiver (“Receiver”) to Robb Evans and Robb Evans & Associates LLC (“Original Receiver”) appointed as successor receiver for, among several other entities described below, Newport Land Group LLC (“Newport”), as well as being the successor receiver over the assets of several individuals described below, all in connection with the lawsuit commenced by the Federal Trade Commission (“FTC”) captioned as *In re Sanctuary Belize Litigation*, in the United States District Court, District of Maryland (“Court”), as Case No. 18-cv-3309 (“FTC Action”), and defendants Jorge Diaz-Cueto (“Diaz-Cueto”) and Bella Mar Estates, Ltd. (“Bella Mar”) (the Receiver, Diaz-Cueto and Bella Mar are collectively referred to as the “Parties;” Diaz-Cueto and Bella Mar are sometimes collectively referred to as the “Defendants”) hereby enter into this Stipulation for Entry of Judgment as to Defendants Jorge Diaz-Cueto and Bella Mar Estates, Ltd.

("Stipulation for Judgment") in reference to and in consideration of the following Recitals:

**RECITALS**

A. On October 31, 2018, the FTC filed a Complaint for Permanent Injunction and Other Equitable Relief commencing the FTC Action and originally captioned as *Federal Trade Commission v. Ecological Fox, LLC et al.* as a civil enforcement action. On November 5, 2018, the Court issued an Ex Parte Temporary Restraining Order With Asset Freeze, Writs *Ne Exeat*, Appointment of a Temporary Receiver, and Other Equitable Relief, and Order to Show Cause Why a Preliminary Injunction Should Not Issue ("TRO"). Under the TRO, the Original Receiver became temporary receiver over Global Property Alliance, LLC, Sittee River Wildlife Reserve, Buy Belize, LLC, Buy International, Inc., Foundation Development Management, Inc., Eco-Futures Development, Eco-Futures Belize, Ltd., Power Haus Marketing, Sanctuary Belize Property Owners' Association, Prodigy Management Group LLC, Foundation Partners, BG Marketing, LLC, Ecological Fox, LLC, Belize Real Estate Affiliates LLC, Exotic Investor LLC, Southern Belize Realty LLC, and each of their subsidiaries, affiliates, successors and assigns, as well as any other entity that: (1) is located at, registered to, or operated from 3333 Michelson Drive, Suite 500, Irvine, California, and assists, facilitates, or otherwise conducts business related to the sale of real estate in Belize; (2) assists, facilitates, or otherwise conducts business related to the acts identified in the Findings of Fact in the TRO, and is owned or controlled by any defendant in the FTC Action; or (3) are assets that are otherwise in the receivership and that are corporations or other legal entities. The Original Receiver was also appointed receiver over the assets of Andris Pukke ("Pukke") and Peter Baker ("Baker") valued by the Original Receiver at \$1,000 or more.

B. The Original Receiver's role as temporary receiver under the TRO was continued by the Interim Preliminary Injunction entered by the Issuing Court on November 20,

2018.

C. Pursuant to § XVI.W and § XVI.X of the TRO, the Original Receiver determined that Newport was a receivership entity and properly notified the parties in interest of this determination on December 5, 2018.

D. The Original Receiver's role was made permanent pursuant to Preliminary Injunctions entered on February 9, 2019 and October 3, 2019 (collectively, the "Preliminary Injunctions"). The February 9, 2019 Preliminary Injunction made the Receiver permanent receiver over BG Marketing, LLC, Ecological Fox, LLC, and Foundation Partners and each of their subsidiaries, affiliates, successors and assigns and also expressly named Newport as a receivership entity. The October 3, 2019 Preliminary Injunction made the Original Receiver permanent receiver over Newport, as well as Global Property Alliance, Inc., Sittee River Wildlife Reserve, Buy Belize, LLC, Buy International, Inc., Foundation Development Management, Inc., Eco-Futures Development, Eco-Futures Belize, Limited, Power Haus Marketing, Sanctuary Belize Property Owners' Association, Prodigy Management Group LLC, Belize Real Estate Affiliates LLC, Exotic Investor LLC, and Southern Belize Realty, LLC, and each of their subsidiaries, affiliates, successors and assigns, together with 2729 Bristol LLC, 3905 Marcus, LLC, as well as any other entity that is located at, registered to, or operated from 3333 Michelson Drive, Suite 500, Irvine, California and assists, facilitates, or otherwise conducts business related to the sale of real estate in Belize; assists, facilitates, or otherwise conducts business related to the acts identified in the Findings of Fact in the Preliminary Injunction, and is owned or controlled by any defendant in the FTC Action; or are identified as assets, as defined in the Preliminary Injunction, that are otherwise in the receivership and that are corporations or other legal entities. Pursuant to the October 2, 2019 Preliminary Injunction, among other things, the Original Receiver was also appointed as



receiver over the assets of Pukke, Baker and Luke Chadwick (“Chadwick”) valued by the Original Receiver at \$1,000 or more.

E. On January 13, 2021 the Issuing Court entered its Order for Permanent Injunction and Monetary Judgment Against Defaulting Defendants John Usher et al. (“Default Judgment”). Pursuant to the Default Judgment, the Original Receiver remained as permanent receiver over the Defaulting Corporate Defendants, as defined therein, and John Usher (“Usher”) was ordered to transfer his assets to the Original Receiver, which would become assets of the receivership estate, with limited exceptions as set forth in the Default Judgment.

F. On March 24, 2021 the Court entered its Amended Final Order for Permanent Injunction and Monetary Judgment Against Defendants Andris Pukke, Peter Baker and Luke Chadwick (“Pukke Final Judgment”). The Original Receiver remained as permanent receiver over the assets of Pukke, Baker and Chadwick, with limited exceptions set forth in the Pukke Final Judgment.

G. Other final judgments have been entered in the FTC Action, each of which vested certain duties, powers and authority in the Original Receiver. All of the orders and judgments described in these Recitals are collectively referred to as the “Receivership Orders.”

H. The Receivership Orders gave the Original Receiver broad powers including, *inter alia*, (i) control of all of the entities described in these Recitals (the “Receivership Entities”); (ii) the assumption and control of all assets of the Receivership Entities and the assumption and control of all assets of the individuals described in these Recitals, with limited exceptions (these individuals and the Receivership Entities are collectively referred to as the “Receivership Defendants”); and (iii) the authority to institute any litigation related to the Receivership Defendants, including, without limitation, the ability to pursue fraudulent or voidable transfers.

I. On August 12, 2021, the Original Receiver filed the above-captioned action against Diaz-Cueto and Bella Mar seeking to recover the sum of \$1,065,000, plus interest pursuant to claims for relief for rescission, breach of contract, the recovery of actual and constructive fraudulent transfers, unjust enrichment, alter ego, and turnover of receivership property (the “Receiver Action”).

J. On October 26, 2021, the Court issued an Order pursuant to which the Original Receiver was discharged as receiver in the FTC Action and the Receiver was appointed as successor receiver, with all rights, powers, authorities and duties that the Original Receiver had under all orders of the Court in the FTC Action, including without limitation the Receivership Orders.

K. Chadwick settled with the FTC pursuant to the Stipulated Order dated March 23, 2022 which resulted in a modification of the Receiver’s rights, powers, authorities and duties as they pertained to Chadwick’s assets.

L. After several appeals were taken in connection with various orders and judgments, including some of those which are described in these Recitals, on November 1, 2022 the United States Fourth Circuit Court of Appeals (“Fourth Circuit”) affirmed, in part, the Pukke Final Judgment. The parties to the FTC Action dispute whether the Fourth Circuit affirmed in whole or in part the Default Judgment. The Fourth Circuit remanded the matter for further proceedings consistent with its decision. The Fourth Circuit opinion left unaltered all of the Receiver’s rights, powers, authorities and duties under the Receivership Orders.

M. The Parties desire to resolve all of their disputes and differences and have reached the agreement set forth in this Stipulation for Judgment for this purpose. In connection with the settlement set forth in this Stipulation for Judgment, Defendants each provided to the Receiver written financial statements under penalty of perjury (collectively, the “Financial Statements”) and

a sworn affidavit describing the source of funding for the settlement set forth herein (“Funding Affidavit”). Notwithstanding the settlement set forth herein, the Defendants contend that Bella Mar has good and marketable title to the real property described in the Receiver Action and make no admission regarding the legal or factual merits of the claims for relief in the Receiver Action, but enter into this settlement to avoid the risks and expenses associated with further litigation.

NOW THEREFORE, in reference to the foregoing Recitals and for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereto stipulate and agree as follows:

### **STIPULATION FOR JUDGMENT**

1. Recitals

The Recitals set forth above are true and correct according to their terms.

2. Amount of Judgment

Plaintiff is awarded judgment against Defendants, jointly and severally, in the sum of \$1,065,000.00 ("Judgment Amount").

3. Settlement Payments

A. Initial Settlement Payment. Defendants shall pay to Plaintiff an initial payment of \$25,000 on or before January 26, 2023, timely receipt of which is hereby acknowledged (the “Initial Settlement Payment”). The Initial Settlement Payment shall be held by the Receiver’s counsel in trust pending the Effective Date of this Stipulation for Judgment, as defined hereinafter, and returned to Diaz-Cueto in the event the settlement reflected in this Stipulation for Judgment is not approved by the Court.

B. Remaining Two Payments. Defendants shall make two remaining payments to the Receiver, as follows: (a) payment in the amount of \$275,000, on or before March 15, 2023; and (b) payment in the amount of \$50,000, on or before April 15, 2023 (collectively, the

“Remaining Payments”). The Remaining Payments shall be held by the Receiver’s counsel in trust pending the Effective Date of this Stipulation for Judgment, as defined hereinafter, and returned to Diaz-Cueto in the event the settlement reflected in this Stipulation for Judgment is not approved by the Court. The total payments to be made to the Receiver in full satisfaction and settlement of the Receiver's claims against Defendants pursuant to this Stipulation for Judgment shall be \$350,000 including the Initial Settlement Payment and Remaining Payments, provided that there are no uncured defaults under this Stipulation for Judgment.

4. Payment Default and Payment Plan Cure Period

If either of the Remaining Payments is not made by the Defendants when due, then Defendants shall have ten days following written notice of default (the “Cure Period”) to make such payment and cure such payment default.

5. Representation as to Accuracy and Completeness of Financial Information

As set forth in Recital M, Defendants provided the Receiver the Financial Statements and Funding Affidavit. Defendants, and each of them, expressly represent and warrant to the Receiver that the Financial Statements submitted to the Receiver by them are true, accurate and complete representations of Defendants’ financial condition as of the date of such Financial Statements, and that the Funding Affidavit is true and correct. The Receiver is expressly relying on each of the foregoing representations and warranties of Defendants as a material inducement to the Receiver entering into the settlement and this Stipulation for Judgment.

6. Events of Default and Entry of Judgment

If Defendants fail to timely pay either of the Remaining Payments and thereafter fail to pay either of the Remaining Payments within the Cure Period, Defendants, and each of them, shall be deemed to be in material default of this Stipulation for Judgment without any further notice of such default required to be given by the Receiver. In such event, the Receiver may immediately file the

Stipulation for Judgment concurrently with a motion seeking immediate entry of judgment against Defendants, and each of them, for the Judgment Amount, less any amounts paid to the Receiver hereunder. If there is a material breach by Diaz-Cueto and Bella Mar, or either of them, under the representations and warranties provided at paragraph 5 above regarding either of the Financial Statements or the Funding Affidavit, then the Receiver may declare Defendants, and each of them, to be in breach of this Stipulation for Judgment, and the Receiver may immediately file this Stipulation for Judgment concurrently with a motion seeking immediate entry of judgment against Defendants, and each of them, for the Judgment Amount, less any amounts paid to the Receiver hereunder.

7. Dismissal of the Receiver Action

Within fifteen days following the Effective Date, the Receiver shall file a request that the Court dismiss the Receiver Action without prejudice and subject to the Court's retention of jurisdiction to enter judgment against them as provided in this Stipulation for Judgment and pursuant to the United States Supreme Court's decision in *Kokkonen v. Guardian Life Insurance Co. of America*, 511 U.S. 375,381-82 (1994).

8. General Release of Receiver and Receivership Estate

Effective upon the Effective Date of this Stipulation for Judgment, and excepting only the obligations imposed or created by this Stipulation for Judgment, Diaz-Cueto and Bella Mar, and each of them, do hereby forever relieve, release and discharge the Receiver, individually and in his capacity as Receiver in the FTC Action, the Original Receiver, the Receivership Defendants and the receivership estate created in the FTC Action, Ankura Consulting Group, LLC's officers, directors, shareholders, members, employees, deputies, agents, associates, partners, past or present attorneys, representatives and administrators, and the Original Receiver's officers, directors, shareholders, members, employees, deputies, agents, associates, partners, past or present attorneys,

representatives and administrators, all jointly and severally, from any and all lawsuits, debts, losses, claims, liens, liabilities, demands, obligations, promises, acts, agreements, costs, expenses, attorneys' fees, damages, actions and causes of action, of whatever kind or nature, whether known or unknown, suspected or unsuspected, contingent or fixed, arising from the beginning of time through the date of this Stipulation for Judgment, that Defendants, or either of them, had, has or may have against the parties being released in this paragraph, which arise out of, relate to, or pertain in any way to the FTC Action, the Receiver Action and all claims and defenses raised or which could have been raised therein, the Receivership Defendants, and the receivership estate created in the FTC Action (individually and collectively the "Defendants' Claims").

9. Effect of General Release of Defendants Claims

Defendants, and each of them, expressly waive any and all rights under Section 1542 of the Civil Code of the State of California which provides as follows:

**A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.**

Defendants, and each of them, expressly waive and release any rights or benefits that they may have under Section 1542 of the Civil Code of the State of California, and any similar statute, code, law or regulation of any state, territory, commonwealth or possession of the United States, or the United States, to the full extent that they may waive all such rights and benefits pertaining to the Defendants' Claims. Defendants, and each of them, acknowledge that they are aware that they may hereafter discover claims presently unknown or unsuspected, or facts in addition to or

different from those that he now knows or believes to be true pertaining to the Defendants' Claims. Nevertheless, it is the intention of Defendants, and each of them, through this Stipulation for Judgment to fully, finally and forever release all of the Defendants' Claims. The releases herein given shall be and remain in effect as a full and complete release of the Defendants' Claims notwithstanding the discovery or existence of any such additional or different claims or facts relative thereto.

10. No Assignment of the Defendants' Claims

Defendants, and each of them, represent and warrant that they are the sole and lawful owners of all right, title and interest in and to each of the claims released herein and Defendants, and each of them, represent and warrant that they have not heretofore assigned or transferred, or purported to assign or transfer, to any individual, partnership, corporation, firm, estate or entity, any of the claims released herein. Defendants, and each of them, hereby agree to indemnify, defend and hold harmless the Receiver and the receivership estate of the Receivership Defendants from and against all claims based upon or arising out of or in connection with any assignment or transfer or purported assignment or transfer of any of the Defendants' Claims.

11. General Release of Defendants

Effective upon a date that is 92 days following the later of the occurrence of both the Effective Date and the date the last payment is made pursuant to this Stipulation for Judgment without any uncured default, and so long as no bankruptcy petition has been filed by or against either Diaz-Cueto or Bella Mar prior to the 92nd day following the later of the occurrence of both the Effective Date and the date the last payment is made pursuant to this Stipulation for Judgment without any uncured default, and excepting only the obligations imposed or created by this Stipulation for Judgment, the Receiver in its capacity as Receiver of the Receivership Defendants and on behalf of the receivership estate created in the FTC Action, does hereby forever relieve,

release and discharge the Defendants and each of them, and each of their employees, deputies, agents, associates, partners, past or present attorneys, representatives and administrators, jointly and severally, from any and all lawsuits, debts, losses, claims, liens, liabilities, demands, obligations, promises, acts, agreements, costs, expenses, attorneys' fees, damages, actions and causes of action, of whatever kind or nature, whether known or unknown, suspected or unsuspected, contingent or fixed, arising from the beginning of time through the date of this Stipulation for Judgment, that the Receiver had, has or may have against the parties being released in this paragraph, which arise out of, relate to, or pertain in any way to the FTC Action, the Receiver Action and all claims and defenses raised or which could have been raised therein, the Receivership Defendants, and the receivership estate of the Receivership Defendants (individually and collectively the "Receivership Claims"). Notwithstanding the generality of the foregoing, this release expressly does not apply and shall not be construed to apply to any Receivership Defendants.

12. Effect of General Release of Receivership Claims

The Receiver expressly waives any and all rights under Section 1542 of the Civil Code of the State of California which provides as follows:

**A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.**

The Receiver expressly waives and releases any rights or benefits that the Receiver may have under Section 1542 of the Civil Code of the State of California, and any similar statute, code,



law or regulation of any state, territory, commonwealth or possession of the United States, or the United States, to the full extent that the Receiver may waive all such rights and benefits pertaining to the Receivership Claims. The Receiver acknowledges that the Receiver is aware that the Receiver may hereafter discover claims presently unknown or unsuspected, or facts in addition to or different from those that the Receiver now knows or believes to be true pertaining to the Receivership Claims. Nevertheless, it is the intention of the Receiver through this Stipulation for Judgment to fully, finally and forever release all of the Receivership Claims. The releases herein given shall be and remain in effect as a full and complete release of the Receivership Claims notwithstanding the discovery or existence of any such additional or different claims or facts relative thereto.

13. No Assignment of the Receivership Claims

The Receiver represents and warrants that the Receiver is the sole and lawful owner of all right, title and interest in and to each of the claims released herein and he has not heretofore assigned or transferred, or purported to assign or transfer, to any individual, partnership, corporation, firm, estate or entity, any of the claims released herein. The Receiver hereby agrees to indemnify, defend and hold Defendants, and each of them, harmless from and against all claims based upon or arising out of or in connection with any assignment or transfer or purported assignment or transfer of any of the Receivership Claims.

14. Bankruptcy Rights and Revival of Obligations,

A. Receiver Claim Amount in Bankruptcy. The Receiver has asserted claims for the benefit of the receivership estate created in the FTC Action against Defendants in this action for the Judgment Amount, plus interest. In the event of a bankruptcy petition filed by or against Diaz-Cueto or Bella Mar, the Receiver may file a proof of claim in the bankruptcy case for the Judgment

Amount, plus interest, less the amount of the payments made to the Receiver under this Stipulation for Judgment.

B. Revival. Notwithstanding the releases set forth in paragraph 11 above and the dismissal of this action provided for in paragraph 7 above, Defendants, and each of them, acknowledge and agree that in the event that any payment to be made under this Stipulation for Judgment should subsequently be declared to be recoverable or voidable under any state or federal law, or under the law of any other jurisdiction, including without limitation laws relating to fraudulent conveyances, preferential transfers or similar transfers, in whole or in part, for any reason (collectively referred to herein as "Voidable Transfers") and the Receiver is required to pay or restore any such Voidable Transfer, or any portion thereof, then the liability of Defendants, and each of them, for the entire Judgment Amount, less the amount of any portion of the Initial Settlement Payment and Remaining Payments retained by the Receiver, shall automatically be revived, reinstated and restored, and shall exist as though such Voidable Transfer had never been made.

C. Receiver's Settlement of Voidable Transfer. The Defendants, and each of them, expressly acknowledge that the Receiver may rely upon advice of counsel, and if so advised by counsel, may, in the exercise of the Receiver's sole opinion and judgment, settle, with or without defending, any action to void any alleged Voidable Transfer, and that upon such settlement, the Defendants, and each of them, shall again be liable for any deficiency resulting from such settlement as provided in this paragraph 14.

15. Waiver of Trial and Appeal

Defendants, and each of them, waive any rights they may have to request or have a new trial or request or have an appeal from the judgment granted as a result of this Stipulation for Judgment.

16. Time Is of Essence

Time is of the essence with respect to any act, payment, or performance under this Stipulation for Judgment.

17. Default

In the event that any Party to this Stipulation for Judgment defaults in the payment or performance of his/its obligations under this Stipulation for Judgment, then the non-defaulting Party may exercise any and all rights and remedies available at law or in equity.

18. Notices

All notices and other communications which are required or may be given hereunder shall be in writing and shall be duly given if sent by overnight courier, postage prepaid and addressed to the other Parties at the addresses set forth herein:

If to the Receiver:

Marc-Philip Ferzan  
Ankura Consulting Group, LLC  
2000 K Street NW, 12th Floor

with copies to:

Barnes & Thornburg LLP  
2029 Century Park East, Suite 300  
Los Angeles, CA 90067-2904  
Attention: Gary Owen Caris, Esq.

If to the Defendants:

Jorge Diaz-Cueto  
Alfred Dupont Bldg.,  
169 E. Flagler St., Ste. 1435  
Miami, FL 33131

Bella Mar Estates, Ltd.  
Alfred Dupont Bldg.,  
169 E. Flagler St., Ste. 1435  
Miami, FL 33131  
Attention: Jorge Diaz-Cueto

With copies to:

Armas Bertran Zincone  
2701 South LeJeune Road  
Tenth Floor  
Coral Gables, Florida 33134  
Attention: J. Alfredo Armas, Esq.

or at any other address as may be given by any Party to the other Parties by notice in writing pursuant to the provisions hereof. Notices will be deemed given and received on the next business day following the day such notice is mailed and sent by overnight courier, in the manner described above.

19. No Waiver

No failure or delay on the part of any Party in the exercise of any right, power, or privilege hereunder shall operate as a waiver thereof, and no single or partial exercise of any such right, power, or privilege shall preclude a further exercise thereof or of any other right, power or privilege.

20. Opportunity for Consultation with Counsel

Each of the Parties has had an opportunity to consult with legal counsel of their own choice with respect to the advisability of making the settlement and granting the releases provided herein, and with respect to the advisability of executing this Stipulation for Judgment, and prior to the execution of this Stipulation for Judgment each of the Parties reviewed it, had the opportunity to make any desired changes, and signed the Stipulation for Judgment to indicate that each has approved the Stipulation for Judgment as to its form and content. Each of the Parties and each of their legal and other advisors has made such investigation of the facts pertaining to the Stipulation for Judgment, and all of the matters pertaining thereto, as each of them deems necessary. This Stipulation for Judgment has been carefully read by, the contents hereof are known by, and it has been signed freely by each person executing this Stipulation for Judgment.

21. Neutral Interpretation

This Stipulation for Judgment is the product of the joint negotiations between the Parties hereto. The interpretation and/or enforcement of this Stipulation for Judgment is not to be interpreted more strongly in favor of any one Party.

22. Mutual Representations and Warranties

Each of the Parties hereto hereby represents and warrants to one another and covenants and agrees with one another as follows:

A. Each Party executing this Stipulation for Judgment has the full legal right, power and authority to enter into and perform this Stipulation for Judgment. This Stipulation for Judgment is a valid and binding obligation of each of the Parties, enforceable against each of them in accordance with its terms. Each person executing this Stipulation for Judgment in a representative capacity has been duly authorized to do so by all appropriate actions.

B. Except as expressly stated in this Stipulation for Judgment, no Party hereto nor any other person has made any statement or representation to any Party to this Stipulation for Judgment regarding the facts relied upon by them in entering into this Stipulation for Judgment, and no Party hereto has relied upon any statement, representation, or promise of any other person or entity in executing this Stipulation for Judgment except as expressly stated in this Stipulation for Judgment.

C. The terms of this Stipulation for Judgment are contractual and not a mere recital.

23. Integration/Modification in Writing

This Stipulation for Judgment constitutes the entire agreement between the Parties with respect to the subject matter hereof, and supersedes all other agreements, oral or written, between the Parties with respect to the subject matter hereof. No covenants, agreements, representations or

warranties of any kind whatsoever have been made by any Party hereto, except as specifically set forth in this Stipulation for Judgment. No claim of waiver, modification, consent, or acquiescence with respect to any provision of this Stipulation for Judgment shall be made against any Party hereto, except upon the basis of a written instrument executed by or on behalf of such Party.

24. Survival

All covenants, representations, warranties and agreements contained in this Stipulation for Judgment shall survive the execution of this Stipulation for Judgment by the Parties, the delivery of documents and any performance on account of the obligations set forth herein.

25. Successors and Assigns

The provisions of this Stipulation for Judgment shall be binding upon and inure to the benefit of each of the Parties hereto, and their respective successors in interest and assigns.

26. No Unnamed Third Party Beneficiaries

There are no unnamed third party beneficiaries to this Stipulation for Judgment.

27. Governing Law/Jurisdiction and Venue

This Stipulation for Judgment shall be governed by and construed in accordance with the laws of the State of California. All actions and proceedings relating directly or indirectly to this Stipulation for Judgment and the enforcement thereof shall be brought in this Court.

28. Attorneys' Fees

If a material default occurs under this Stipulation for Judgment, and if a Party employs an attorney to bring suit on account of such default or to otherwise enforce the Stipulation for Judgment, the prevailing Party in such action shall be entitled to be reimbursed for all attorneys' fees and costs incurred, including without limitation those incurred in this action for enforcement thereof and any and all appeals therefrom.

29. Headings

The headings of paragraphs of this Stipulation for Judgment are inserted solely for the convenience of reference and are not a part of and are not intended to govern, limit, or aid in the construction or interpretation of any term or provision hereof.

30. Counterparts

This Stipulation for Judgment may be executed and delivered in any number of counterparts, each of which, when executed and delivered, shall be original, and all of which together shall constitute the same Stipulation for Judgment. Signatures may be delivered by electronic transmission and shall have the same effect and enforceability as original signatures.

31. Court Approval and Effective Date

This Stipulation for Judgment is subject to entry of an order of the Court in the FTC Action approving this Stipulation for Judgment after notice and an opportunity for hearing. The "Effective Date" of this Stipulation for Judgment shall be the first date on which (a) this Stipulation for Judgment has been executed by all Parties; and (b) an order of the Court has been entered in the FTC Action approving this Stipulation for Judgment.

Dated: March 24, 2023

  
\_\_\_\_\_  
Marc-Philip Ferzan of ANKURA  
CONSULTING GROUP, LLC, as Court-  
appointed Receiver in the *In re Sanctuary  
Belize Litigation*

Dated: March \_\_, 2023

\_\_\_\_\_  
Jorge Diaz-Cueto

Dated: March \_\_, 2023

\_\_\_\_\_  
BELLA MAR ESTATES, LTD.

\_\_\_\_\_  
By: Jorge Diaz-Cueto  
Its: President

[SIGNATURES CONTINUED NEXT PAGE]



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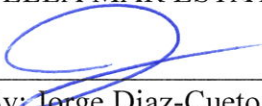
Dated: March \_\_, 2023

\_\_\_\_\_  
Marc-Philip Ferzan of ANKURA  
CONSULTING GROUP, LLC, as Court-  
appointed Receiver in the *In re Sanctuary  
Belize Litigation*

Dated: March 24, 2023

\_\_\_\_\_  
  
Jorge Diaz-Cueto

Dated: March 24, 2023

BELLA MAR ESTATES, LTD.  
\_\_\_\_\_  
  
By: Jorge Diaz-Cueto  
Its: President

[SIGNATURES CONTINUED NEXT PAGE]



Dated: March 24, 2023

By: /s/ Gary Owen Caris  
Gary Owen Caris (CA Bar No. 088918)  
Admitted *Pro Hac Vice* 8/19/21  
BARNES & THORNBURG LLP  
2029 Century Park East, Suite 300  
Los Angeles, CA 90067  
Telephone: (310) 284-3880  
Facsimile: (310) 284-3894  
Email: gcaris@btlaw.com

By: /s/ James E. Van Horn  
James E. Van Horn (Bar No. 29210)  
BARNES & THORNBURG LLP  
1717 Pennsylvania Avenue, NW,  
Suite 500  
Washington, DC 20006  
Telephone: (202) 289-1313  
Facsimile: (202) 289-1330  
Email: jvanhorn@btlaw.com

Attorneys For Plaintiff, MARC-  
PHILIP FERZAN OF ANKURA  
CONSULTING GROUP, LLC, as  
Court-appointed Receiver in the *In re*  
*Sanctuary Belize Litigation*

-and-

Dated: March 27, 2023

By: /s/ Brian D. Lyman  
Brian D. Lyman (Bar No. 27360)  
HILLMAN, BROWN & DARROW, P.A.  
221 Duke of Gloucester Street  
Annapolis, MD 21401  
Telephone: (410) 263-3131  
Facsimile: (410) 269-7912  
Email: bdl@hbdlaw.com

[SIGNATURES CONTINUED NEXT PAGE]

By: /s/ J. Alfredo Armas

J. Alfredo Armas (Bar No. 360708)

ARMAS BERTRAN ZINCONE

Marina Lakes Professional Building

4960 SW 72nd Ave Ste 206

Miami, Florida 33155

Telephone: (305) 461-5100

Facsimile: (305) 661-2324

Email: alfred@armaslaw.com

Attorneys for Defendants, JORGE  
DIAZ-CUETO and BELLA MAR  
ESTATES, LTD.

25342675v1

UNITED STATES DISTRICT COURT  
DISTRICT OF MARYLAND  
SOUTHERN DIVISION

*In re* SANCTUARY BELIZE LITIGATION

No: 18-cv-3309-PJM

**[PROPOSED] ORDER GRANTING MOTION FOR ORDER APPROVING  
SETTLEMENT WITH JORGE DIAZ-CUETO AND BELLA MAR ESTATES, LTD.  
PURSUANT TO STIPULATION FOR ENTRY OF JUDGMENT**

The Motion for Order Approving Settlement With Jorge Diaz-Cueto and Bella Mar Estates, Ltd. Pursuant to Stipulation for Entry of Judgment (“Motion”), in connection with an action captioned *Robb Evans and Associates LLC, as Court-Appointed Receiver in the In re Sanctuary Belize Litigation v. Jorge Diaz-Cueto and Bella Mar Estates, Ltd.*, Civil Action No. PJM-21-2049, was brought by the Receiver, Marc-Philip Ferzan of Ankura Consulting Group, LLC (“Receiver”). The Court, having read and considered the Motion, Memorandum of Points and Authorities in support of the Motion, Declaration of Marc-Philip Ferzan (“Ferzan Declaration”), and the Stipulation for Entry of Judgment as to Defendants Jorge Diaz-Cueto and Bella Mar Estates, Ltd. (“Stipulation for Judgment”), a copy of which is attached as Exhibit 1 to the Ferzan Declaration, and opposition to the Motion, if any, due and proper notice of the Motion having been given to the parties and other parties in interest, and good cause appearing therefore, it is

**ORDERED** as follows:

1. The Motion shall be and is hereby granted in its entirety.
2. Without limiting the generality of the foregoing:

(a) The Stipulation for Judgment is approved and authorized in its entirety;

and

(b) The Receiver is authorized to execute all other documents and instruments and take all actions necessary or appropriate to complete, implement, effectuate and consummate the Stipulation for Judgment.

Dated:

HONORABLE PETER J. MESSITTE  
UNITED STATES DISTRICT JUDGE

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Certificate of Service

The undersigned hereby certifies that on April 7, 2023, a copy of the foregoing, and all related documents, was served via the Court's ECF notification service upon all parties entitled to receive such notification.

Dated: April 7, 2023

/s/ James E. Van Horn  
James E. Van Horn