

## **In re Sanctuary Belize Litigation**

Consumer Committee Meeting

Virtual Teleconference

June 29, 2023 | 3:30pm – 5:00pm ET

<b>Invitees</b>	
<b>Name</b>	<b>Affiliation</b>
Craig Hibbert	Consumer Committee Member
James (Jimbob) Slocum	Consumer Committee Member
Jodi Vance	Consumer Committee Member
Leslie Thomas	Consumer Committee Member
Linda Ozminkowski	Consumer Committee Member
Lisa Daniels	Consumer Committee Member
Michele Westlander Quaid	Consumer Committee Member
Shawna Arop	Consumer Committee Member
Shryl Kirkbride	Consumer Committee Member
Benjamin Theisman	FTC
Marc Ferzan	Receivership Team
Mike Schultz	Receivership Team
Rachel Woloszynski	Receivership Team

### **Agenda**

- I. Receivership Status Updates
- II. Other Court Matters
- III. Consumer Committee Member Feedback / Questions

Meeting called to order at 3:30 p.m. ET

## I. Receivership Status Updates

### June 14<sup>th</sup> Order and administrative next steps

- On June 14, 2023, the Court entered the Receiver’s proposed **Order** approving the next phase of consumer redress across three primary areas: (1) administration of the first round of redress payments for eligible Sanctuary Belize Consumers; (2) initiating activities to enable the marketing and potential sale of Belize land assets; and (3) surveying all eligible consumers concerning available lot election choices.
  1. **First Round of Redress Payments:** The Order directs the Receivership Team to **distribute the first round of redress payments to eligible consumers with Sanctuary Belize lots**. The Receivership Team has begun preparing related implementation logistics, including:
    - Verifying individual pro rata redress payment amounts (according to the June 14<sup>th</sup> Court Order) and coordinating processes to mail checks to consumers;
    - Collaborating with the FTC to prepare communications and helpful resources for consumers, including email notices containing information regarding the initial redress payments, and frequently asked questions and answers, among other things; and
    - Addressing remaining issues relative to certain limited claimant situations that: (i) will be considered by the District Court prior to redress payment distribution; and (ii) may present unique challenges for claimants depending on the nature of their beneficiary status (e.g., unresolved probate matters), or geographic location (e.g., outside of the US) to facilitate their redress payments.
  2. **Marketing and Sales Activities:** The Order also directs the Receivership Team to **commence efforts to market and sell receivership estate assets**. Accordingly, the Receivership Team is working to:
    - Engage a real estate broker for the Belize land assets to support the Request for Information (“RFI”) and Request for Proposals (“RFP”) processes with potential purchasers, investors, and developers (as required by the terms of June 14<sup>th</sup> Court Order); and
    - Validate additional land records and supplement the data room to facilitate the anticipated due diligence activities of prospective bidders during marketing and sales efforts.
  3. **Consumer Survey:** In addition, the June 14<sup>th</sup> Court Order directs the Receiver to **survey eligible consumers concerning one of three lot election choices**. The survey will be made available to consumers once the RFI process has concluded, and will provide each eligible consumer with options to choose one of the following:

- i. Promptly pay off a discounted lot balance (to the extent that there is a remaining balance) and seek to acquire title to their lot, when available, prior to the completion of the RFP process;
  - ii. Defer their decision on whether to pay off any lot balances and seek to acquire title to their lot until after the completion of the RFP process and Court approval of the potential sale of some or all of the Belize real estate assets; or
  - iii. Decline to acquire a lot and only participate in redress payment allocations in the future as part of any Court-approved consumer relief.
- Paragraphs 7-9 of the June 14<sup>th</sup> Court Order provide additional guidance regarding the three options that will be available to consumers. Eligible consumers will be notified once the RFI process has been completed and the surveys becomes available.
  - Importantly, as part of this survey process, consumers will be formally asked to consider the risks associated with their intended choices in advance of making their survey elections.
- The Receivership Team will continue to keep eligible consumers informed of progress with respect to redress payments, marketing and sales efforts, and survey administration.

#### Consumer Committee meeting schedule

- Under the June 14<sup>th</sup> Court Order, going forward the Consumer Committee shall generally convene on a quarterly basis. It is anticipated that the next Consumer Committee meeting will take place in July, followed by meetings in September and December of 2023. Moreover, additional ad hoc Consumer Committee meetings may be scheduled as appropriate to address important issues and/or review progress.
- The Receivership Team will continue to keep communications channels open with Consumer Committee members (and all consumers) on an ongoing basis, and will provide timely updates via email and website postings, as well as by making available progress reports and other filings submitted to the Court.

#### Operations and maintenance of Belize development areas

- The culvert installation project to mitigate flooding along All Pines Road was completed in May. The culvert is expected to mitigate flooding challenges and should have a positive impact on road maintenance efforts and related costs, as well as emergency management. Internal staff and machinery were leveraged to complete the work.

## **II. Other Court Matters**

#### Pending Defendant Petition for Certiorari submitted to U.S. Supreme Court

- On April 3, 2023, the Defendants filed a petition for a writ of certiorari to the Supreme Court. The petition seeks reversal of the Fourth Circuit's affirmation of the District Court's rulings with respect to, among other things, the underlying contempt findings against the Defendants.
- On June 2, 2023, the Solicitor General filed a brief in opposition to the petition for writ of certiorari arguing that further review by the Supreme Court is not warranted.
- On June 15, 2023, the Defendants file a reply in further support of their petition for a writ of certiorari.
- On June 21, 2023, the parties' filings were distributed to the Justices for a conference set to occur on September 26, 2023.
- At the conference, the Supreme Court is expected to determine whether or not to grant review of the case.

#### Federal criminal indictment charging Pukke pending in New York

- On April 19, 2023, Pukke entered a plea of not guilty before a Judge in Federal Court in New York. The pending criminal matter is currently in the pre-trial discovery phase, and a motions calendar and/or trial date have not yet been scheduled. The next pre-trial conference is scheduled for July 26, 2023.

#### **III. Consumer Committee Member Feedback / Questions**

- Engagement from Consumer Committee members on the foregoing topics was addressed by the Receivership Team members and the FTC.

*Meeting adjourned at 4:46p.m. ET*