

In re Sanctuary Belize Litigation

Quarterly Consumer Committee Meeting

Virtual Teleconference

December 14, 2023 | 3:30pm – 5:00pm ET

Invitees	
Name	Affiliation
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. Status of Consumer Redress Initiatives Under June 14, 2023 Court Order
 - a. Consumer Survey to Inform Lot-Related Choices
 - b. Preparations with CBRE for Launch of RFP Bidding Process to Market Development Areas
 - c. \$10 Million Redress Payment Allocation Distributions to Eligible Sanctuary Belize Consumers
- II. Development Area Security Incident
- III. Development Area Personnel Changes
- IV. Operations & Maintenance
- V. Other Court Matters
- VI. Consumer Committee Meeting Schedule for Next Meeting

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

I. Status of Consumer Redress Initiatives Under June 14, 2023 Court Order

- As noted during prior Consumer Committee meetings, on June 14, 2023, the Court entered an [Order](#) approving the following consumer redress initiatives: (i) surveying eligible consumers concerning three available lot election choices; (ii) initiating activities to enable the marketing and potential sale of Belize land assets, including Request for Information and Request for Proposal (“RFP”) processes; and (iii) disbursement of the first round of redress payments for eligible Sanctuary Belize consumers.

Consumer Survey to Inform Lot-Related Choices

- Under the June 14th Order, it is anticipated that a survey will be circulated to determine how consumers would like to proceed in connection with their lot interests. Consumers may reference paragraphs 4-9 of the June 14th Order on the Receiver’s website for additional information regarding the three options outlined in the Order.
- Following Court proceedings on October 10 and November 8, 2023, which included further direction from the FTC and guidance from the Court, survey administration is expected to commence in the near term. The bulk of the written work product to support survey administration has been drafted and approved by the FTC, and just a few issues remain with respect to program parameters and related logistics to facilitate the survey process.
- The Receivership Team will advise consumers as to the timing of the survey launch and make available related reference materials to support the decision making of participants.

Preparations with CBRE for Launch of RFP Bidding Process to Market Development Areas

- In coordination with the Receivership Team, CBRE has been working towards the launch of the formal RFP bidding process as soon as possible in 2024. Efforts with CBRE have included:
 - Preparing detailed draft offering materials that will ultimately be circulated to prospective bidders.
 - Organizing and adding materials to an electronic “data room” with underlying development area records that will facilitate due diligence for prospective bidders.
 - Conducting site visits of the development areas to review key asset features, quantify constructed infrastructure and utilities, further validate due diligence materials, and refine offering approaches.
 - The site visits also enabled CBRE to further assess marketing and sales strategies, develop optimal routes for anticipated prospective bidder tours, and gather additional perspective and market information to support land valuation analysis.
- Among next steps, the draft offering materials will be shared with the FTC for feedback.

- It is anticipated that the RFP process will offer flexible bidding options for potential investors and developers based on a broad range of intended land acquisition and use plans to facilitate maximum offers from potential bidders around the world.
- To the extent that the RFP bidding process generates meaningful and credible bids, they will be provided to the Court with Receiver recommendations for consideration and approval prior to any development area land transfers.

\$10 Million Redress Payment Allocation Distributions to Eligible Sanctuary Belize Consumers

- Administration of the first round of redress payments for eligible Sanctuary Belize Consumers is almost complete.
- As of December 13, 2023, nearly \$9.7 million of the \$10 million redress payment allocation had been transferred to consumers.
- Relative to the few consumers who have been issued checks but have not processed them, reminder emails were sent over the past two months to encourage them to process their redress payments.
- The Receivership Team has also continued to make alternative arrangements in connection with hardship cases (e.g., where a foreign bank will not facilitate deposit), and provided assistance in other instances where additional documentation was required to direct payment (e.g., probate-related matters).

II. Development Area Security Incident

- In the late evening of December 1, 2023 into the early morning of December 2, 2023, routine Sanctuary Belize security staff patrol by the southern border of the development area (near Haney Farm) identified several containers of what appeared to be airplane fuel and other suspicious items.
- According to security personnel, the site appeared to have been prepared by trespassers for a potential small plane landing, possibly in connection with narcotics trafficking or other illicit conduct. Information collected to date does not indicate that any such plane landing occurred, and any anticipated plans may have been thwarted by the timely engagement of security personnel and law enforcement.
- Belize law enforcement personnel arrived at the scene in the early morning hours of December 2, 2023, and the Receivership Team understands that they are continuing to investigate. The Sanctuary Belize security staff and other development area personnel have been cooperating with law enforcement personnel, and security staff patrols are also continuing.
- Currently, the Receivership Team does not have indication of any related criminal charges being filed, but has requested that law enforcement provide information as it becomes available.

III. Development Area Personnel Changes

- Following the above-referenced security incident, internal information gathering from different sources by the Receivership Team in coordination with local staff has been ongoing.

- In connection with these efforts, it was determined that certain personnel changes were appropriate, and the General Manager and Maintenance staff manager were initially placed on administrative leave, and subsequently terminated.
- Francisco Pop has been appointed to serve in the role of Acting General Manager, and Erwin Contreras has been assigned to supervise the Maintenance staff.

IV. Operations & Maintenance

- During the Belize seasonal rains over recent months, targeted roadway spot treatment projects, as well as limited rolling and grading initiatives, were undertaken. In coordination with local management, a more comprehensive maintenance project to upkeep existing roadway integrity and conditions has been planned for the end of December 2023 / January 2024 (factoring in weather conditions).
- The Marina wastewater treatment system underwent necessary repairs and maintenance in November 2023. In addition, wells throughout the Sanctuary Belize development area also underwent routine maintenance and enhancements to enable optimal working conditions for the water systems.
- A new gate was approved for installation at the Plenty Tract quarry to prevent unauthorized access.
- Work is in progress to repair the solar power system at Sanctuary Caye, as existing system batteries to support energy storage were determined to be failing.

V. Other Court Matters

Defendants' Petition for Writ of Certiorari to the U.S. Supreme Court

- On April 3, 2023, the defendants filed a petition for a writ of certiorari to the Supreme Court seeking reversal of the Fourth Circuit's affirmance of the District Court's prior orders.
- Following full briefing, the Supreme Court denied the petition on October 2, 2023.

Defendants' Pending Appeal to the Fourth Circuit

- On July 12, 2023, the defendants filed a Notice of Appeal to the Fourth Circuit of the District Court's June 14, 2023 Order Implementing Next Phase of Consumer Redress and June 14, 2023 Order Reforming and Reaffirming the Final Orders (as well as all prior related and subsumed orders).
- The Notice of Appeal does not automatically stay the Orders that are the subject of appeal, and the defendants have not filed a separate motion seeking a stay, so the Orders remain in effect.
- The defendants filed their opening brief on September 26, 2023, the FTC filed its responding brief on November 17, 2023, and the defendants filed their reply brief on December 8, 2023. The appeal remains pending.

Federal Criminal Indictment Charging Pukke Pending in New York

- Mr. Pukke's criminal charges remain pending in Federal Court in the Southern District of New York.
- A pre-trial conference is scheduled for March 7, 2024, following the filing of any motions and other pre-trial submissions.
- Trial is currently scheduled for March 18, 2024.

VI. Consumer Committee Meeting Schedule

- The next quarterly Consumer Committee meeting is scheduled to take place on March 28, 2024.
- The Receivership Team will continue to provide updates to all lot purchasers via email and website postings, as well as by making available progress reports and other filings submitted to the Court.

Meeting adjourned at 4:42 p.m. ET