

In re Sanctuary Belize Litigation

Quarterly Consumer Committee Meeting

Virtual Teleconference

January 30, 2025 | 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
Jonathan Cohen	FTC
Molly Smith	FTC
Mike Schultz	Receivership Team
Marc Ferzan	Receivership Team
Lauren Buzoianu	Receivership Team

Agenda

- I. Redress Initiatives Under June 14, 2023 Court Order
 - A. RFP Bidding Process to Market and Sell Belize Development Area Assets
 - B. Lot Choice Survey
- II. Court Matters
- III. Next Scheduled Consumer Committee Meeting

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

I. Redress Initiatives Under June 14, 2023 Court Order

- The Court’s June 14, 2023 Order (the “June 2023 Order”) directed consumer redress initiatives, including:
 - (1) the Request for Proposals bidding process (“RFP”) to market and sell the Sanctuary Belize and Kanantik development areas, and
 - (2) Completion of the administration of the Lot Choice Survey for eligible consumers.
- If consumers still have questions about the RFP process and/or the Lot Choice Survey after reviewing these minutes and other consumer resources, including updated FAQs, available on the receivership website at www.SanctuaryBelizeReceivership.com, dedicated customer support personnel are available via email (help@SanctuaryBelizeLotSurvey.com) and toll-free telephone helpline (1-833-637-6358).

A. RFP Bidding Process to Market and Sell Belize Development Area Assets

Status Update and Overview

- Consistent with the directive in the Court’s June 2023 Order, the Receiver engaged global real estate brokerage firm CBRE to assist the Receivership Estate with the marketing and sale of the Sanctuary Belize and Kanantik development areas.
- The RFP was launched on May 29, 2024, and CBRE issued a call for written offers beginning September 16, 2024. The scope of the offering included more than 18,000 acres in Belize land and other assets for sale to prospective investors and developers from around the world.
- A copy of the RFP offering memorandum for consumers may be found on the landing page of the receivership website at www.SanctuaryBelizeReceivership.com, and may also be accessed [here](#).
- On January 27, 2025, after substantial marketing efforts and careful evaluation of the bids submitted in connection with the RFP, the Receivership Team filed a motion with the Court recommending the turnkey sale of all Sanctuary Belize and Kanantik assets to qualified bidder First Belizean Investment Market Ltd. (“FBIM”) -- subject only to statutory “overbid” final notice and auction procedures reflected in the motion. A complete copy of receiver’s motion papers, including the proposed purchase agreement with FBIM, may be found on the landing page of the receivership website at www.SanctuaryBelizeReceivership.com, and may also be accessed directly [here](#).
 - If the overbidding process does not result in a better offer in consideration of all relevant criteria and the Court approves the sale to FBIM under the terms of the purchase agreement, at closing:
 - all Sanctuary Belize assets will be sold for US \$16.8 million, subject to any potential pre-closing adjustments in accord with the purchase agreement;

- Notably, factoring in the results of the Lot Choice Survey, the sale excludes more than approximately 300 individual Sanctuary Belize lots that were previously sold to consumers who proceeded to closing under original or reformed contracts and either received title or are awaiting title from the Government of Belize.
 - all Kanantik assets will be sold for US \$3.7 million, subject to any pre-potential closing adjustments in accord with the purchase agreement.

Next Steps before the Court may Consider and Approve a Sale

- As part of the final bidding process steps, and before the Court will consider approving the sale of the Belize assets, the Receivership team is providing the following public notice in sum and substance, and the opportunity for additional bids on the landing page of the receivership website, as well as via news media ads and email distribution:
 - **In the action pending in U.S. District Court for the District of Maryland, In re Sanctuary Belize Litigation, Case No. 18-cv-3309, notice is hereby given that the court-appointed receiver will conduct a public auction for the approximately 18,000 acres of real property and personal property thereon located in the Sanctuary Belize and Kanantik developments in the Stann Creek District of Belize. Offering details may be found at www.cbresanctuarybelize.com. Sale is subject to Court confirmation after auction process is completed. Minimum bid price is at least US \$22,550,000. Auction will take place on February 28, 2025, at 1:30 p.m. at a designated CBRE office location in Maryland. To participate in the auction, prospective purchasers must meet certain bid qualification requirements, including submitting a signed purchase and sale agreement, an earnest money deposit of \$1,650,000, and proof of closing funds. All bidders must be qualified by 5:00 p.m. ET on February 25, 2025, by submitting the required materials via receiver’s broker, CBRE. If interested in evaluating offering and qualifying as bidder, contact Jeff Woolson at +1 760-438-8530 or jeff.woolson@cbre.com.**
- Once the Court approves a sale of Sanctuary Belize and Kanantik, and sales proceeds for each are received at closing, it is anticipated that the Court will approve *pro rata* redress payment distributions to corresponding eligible Sanctuary Belize and Kanantik consumers.
- Again, interested consumers are encouraged to review the Receiver’s detailed motion papers, including the proposed purchase agreement, which may be found on the landing page of the receivership website at www.SanctuaryBelizeReceivership.com, and may also be accessed [here](#).
- In addition, updated FAQs are also available on the receivership website, and may be accessed [here](#).

B. Lot Choice Survey

- The Lot Choice Survey was distributed to consumers by email on April 8, 2024, and consumers generally had through July 8, 2024 to review their lot choice options and consider other relevant factors in making their selection for each eligible lot.

- The Survey itself, as well as Frequently Asked Questions, provided important information (including risk considerations and process steps) to help consumers evaluate which option was best for them.
- In addition, other helpful resources, including a Belize real estate purchase process guide, maps, photos, and Sanctuary Belize and Kanantik government land records, were posted on the Receivership website at: www.SanctuaryBelizeReceivership.com

Lot Choice Survey Options

- Under the June 2023 Order, each eligible consumer was afforded the opportunity to select one of three options that informed whether they would seek to:
 - Acquire their lot from the Receivership Estate and proceed to closing to finalize the purchase (to the extent that title to the property was determined to be available to be transferred) ("**Option No. 1**");
 - Defer the decision of whether to acquire their lot, or a new a lot, until after completion of the RFP bidding process and Court approval of a potential sale of some or all of the Belize development area assets -- to the extent a new owner may choose to offer lots for sale in the future to consumers under terms and conditions that are acceptable ("**Option No. 2**"); or
 - Decline to acquire their lot and waive all rights to acquire a lot at any time in the future as part of any Court-approved redress ("**Option No. 3**").
- The Survey also included a separate category for consumers who were already holding title to their lot and, therefore, did not need to choose from Option Nos. 1, 2 or 3.
- To the extent that eligible consumers did not complete the Survey or multiple co-owners did not select the same option, they were assigned Option No. 2.

Lot Choice Survey Administration Results – Sanctuary Belize

- The following provides an overview of the survey results associated with Sanctuary Belize lot purchasers as of the Consumer Committee meeting:

Option No. 1

- Sanctuary Belize consumers initially selected Option No. 1 -- indicating that they were interested in pursuing a buyout -- in connection with 250 lots.
- 78 reformed contracts were signed by Sanctuary Belize consumers and have proceeded to, or are in the process of proceeding to, closing though the date of the Consumer Committee meeting, and 10 contracts are still under review by consumers in accord with their 60-day review periods.

Option No. 2

- Sanctuary Belize consumers affirmatively selected Option No. 2 -- advising of their intent to wait and see if a lot will be made available to them under acceptable terms and conditions by a potential new development area owner after the RFP process -- in connection with 117 lots.
- Sanctuary Belize consumers were assigned Option No. 2 in connection with 550 lots. With respect to 279 of such lots, consumers did not return a timely survey response. With respect to 105 of these lots, joint owners did not make the same survey choice. With respect to 128 of the lots, consumers initially selected Option No. 1 but, after being provided with pricing information and/or reformed contracts, did not complete the steps to enter into a reformed contract and proceed to closing. With respect to 31 of the lots, consumers selected Option No. 1, but their lot was not available under the terms of the June 2023 Order. With respect to 7 of these lots, consumers did not provide adequate documentation affirming that they held title, despite stating that they did.

Option No. 3

- Sanctuary Belize consumers selected Option No. 3 and relinquished their ownership interests in connection with 320 lots.

Title Confirmations

- The Receivership Team confirmed previous title transfer records in connection with 127 lots.
- Consumers proceeding under this option remain entitled to redress payments.

Lot Choice Survey Program Administration Results - Kanantik

- As previously reported, although government land records reflect that the Mango Springs subdivision received certain Belizean government approvals, other complicating factors were identified impacting the transferability of the individual lots, including the existence of encumbrances on the underlying land parcels, the lack of boundary surveys (which the defendants failed to complete), administrative lapses relating to the underlying land parcels in the Belize Land Titles Register, and the lack of recognition of the subdivided lots by the Belize taxing authority.
- The Receivership Team and FTC conferred regarding the identified challenges and submitted a joint request for a status conference following the conclusion of the July 8, 2024 survey deadline to address the underlying issues with the Court and seek additional guidance. The Court granted the request and convened a status conference on August 14, 2024.
- In advance of the status conference, the survey administrator notified the relevant Kanantik consumers who selected Option No. 1 in connection with 77 corresponding lots (slightly less than 20% of the total 400 Kanantik lots) of the transfer limitations under the requirements of the June 2023 Order.
- Among other things, the Order provides that lot transfers may occur only “subject to the

permissibility of such transactions pursuant to Belize legal and regulatory requirements, encumbrances, competing claims, and other relevant considerations that may preclude transferability,” and during the status conference, the Receivership Team confirmed with the Court that the Kanantik lots were, therefore, deemed not available for transfer under its requirements.

- All Kanantik consumers electing Option No. 1 were subsequently provided notice that, due to the factors impacting transferability, and after considering the anticipated timetables, costs, and uncertainties, as well as other receivership priorities, the Court agreed with the Receiver and FTC’s joint recommendation that the Receiver should not attempt to transfer the Kanantik lots in accordance with the June 2023 Order. Consequently, the survey administrator advised impacted consumers that they were assigned Option No. 2.
- The following provides an overview of the survey results associated with Kanantik lot purchasers as of the Consumer Committee meeting:

Option No. 2

- Kanantik consumers affirmatively selected Option No. 2 -- advising of their intent to wait and see if a lot will be made available to them under acceptable terms and conditions by a potential new development area owner after the RFP process -- in connection with 61 lots.
- Kanantik consumers were ultimately assigned Option No. 2 in connection with 227 lots. As noted above, with respect to 77 such lots, consumers initially selected Option No. 1, but their lot was deemed not available under the terms of the June 2023 Order. With respect to 119 of these lots, consumers did not return a timely survey response. With respect to the remaining 31 lots, joint owners did not make the same survey choice.

Option No. 3

- Kanantik consumers selected Option No. 3 and relinquished their ownership interests in connection with 112 lots.
- Consumers proceeding under this option remain entitled to redress payments.

II. Court Matters

New District Court Judge and Corresponding Case Caption

- The District Court case has been assigned to a new judge, the Honorable Paula Xinis, due to the unfortunate passing of Judge Messitte. The case number has been slightly modified accordingly to reflect Judge Xinis’s initials (now reflected as No. 18-cv-3309-PX).

Defendants’ 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 appeal was fully briefed on December 8, 2023 and oral argument was held on October 31, 2024.
- On December 12, 2024, the Fourth Circuit affirmed the rulings of the District Court.

Federal Criminal Indictment Charging Pukke Pending in New York

- Andris Pukke's criminal trial commenced the week of June 17, 2024.
- On July 10, 2024, the jury returned verdicts of guilty on each of the two counts in the indictment charging Mr. Pukke with wire fraud and obstruction of an official proceeding, respectively.
- On September 9, 2024, Mr. Pukke filed a motion for judgment of acquittal or new trial. Briefing on the motion was completed on November 7, 2024. The motion remains pending.
- Mr. Pukke's sentencing is scheduled for May 2, 2025 at 4:00 p.m.

Court of Federal Claims Appeal

- On July 3, 2023, certain of the defendants filed a complaint in the United States Court of Federal Claims alleging that the U.S. government "illegally exacted" assets from them in connection with the proceedings before the District Court.
- On September 29, 2023, the United States filed a motion to dismiss the complaint on the basis that the Court of Federal Claims lacks jurisdiction to hear the case and, even if it did have jurisdiction, the complaint does not state a valid claim for illegal exaction.
- On September 9, 2024, the Court of Federal Claims granted the United States's motion to dismiss.
- On September 13, 2024, the defendants filed a Notice of Appeal. The appeal is scheduled to be briefed by February 20, 2025.

III. Next Scheduled Consumer Committee Meeting

- The next quarterly Consumer Committee meeting is scheduled to take place on April 24, 2025.
- 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 5:09 p.m. ET