UNITED STATES DISTRICT COURT
DISTRICT OF MARYLAND
SOUTHERN DIVISION

In re SANCTUARY BELIZE LITIGATION	No: 18-cv-3309-PX

MOTION FOR APPROVAL OF REDRESS DISTRIBUTIONS, ESTABLISHMENT OF RESERVE AND RELATED RELIEF

The receiver in the above-captioned matter, Receiver Marc-Philip Ferzan of Ankura Consulting Group, LLC ("Receiver"), hereby brings his Motion for Approval of Redress Distributions, Establishment of Reserve and Related Relief ("Motion").

The Receivership Team recently closed the sale of the estate's most significant assets, the Belize development properties and related personal property, garnering a sale price of more than $20 million for the benefit of consumer victims.[1] The Receivership Team is continuing to work diligently to wind down the estate and bring this long pending litigation matter to its end, which requires completion of a number of remaining tasks both in the United States and Belize. In tandem with continuing to expeditiously undertake these required tasks in an effort to bring the receivership to its conclusion, the Receiver is hereby seeking an order granting the following relief:

1. Authorizing the Receiver to make a $20,000,000 distribution on a pro rata basis to Consumers[2] of Sanctuary Belize lots with Claim Applications deemed eligible in accordance

[1] In addition, the Receivership Team also recently consummated the sale of a small, undeveloped receivership land parcel in Missouri for the amount of $28,250, pursuant to the Court's August 20, 2025 order. *See* Doc. 1595.
[2] Capitalized terms in this Motion shall have the meaning ascribed to them in the Redress Plan (Doc. 1117-1) unless otherwise defined herein.

with the notifications provided by the Receiver on or about February 9, 2023 ("Eligible Claim Notifications"). The calculation for pro rata distribution payments shall be based on the Amount Paid set forth in the Eligible Claim Notification for each Sanctuary Belize lot divided by the aggregate Amounts Paid set forth in all Eligible Claim Notifications associated with Sanctuary Belize lots.

2. Authorizing the Receiver to make a $2,836,838.22 distribution on a pro rata basis to Consumers of Kanantik lots and other qualifying covered development area lot purchasers ("Other lots") with Eligible Claim Notifications. The calculation for pro rata distribution payments shall be based on the Amount Paid set forth in the Eligible Claim Notification for each Kanantik lot or Other lot divided by the aggregate Amounts Paid set forth in all Eligible Claim Notifications associated with Kanantik lots and Other lots.

3. Authorizing the receivership estate to reserve approximately $5.325 million, in addition to the approximately $894,630 ("Individual Lot Purchase Proceeds") received under the Lot Choice Survey Program that are required to be held by the receivership estate pending title transfers pursuant to the December 2023 Order (Doc. 1499), in order to: (a) fund the estimated obligations and expenses associated with completing remaining receivership activities and winding-down the estate (for avoidance of doubt, payment of professional fees and costs shall remain subject to the same Court approval requirements); and (b) reserve for potential non-consumer creditor claims.

4. Authorizing the Receiver to dispose of physical documents being stored at a storage facility in Los Angeles, California, subject to the Receivership Team confirming there is no objection by the Federal Trade Commission or the prosecution or defense in the criminal proceedings against Mr. Pukke in the Southern District of New York.

This Motion is made and based upon the memorandum of points and authorities in support of the Motion and the Declaration of Marc-Philip Ferzan filed concurrently herewith and the file in the above-captioned case.

Respectfully submitted,

Dated: October 24, 2025

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UNITED STATES DISTRICT COURT
DISTRICT OF MARYLAND
SOUTHERN DIVISION

In re SANCTUARY BELIZE LITIGATION	No: 18-cv-3309-PX

MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT OF MOTION FOR APPROVAL OF REDRESS DISTRIBUTIONS, ESTABLISHMENT OF RESERVE AND RELATED RELIEF

This memorandum of points and authorities is filed by Receiver Marc-Philip Ferzan of Ankura Consulting Group, LLC ("Receiver") in support of the Motion for Approval of Redress Distributions, Establishment of Reserve and Related Relief ("Motion").

I. INTRODUCTION

The Receivership Team recently closed the sale of the estate's most significant assets, the Belize development properties and related personal property, garnering a sale price of more than $20 million for the benefit of consumer victims.[1] The Receivership Team is continuing to work diligently to wind down the estate and bring this long pending litigation matter to its end. Given the complexity and unique responsibilities of administering a matter that spans across borders, the Receivership Team must complete a number of remaining tasks both in the United States and Belize before asking the Court to discharge the receivership.

[1] In addition, the Receivership Team also recently consummated the sale of a small, undeveloped receivership land parcel in Missouri for the amount of $28,250, pursuant to the Court's August 20, 2025 order. *See* Doc. 1595.

In tandem with continuing to expeditiously undertake these required tasks in an effort to bring the receivership to its conclusion, the Receiver is hereby seeking authorization to make a second round of redress distributions in the aggregate amount of nearly $23 million for the benefit of consumer victims (supplementing the initial distribution of $10 million to eligible Sanctuary Belize consumers[2] in late 2023) so that eligible Sanctuary Belize, Kanantik and other qualifying development area consumers under the Redress Plan can receive additional payments as quickly as possible. To enable the Receivership Team to complete its administration and appropriately wind down the estate, while also accommodating the goal of making redress distributions in a timely manner now that the sales of the remaining assets have closed, the Receiver is also seeking authorization to establish a reserve for potential claims of pre-receivership (non-consumer) creditors, as well as to support required administration obligations and expenses through discharge of the receivership. When wind-down is substantially complete, the Receiver will seek approval to make a final redress disbursement if there are funds remaining in the estate that would result in more than a *de minimis* distribution.

II. SUMMARY OF RELEVANT CASE HISTORY[3]

A. FTC's Complaint and Resultant Judgments

This matter was commenced on October 31, 2018 by the Federal Trade Commission ("FTC") with its filing of a Complaint for Permanent Injunction and Other Equitable Relief (Doc. 1) ("Complaint"). As asserted in the Complaint, reflected in several settlement

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[2] At the time of the first distribution, there were no cash proceeds available to make redress payments to Kanantik or other covered development area lot purchasers, as the Redress Plan (discussed herein) contemplates that such payments are to come from liquid Kanantik assets (of which there were none prior to the recent sale of the Belize assets).

[3] As the history of this case is lengthy and complex, the Motion provides only a summary overview of certain judgments, orders and filings. Additional case history is reflected in the record, including the Receivers' reports of activities (*see, e.g.,* Doc. 1334, 1342, 1365, 1378, 1412, 1455, 1481, 1505, 1525, 1539, 1590, 1596).

agreements, and ultimately proven by the FTC after a three-week bench trial, the defendants perpetrated a far-reaching fraud with respect to the sale of the Belize land assets, including by misleading consumers about the no-debt nature of the project, the purported reinvestment of sales revenue, the construction of luxury and other amenities, the timeline for development, the state of the resale market for lots, and the involvement of Andris Pukke, who, as noted by the Court (*see, e.g.,* Doc. 1020), had already been found guilty of criminal misconduct in connection with previous consumer deception schemes. The Sanctuary Belize judgments ultimately entered against the defendants required payment of $120.2 million.

1. <u>Judgments Relating to Belize Assets</u>

Among other judgments, 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"). The Defaulting Corporate Defendants (as defined therein) included Sittee River Wildlife Reserve and Eco-Futures Belize Limited, the record owners of what is commonly referred to as Sanctuary Belize. The Receivership Assets (as defined therein) included the Defaulting Corporate Defendants themselves and the things those entities controlled. The Default Judgment provided, among other things, the Receivership Assets are to be "held in constructive trust by the Receiver" for the benefit of lot purchasers and the FTC. *See* Default Judgment, at Section IV.D.

Similarly, 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 Corporate Defendants subject to the judgment also included Sittee River Wildlife Reserve and Eco-Futures Belize Limited. The Pukke Final Judgment likewise provided that the Receivership Assets are to be "held in constructive trust by the Receiver" for the benefit of lot purchasers and the FTC. *See* Pukke Final Judgment, at Section IV.C.

On March 24, 2021, the Court entered the Final Order Concerning Kanantik (Doc. 1193, "Kanantik Order"). The Kanantik Order confirmed that the entities comprising the Kanantik development are receivership assets pursuant to the judgments entered in the case, including Mango Springs Development Limited and G&R Development Company of Belize Limited, the record owners of what is commonly referred to the as the Kanantik property.

2. <u>AIBL Judgment</u>

In January 2019, the FTC filed an amended complaint that named Atlantic International Bank Limited ("AIBL") asserting that AIBL participated with the other defendants in deceptive acts or practices relating to Sanctuary Belize. *See* Doc. 607, at ¶1. In September 2019, the Court entered the Stipulated Order for Permanent Injunction and Monetary Judgment Against Defendant Atlantic International Bank Limited (Doc. 607, "AIBL Judgment"). The AIBL Judgment required AIBL to turn over $23 million to the receivership estate. *See id.*, Section IV.

B. <u>Redress Orders</u>

On August 18, 2022, the Court entered its Order Regarding Implementation of the Redress Plan (Doc. 1373) ("August 2022 Redress Order"), which partially granted the FTC's motion (Doc. 1117) for implementation of a proposed redress plan (Doc. 1117-1) (the "Redress Plan"). In its motion in support of the Redress Plan, the FTC noted that proceeds of wrongdoing are appropriately held in trust for the victims of the wrongdoing and as such, the Redress Plan provided that any claims of non-consumer creditors would be deferred unless and until consumer lot purchasers were paid in full. *See* Doc. 1117, at pages 9-10.

Under the August 2022 Redress Order, the Receiver was directed to implement the first 150 days of the Redress Plan. As ordered, the Receivership Team developed and implemented a turnkey online Claim Application program to facilitate the broadest possible participation of eligible victims within required timelines, and to reconcile relevant financial information and lot ownership interests to support individual redress program benefits, as well as the anticipated marketing and sale process of the broader development areas. As a result of the Receiver's coordinated efforts, robust participation was made possible for victims, who were able to successfully submit Claim Applications and obtain lot-specific eligibility determinations in accordance with Redress Plan parameters. By the February 9, 2023 notification deadline, more than 2,840 eligibility notices were distributed to individual claimants in connection with over 1,700 applications received – and 97% of those applications were determined to be eligible by the Receivership Team.

On June 14, 2023, in accordance with recommendations made by the Receivership Team, the Court entered its Order Implementing Next Phase of Consumer Redress (Doc. 1446, "June 2023 Redress Order"). [4] Pursuant to the June 2023 Redress Order, the Receiver was authorized to make an interim distribution of $10 million to eligible Sanctuary Belize consumers from the segregated funds held by the Receiver originating from the $23 million settlement proceeds paid by AIBL.[5] The June 2023 Redress Order also authorized the Receiver to (i) undertake a Request for Information ("RFI") and Request for Proposal ("RFP") process for the sale of the

[4] The Receiver notes with respect to timing that certain of the defendants appealed the judgments entered against them in 2021. On November 1, 2022, the Fourth Circuit Court of Appeals affirmed this Court's orders appointing the Receiver and left the receivership intact, without directing any changes. On January 4, 2023, the Court granted the FTC's motion to confirm the Receiver's control over all receivership assets pursuant to the Order Confirming Receiver's Possession of and Control Over Assets Previously Order to be Turned Over (Doc. 1397). On June 14, 2023, in addition to the June 2023 Redress Order, the Court entered its Order Reforming and Reaffirming the Final Orders (Doc. 1447).

[5] An aggregate of $9,889,861.09 was transferred to eligible consumers as of August 31, 2025. *See* Doc. 1596, at page 16, n.2.

receivership's Belize assets; and (ii) implement an individual Lot Choice Survey process to allow eligible consumers without title to their lot to make elections to (a) buy out their lot in advance of the completion of the RFP process, to the extent that title to the underlying property was available to be transferred, (b) defer the decision of whether to acquire their lot, or a new a lot, until after the RFP process has been completed (to the extent a new investor or developer may choose to offer lots for sale to consumers under terms and conditions that are acceptable), or (c) waive any right to acquire a lot.

C. **<u>Sales of Individual Lots</u>**

The Lot Choice Survey was distributed 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. In administering the Lot Choice Survey, the Receivership Team helped facilitate closings for Sanctuary Belize consumers[6] who selected Option No. 1 and were eligible to complete the buy out of their lot in accordance with the requirements of the June 2023 Redress Order.

The receivership estate has received approximately $894,630 (the "Individual Lot Purchase Proceeds"), net of associated expenses, of additional potential revenue from the receipt of principal payments made by consumers who elected to proceed to closing on their lots during the administration of the Lot Choice Survey Program. *See* Doc. 1596, at page 16. Following a

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[6] Although government land records reflect that the Mango Springs subdivision of Kanantik received certain Belizean government approvals, other complicating factors were identified impacting the transferability of the individual lots, including encumbrances, 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 lack of recognition of the subdivided lots by the Belize taxing authority. Consequently, 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 under the June 2023 Redress Order.

typical closing in Belize, however, there can be governmental delays associated with the processing of title transfers. The Stipulated Order Authorizing Measures to Assist Consumers During the Redress Process entered by the Court on December 28, 2023 (Doc. 1499, the "December 2023 Order") provides that those consumers who proceed to closing, but do not receive title within certain periods of time (of potentially up to 36 months post-closing), will have the ability to unwind the transaction. *See id.*, Section 3. The December 2023 Order further provides, to this end, that the purchase price (as distinct from closing costs) paid by the individual consumer is to be held by the receivership estate pending transfer of title or expiration of the rescission period. *Id.* Therefore, in accordance with the December 2023 Order, the receivership estate will continue to hold the Individual Lot Purchase Proceeds in the proposed reserve and not distribute such funds as part of this Motion.

D. Sale of Remaining Belizean and Other Assets

As detailed in the Receiver's sale recommendation filings, the Receivership Team undertook an extensive RFI and RFP effort, culminating in the Receiver recommending the Court approve the sale of the estate's Belize assets to First Belizean Investment Market Ltd. ("FBIM"). *See* Doc. 1556-1556-3. After completion of the statutory overbid process, and a hearing before the Court, on May 13, 2025 the Court entered the Order Granting Receiver's Amended Motion for (I) Approval of Sale of Real Property Commonly Referred to as Sanctuary Belize and Kanantik, as well as Related Personal Property; and (II) Other Related Relief (Doc. 1588, the "Sale Authorization Order").

Following entry of the Sale Authorization Order, the Receivership Team closely coordinated with legal counsel in the United States and Belize to advance the required closing responsibilities and finalize transfer documentation and other required government engagement and submissions. The closing of the transaction occurred on June 26, 2025 in Belize City at the law offices of Barrow & Williams. While the duties, responsibilities and liabilities for the Belize real estate were immediately transferred to FBIM upon closing, there were a multitude of additional obligations required by the Purchase Agreement and Belize law post-closing. The post-closing obligations have been primarily carried out by Barrow & Williams at the direction of the Receivership Team. In accordance with the terms and conditions of the Purchase Agreement and Escrow Agreement, $19,000,000 of the $20,500,000 in sale proceeds was transferred to the receivership estate from the parties' escrow account on July 3, 2025, and, following the reconciliation of remaining issues, the balance of $1,500,000 was transferred from the escrow account to the receivership estate on August 13, 2025.

Of this amount, under the Purchase Agreement, $16,800,000 was allocated for the purchase of Sanctuary Belize assets and $3,700,000 was allocated for the purchase of the Kanantik assets. *See* Doc. 1556-3, at Section 1.4. As approved in the Sale Authorization Order (*see* Section 15-16), the receivership paid costs of the sale. *See also* Doc. 1596, at page 16. Several months after the closing and the estate's receipt of payment, FBIM asserted that three lots should have been included in the transfer to them but were not. While the Receiver has advised FBIM, after review, that the Receivership Team concluded the claim lacks merit, he has nevertheless included the amount FBIM asserts it is owed relative to the disputed lots in the reserve proposed herein, in the event FBIM seeks to formally litigate the claim (irrespective of the Receivership Team's view of its invalidity). *See* Ferzan Decl., ¶¶4-5.

In furtherance of receivership wind-down activities, the Receivership Team also sought and obtained Court approval to sell a 0.29 acre lot of unimproved receivership real estate located in Missouri for a purchase price of $28,250 pursuant to the Court's August 20, 2025 Order Granting Motion for Order Approving the Sale of Unimproved Real Property Commonly Known as 3154 Buckeye Circle, Cape Girardeau, Missouri. Doc. 1595. On September 18, 2025, the receivership estate executed the closing documents and, on September 26, 2025, the sale proceeds, minus certain closing cost expenses, were transferred to the receivership estate.

E. Cost Accounting Between Sanctuary Belize and Kanantik

The receivership estate has accounted for expenses *solely* associated with the Kanantik development area separately from all other expenses, in line with the FTC's Redress Plan and prior guidance given to consumer constituents.[7] Consistent with the terms of the Redress Plan, expenditures incurred for a common purpose, *i.e.* in part for Sanctuary Belize and in part for Kanantik, have been attributed to Sanctuary Belize. As Kanantik did not historically have any liquid assets, funds were, in effect, borrowed from Sanctuary Belize to enable necessary operations and maintenance that were unique to Kanantik. The Receivership Team has reported such expenses in the Receiver's reports of activities. As reflected in the Receiver's the last report, through the period ending August 31, 2025, the Kanantik expenses, in aggregate, totaled $889,100 (the "Cost True-Up Amount"). *See* Doc. 1596, at page 16. The sale of the Kanantik property closed in June 2025, as noted above, so the receivership estate is no longer incurring operational and maintenance expenses unique to Kanantik. The Cost True-Up Amount is accounted for in the proposed redress distribution herein.

[7] The Redress Plan separately defines "Eligible Kanantik Collections" and "Eligible Sanctuary Collections," and expressly excludes from the "Eligible Kanantik Collections" any assets that are "derived in substantial part from Sanctuary Belize, New Sanctuary, or any other source besides Kanantik." *See* Doc. 1117-1, at page 8. In addition, the Redress Plan defines "Kanantik Receivership Expenses" as "the costs and expenses the Receiver incurs *solely* managing Kanantik," while the "costs or expenses … also incurred *in part* to manage or perform other functions related to New Sanctuary or anything else other than Kanantik" are defined as "Sanctuary Receivership Expenses." *Id.*, at page 10-11, 18 (emphasis added). Moreover, the "Sanctuary Distribution Formula" and "Kanantik Distribution Formula" contained in the Redress Plan reflect that the collections and expenses of Sanctuary Belize and Kanantik are to be separately accounted for in connection with calculating redress. *Id.*, at page 10, 17-18.

III. PROPOSED REDRESS DISTRIBUTION AND RESERVE

A. Proposed Redress Distribution

As discussed further below, some matters remain to be addressed before the Receiver is able to close the receivership. However, in an effort to expeditiously provide additional redress to consumers who have been waiting during the pendency of this case, the Receiver asks that the Court authorize the following pro rata distributions now:

- $20,000,000 to be distributed pro rata (the "Sanctuary Belize Redress Distribution") to Consumers of Sanctuary Belize lots with Claim Applications deemed eligible in accordance with the notifications provided by the Receiver on or about February 9, 2023 ("Eligible Claim Notifications"); and
- $2,836,838.22 to be distributed pro rata (the "Kanantik Redress Distribution") to Consumers of Kanantik lots and others with Claim Applications deemed eligible in accordance with the Eligible Claim Notifications. [8]

As with the distribution made under the June 2023 Redress Order, the calculation for pro rata distribution payments shall be based on the Amount Paid set forth in the Eligible Claim Notification for each Sanctuary Belize or Kanantik (or other) lot, respectively, divided by the aggregate Amounts Paid set forth in all Eligible Claim Notifications associated with Sanctuary Belize or Kanantik (and other qualifying consumer claims), respectively.

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[8] The defendants' wrongdoing resulted in certain "other" eligible consumer claims (not directly affiliated with Sanctuary Belize or Kanantik per the definitions in the Redress Plan). More particularly, defendants' conduct resulted in redress plan-qualifying sales in: Bamboo Springs (Belize), Palmaya (Belize), Rancho Del Mar (Costa Rica), and Playa Cortez (Mexico). There are approximately 58 of these "other" eligible claims that were validated through the Claims Application process, and it is the Receivership Team's understanding after reviewing the controlling definitions and conferring with the FTC that these "other" development area claims are to be treated as Kanantik claims for purposes of redress payments.

The Sanctuary Belize Redress Distribution will be funded by the proceeds of the sale of the Sanctuary Belize assets as allocated pursuant to the Purchase Agreement, the Cost-True Up Amount and remaining funds from the AIBL Judgment.

The Kanantik Redress Distribution will be funded by the proceeds of the sale of the Kanantik assets as allocated pursuant to the Purchase Agreement and the proceeds from the sale of the Missouri property, adjusted for the Cost True-Up Amount. As there are no other funds from which Kanantik consumers could receive a distribution from the estate, this will be the only distribution made to Kanantik consumers.

B. <u>Proposed Reserve</u>

The Receivership Team is in the process of addressing items that need to be resolved before the Receiver seeks authorization of the Court to close the receivership and discharge the Receiver including, but not limited to (*see* Ferzan Decl., ¶4):

- Working with Belizean counsel, Barrow & Williams, to confirm and/or facilitate outstanding title transfers to individual lot purchasers as may be needed to wind-down the estate within a reasonable time;
- Coordinating with the FTC with respect to the conclusion of the rescission period under the December 2023 Order as it relates to the proceeds of the individual lot purchases under the Lot Choice Survey Program;
- Overseeing Belizean counsel with respect to completing remaining post-closing governmental requirements relating to the sale of the estate's Belize assets;
- Working with Belizean counsel to dissolve the Belizean company and other locally recognized receivership entities;
- Resolving the post-closing lot transfer related matter raised by FBIM;

- Resolving the pending litigation against the estate brought by Bozena Sabala (Case No. 8:24-cv-02706-PX), as to which the Receiver filed a motion to dismiss on May 20, 2025;
- Preparing a final report and accounting; and
- Other activities associated with the wind-down and eventual dissolution of the receivership estate.

The Receivership Team proposes reserving approximately $5.325 million in addition to the nearly $900,000 in the above-referenced Individual Lot Purchase Proceeds (required to be held by the receivership estate pending title transfers pursuant to the December 2023 Order) in order to (a) fund the estimated obligations and expenses associated with completing remaining receivership activities and winding down the estate (for avoidance of doubt, payment of professional fees and costs shall remain subject to the same Court approval requirements); and (b) reserve for potential non-consumer creditor claims. *See* Ferzan Decl., ¶¶4-5. While the Receiver does not believe that any putative non-consumer creditors will be entitled to payment in this case, the Receiver is reserving for potential claims so that the majority of the estate's funds can be distributed to eligible consumers now, and any potential creditor issues can be addressed with the Court in connection with the estate's near-term wind-down plans.

When wind-down is substantially complete, the Receiver intends to make a filing with the Court providing a final report, requesting final approval of professional fees and costs, addressing non-consumer creditor claims as needed and seeking discharge of the receivership – at which time the Receiver will also seek authorization to make a final redress disbursement to eligible Sanctuary Belize consumers to the extent that remaining funds in the estate would provide for more than a *de minimis* distribution.

IV. THE COURT HAS BROAD DISCRETION TO APPROVE REDRESS DISTRIBUTIONS AND WIND-DOWN RESERVE

A "district court's power to supervise an equity receivership and to determine the appropriate action to be taken in the administration of the receivership is extremely broad." *S.E.C. v. Hardy*, 803 F.2d 1034, 1037 (9th Cir. 1986); *see also S.E.C. v. Elliott,* 953 F.2d 1560, 1566 (11th Cir. 1992) ("The district court has broad powers and wide discretion to determine relief in an equity receivership."). The district court's authority includes the power to approve any distribution plan that is fair and equitable. *See S.E.C. v. Fischbach Corp.*, 133 F.3d 170, 175 (2d Cir. 1997) (explaining it is "within the court's discretion to determine how and to whom the money will be distributed"); *see also S.E.C. v. Varacchi*, No. 3:17-CV-00155 (VAB), 2021 WL 10361074, at *6 (D. Conn. July 30, 2021) ("A distribution plan proposed by a receiver should be reviewed under the District Court's general equitable powers to ensure that it is fair and reasonable.") (internal quotation omitted); *S.E.C. v. Enter. Tr. Co.*, No. 08 C 1260, 2008 WL 4534154, at *3 (N.D. Ill. Oct. 7, 2008), *aff'd*, 559 F.3d 649 (7th Cir. 2009) ("There are no hard rules governing a district court's decisions . . . the standard is whether a distribution is equitable and fair in the eyes of a reasonable judge."); *S.E.C. v. Cap. Cove Bancorp LLC*, No. SACV1500980JLSJCX, 2018 WL 11357746, at *4 (C.D. Cal. Sept. 7, 2018) (finding "that returning funds traceable to defrauded investors before general creditors is proper.").

The distribution proposed by the Receiver is fair and equitable. The Receiver is seeking to distribute the bulk of the estate's funds to eligible consumers as expediently as possible and is treating the different groups of eligible consumers in line with the Redress Plan proposed by the FTC earlier in this case. *See* Ferzan Decl., ¶3. In the Receiver's business judgment, the amounts being reserved for the costs of completing administration of the estate and potential creditor claims is fair and reasonable. *See id.*, ¶¶4-5. It is in the consumer's best interests to receive a distribution now, with the potential for additional final distribution, rather than to require consumers to wait for all remaining receivership matters to be resolved. The reserve facilitates prompt redress in this respect, while ensuring the estate has enough resources for an orderly wind-down.

V. NOTICE TO CONSUMERS

It is well established that the Court may employ summary procedures. *See Hardy*, 803 F.2d at 1040 ("We have repeatedly held, however, that the use of summary proceedings to determine appropriate relief in equity receiverships, as opposed to plenary proceedings under the Federal Rules, is within the jurisdictional authority of a district court."); *S.E.C. v. Basic Energy & Affiliated Res., Inc.*, 273 F.3d 657, 668 (6th Cir. 2001) ("Such abbreviated procedures (including the use of a single receivership proceeding to resolve all claims) advance the government's interest in judicial efficiency by reducing the time needed to resolve disputes, decreasing the costs of litigation, and preventing the dissipation of the receiver's assets.").[9]

In addition to service via ECF, the Receiver will post the Motion and supporting papers on the receivership website. In addition, the Receiver will also send via email to all consumer victims as to whom the Receivership Team has contact information, which exceed 2,500 in number, a link to the Motion and supporting papers. The Receiver submits that the foregoing is sufficient and fair notice of the Motion.

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[9] The Court has jurisdiction over receivership property and the ability to exercise personal jurisdiction on a nation-wide basis. *See Robb Evans & Assocs. LLC v. Diaz-Cueto,* No. CV 21-2049, 2022 WL 3213611, at *7–8 (D. Md. Aug. 9, 2022). Service of process is not necessary to secure personal jurisdiction "given the due process protections provided in the summary procedure and the judicial efficiency in conducting the receivership." *S.E.C. v. Nadel*, No. 8:09-CV-87-T-26TBM, 2013 WL 2291871, at *1 (M.D. Fla. May 24, 2013).

VI. DISPOSAL OF CERTAIN PHYSICAL RECORDS

Since being appointed successor receiver in 2021, the Receiver has been storing hundreds of boxes of physical documents at a storage facility in Los Angeles, California (the "Physical Records"). As part of the Receiver's wind-down efforts, the Receiver seeks permission to dispose of these Physical Records in January 2026.[10] In the Receiver's judgment, the Physical Records are no longer needed for the remaining administration of the estate, as the necessary information at this juncture has been digitized and/or otherwise utilized in connection with the administration of the receivership's responsibilities, and disposing of the records will relieve the estate of the ongoing monthly storage costs. *See* Ferzan Decl., ¶6. The Receiver, however, will confer with the FTC and relevant counsel in relation to the criminal prosecution of Mr. Pukke in the Southern District of New York (as to which the Receiver understands there is a pending appeal) confirming that there are no reasonable and appropriate objections before proceeding with the disposition.

VII. CONCLUSION

For the reasons set forth herein, the Receiver respectfully requests that the Court enter an order substantially in the form submitted herewith granting this Motion and approving the redress distribution proposed herein, establishing the proposed reserve and authorizing the destruction of the Physical Records.

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[10] The Receivership Team intends to hire a qualified vendor to shred and dispose of documents such that all personal identifying information is appropriately handled and destroyed.

Respectfully submitted,

Dated: October 24, 2025

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UNITED STATES DISTRICT COURT
DISTRICT OF MARYLAND
SOUTHERN DISTRICT

In re SANCTUARY BELIZE LITIGATION

No. 18-cv-3309-PX

DECLARATION OF MARC PHILIP FER AN IN SUPPORT OF MOTION FOR APPROVAL OF REDRESS DISTRIBUTIONS, ESTABLISHMENT OF RESERVE AND RELATED RELIEF

I, Marc-Philip Ferzan, declare:

1. I am a Senior Advisor with Ankura Consulting Group, LLC ("Ankura"), and serve as the Court-appointed successor Receiver in the above-captioned action. I and my colleagues at Ankura and other professionals assigned to support the receivership are collectively referred to in this declaration as the "Receivership Team." I have personal knowledge of the matters set forth in this declaration, and if I were called upon to testify as to these matters, I could and would competently testify thereto based on my personal knowledge.

2. I make this declaration in support of the Motion for Approval of Redress Distributions, Establishment of Reserve and Related Relief ("Motion"). Terms used but not defined herein are as defined in the memorandum of points and authorities in support of the Motion.

3. The nearly $23 million in aggregate redress distributions proposed to be made in the Motion are fair and equitable. The proposed distribution treats the different groups of eligible consumers in line with what was contemplated by the Redress Plan proposed by the FTC earlier

in this case. It is in the best interests of consumers in my business judgment to distribute these funds -- which constitute the bulk of the funds of the receivership estate -- now rather than requiring consumers to wait until all remaining wind-down and other matters associated with the receivership are completed.

4. The Receivership Team is in the process of addressing items that need to be resolved before the Receiver seeks authorization of the Court to close the receivership and discharge the Receiver including, but not limited to:

- Working with Belizean counsel, Barrow & Williams, to confirm and/or facilitate outstanding title transfers to individual lot purchasers as may be needed to wind-down the estate within a reasonable time;
- Coordinating with the FTC with respect to the conclusion of the rescission period under the December 2023 Order (Doc. 1499) as it relates to the approximately $894,630 in Individual Lot Purchase Proceeds under the Lot Choice Survey Program that is continuing to be held by the receivership estate pursuant to the December 2023 Order;
- Overseeing Belizean counsel with respect to completing remaining post-closing governmental requirements relating to the sale of the estate's Belize assets;
- Working with Belizean counsel to dissolve the Belizean company and other locally recognized receivership entities;
- Resolving the post-closing lot transfer related matter raised by FBIM several months after closing with respect to three lots that were not transferred to FBIM, but which FBIM has asserted should have been included in the transfer;
- Resolving the pending litigation against the estate brought by Bozena Sabala (Case No. 8:24-cv-02706-PX), as to which the Receiver filed a motion to dismiss on May 20, 2025;

- Preparing a final report and accounting; and
- Other activities associated with the wind-down and eventual dissolution of the receivership estate.

5. The reserve amount of approximately $5.325 million (in addition the nearly $900,000 in Individual Lot Purchase Proceeds required to be held by the receivership estate pursuant to the December 2023 Order) proposed in the Motion is fair and reasonable based on the Receivership Team's analysis of potential future expenses and information, to the extent available, relating to potential non-consumer creditor claims. The reserve amount includes the estimated obligations and expenses associated with completing remaining receivership activities and winding-down the estate (for avoidance of doubt, payment of professional fees and costs shall remain subject to the same Court approval requirements) and previous professional holdback amounts (*see* Doc. 1519). The amount also includes a reserve for potential non-consumer claims, including the pending litigation against the estate referenced above, the post-closing lot transfer issue with FBIM (which the Receiver disputes), and pre-receivership potential non-consumer creditor claims based on records the Receiver obtained from the former receiver, Robb Evans & Associates, not inclusive of any interest.

6. Since being appointed successor receiver in 2021, the receivership has been storing hundreds of boxes of physical documents at a storage facility in Los Angeles, California (the "Physical Records"). The Receivership Team no longer needs the Physical Records for the remaining administration of the estate, as the necessary information at this juncture has been digitized and/or otherwise utilized in connection with the administration of the receivership's responsibilities, and disposing of the records will relieve the estate of the ongoing monthly storage costs. As such, the Receiver is seeking authorization to destroy the Physical Records, subject to

conferring with the FTC and relevant counsel in relation to the criminal prosecution of Mr. Pukke in the Southern District of New York (as to which the Receiver understands there is a pending appeal).

I declare under penalty of perjury that the foregoing is true and correct and that this declaration was executed on October 24, 2025 in Montgomery County, Pennsylvania.

Marc-Philip Ferzan

UNITED STATES DISTRICT COURT
DISTRICT OF MARYLAND
SOUTHERN DIVISION

In re SANCTUARY BELIZE LITIGATION	No: 18-cv-3309-PX

PROPOSED ORDER RANTIN MOTION FOR APPROVAL OF REDRESS DISTRIBUTIONS, ESTABLISHMENT OF RESERVE AND RELATED RELIEF

The Motion for Approval of Redress Distributions, Establishment of Reserve and Related Relief (the "Motion") filed by the Receiver, Marc-Philip Ferzan of Ankura Consulting Group, LLC ("Receiver"), came before this Court for determination pursuant to regularly noticed motion. The Court, having read and considered the Motion and all pleadings and evidence filed in support thereof, and opposition to the Motion, if any, and the Court having determined that notice of the Motion was sufficient, and good cause appearing therefore, it is

ORDERED that:

1. The Motion is granted;

2. The Receiver is authorized to and shall make a $20,000,0000 distribution on a pro rata basis to Consumers[1] of Sanctuary Belize lots with Claim Applications deemed eligible in accordance with the notifications provided by the Receiver on or about February 9, 2023 ("Eligible Claim Notifications"). The calculation for pro rata distribution payments shall be based on the Amount Paid set forth in the Eligible Claim Notification for each Sanctuary Belize

[1] Capitalized terms in this Order shall have the meaning ascribed to them in the Redress Plan (Doc. 1117-1) unless otherwise expressly defined herein.

lot divided by the aggregate Amounts Paid set forth in all Eligible Claim Notifications associated with Sanctuary Belize lots.

3. The Receiver is authorized to and shall make a $2,836,838.22 distribution on a pro rata basis to Consumers of Kanantik lots and other qualifying covered development area lot purchasers ("Other lots") with Eligible Claim Notifications. The calculation for pro rata distribution payments shall be based on the Amount Paid set forth in the Eligible Claim Notification for each Kanantik lot or Other lot divided by the aggregate Amounts Paid set forth in all Eligible Claim Notifications associated with Kanantik lots and Other lots.

4. The receivership estate is authorized to reserve the remaining funds in the estate of approximately $5.325 million, in addition to the Individual Lot Purchase Proceeds (as defined in the Motion) being held by the estate, including for the payment of expenses of the receivership estate, including, without limitation, Court approved professional fees and costs.

5. The Receiver is authorized to destroy the Physical Records (as defined in the Motion) by no earlier than January 15, 2026, subject to confirming there is no objection by the Federal Trade Commission or the prosecution or defense in the criminal proceedings against Mr. Pukke in the Southern District of New York.

Dated:

HONORABLE PAULA XINIS
UNITED STATES DISTRICT JUDGE