

CONSUMER COMMITTEE MEETING

April 16, 2020

Telephone Conference called to Order at 11:02am EDT

In Attendance:

- **FTC:**
Jonathan Cohen

Receiver:

Brick Kane
Val Miller
Henry Jen
Anita Jen

Committee Members:

Lisa Daniels
Larry Grice
Craig Hibbert
Shryl Kirkbride
Linda Ozmindowski
Jimbob Slocum
Leslie Thomas

FTC Update

- Jonathan Cohen updated the Committee about Kanantik. On 4/10/20, the FTC filed a Motion in the US District Court of Maryland to Confirm the Receiver's Control Over Kanantik; a ruling will provide clarification about Kanantik entities being included as receivership entities.
- The FTC wants to avoid ongoing injury to Kanantik purchasers and include them into an organized and Court-approved redress process.
- As of this meeting, the Court had not yet ruled on the Motion; the FTC noted that they do not want any action to affect the current timelines in place regarding the SBE case.

- If Kanantik is brought into the receivership, the FTC and the Receiver will need to ascertain a number of details regarding that development, including the number of owners and number of lots sold.
- Although it won't be a perfect process, the FTC and Receiver would like to keep the proceeds from a sale of any SBE or Kanantik assets separate from each other; the ultimate outcome and extent of redress will largely depend upon unravelling the trails of comingled funds between the developments, as well as other practical and legal considerations..

Follow-up and Updates RE:

Modification of SRWR AoA's and RCC&E's

- Larry Grice noted the basic differences between the two documents: the AoA's form the Association and give structure regarding the power, responsibilities and members of SRWR; the RCC&E's are the rules regarding how SRWR is to be governed and maintained.
- There was general discussion about a few points in the RCC&E's: notably, concerns regarding potential budget amounts as well as necessary potential assessments for maintenance and upkeep expenses for the many facets of Sanctuary Belize.
- Revenue would pay for all expenses before assessments.
- Bringing in an experienced developer to complete the numerous unfinished essentials would be expected to result in populating the development, thus more equitably distributing the burden of the maintenance costs involved.
- It was noted that the outlined duties and fulfilled expectations of any developer will be paramount to lessening the distribution of obligations: neither owner group - those living onsite and those who are not - should bear excess burdens.
- Post-receivership, SRWR will be responsible for operations and governing.
- The FTC and the Receiver will make decisions regarding any developer(s), subject to Court approval.
- The Receiver and the FTC will develop a pro forma to address some of the concerns discussed. While there are many variables and disclaimers, they may be able to address fundamental questions to help people make informed decisions.
- Once registration of the new RCC&E's has been completed, there should be a process developed for these to automatically replace any previous versions already in place on issued titles.
- The Receiver noted that a plan will be devised for the addition of the new RCC&E's to titles which were previously issued with no encumbrances.
- The Committee has edited, revised and reviewed both documents over the last several months; Larry will submit the final drafts to the Receiver this week for consideration and examination by their legal counsel.

Streamlined Process Re: Obtaining Property Titles

- Henry Jen reported communications with numerous owners who wish to obtain title. There are now 100+ completed packets ready for submission to Central Bank (CB); these include full histories of payment amounts and payees, along with owner status as individual, multiple, or LLC.
- Because of the covid19 shutdown regulations in Belize, the title packets have not yet been sent to the CB. Submissions will be made in a timely manner once it has been ascertained that employees in Belize have resumed normal operations.

Land Tax Amnesty Payments

- The tax amnesty notices sent out by Claudina Arjona were done on behalf of the Receiver; there is no POA at this time, and her email address will be changed to avoid any further confusion.
- Short notification was provided by the Land Department for the Amnesty Program.
- Numerous tax payments were not made in previous years because consumers were not notified of taxes due; in other cases, payments were made but never credited.
- If an owner overpays, Belize does not refund any excess; rather, they give credit on account to be applied toward future taxes.
- While numerous owners sent tax payments to the Receiver, some payments were sent in country currencies/amounts incompatible with the Belizean amount due.
- Due to the covid19 crisis, Belizean employees were not at work and tax payments could not be processed.
- The Receiver noted that the Amnesty Program is a work in progress and recommended patience until the Land Department reopens and further details are known.

Beach Club

- Jimbob reported that prior to closing, the Beach Club had remained open for a period of approximately 10 weeks, with good attendance from owners and visitors.
- Unfortunately, grievous misuse of funds and inventory was discovered, leaving several obligations unpaid.
- Any attempt to reopen the facility will necessitate repayment of debts incurred by the previous proprietors.

Internet

- Henry Jen noted that they have bumped up the internet to a higher bandwidth now, but are limited as to what they can do.
- The Receiver is still awaiting permits for the antennae; the covid19 crisis has delayed their receipt.

The meeting was adjourned at 12:19pm EDT.

**Addendum
to Consumer Committee Meeting Minutes
of 4/16/20 Meeting**

**April 16, 2020
5:19pm EDT**

Jodi Vance has agreed to join the Consumer Committee. She is replacing Ted Wyberanec, and will participate beginning with the May meeting.