

CONSUMER COMMITTEE MEETING

March 19, 2020

Telephone Conference called to Order at 11:37am EST

In Attendance:

FTC:

Jonathan Cohen
Soojin Jeong

Receiver:

Brick Kane
Val Miller
Henry Jen
Anita Jen

Committee Members:

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

Larry Grice was unable to attend due to a family emergency.

Opening Remarks

- Ted Wyberanec has withdrawn from the Consumer Committee. All Members, including representatives from the Receiver, the FTC and his fellow Consumers, wish Ted and his family all the best during this difficult time. His participation and contributions were valuable and appreciated, and Ted will be missed.
- The current Covid19 crisis prevents in-person meetings of the Consumer Committee for an indeterminate time; upcoming meetings will be by telephone conference until such time as safety precautions regarding travel and social distancing are relaxed.

FTC Update

- Jonathan Cohen updated the Committee about the SBE/Ecological Fox trial, which was wrapped up on Wednesday, Feb.12, 2020 in the MD Federal District Court. The trial lasted 3.5 weeks - longer than usual or anticipated.
- Due to the Covid19 crisis, the FTC employees are currently working from home and accomplishing their necessary duties. The Court's activities are limited during this time.
- The FTC is cautiously optimistic that the ruling in the case will be made by August 2020.
- Mr. Cohen conveys his gratitude to all consumers who came to watch the trial. The FTC appreciates the time and travel involved and noted that it was important for the Court and the Witnesses to see some of the people who are directly affected by the case.
- All evidence presented at the Preliminary Injunction Trial in 2019 will also be included in the Judge's consideration of the case; there were numerous deposition transcripts and over 1500 pieces of evidence admitted.
- The Motions to Strike were originally due on Friday; however, the District of MD has delayed this deadline by 2 weeks due to the Covid19 crisis. It was noted that a Motion to Strike is a request that the Court delete insufficient defenses or immaterial, redundant, or otherwise inappropriate statements from an opponent's evidence e.g., hearsay.
- Following the Motions to Strike, the FTC will file their Proposed Findings of Fact and Conclusions of Law, which will summarize the facts supported by evidence in the record and explain why the Court should draw conclusions in their favor.
- There is the possibility of Appeal by any of the Defendants; however, if the case is decided in favor of the FTC, chances for success of those appeals are not very great.
- The FTC discussed various potential consumer redress plan details, which would be dependent on the FTC prevailing with their case and the Court's approval of any plan.
- The FTC considers the formation and approval of a redress plan to be of high priority; it is the position of the FTC that the needs of Consumers come first.
- The FTC and the Receiver are currently working on plans for redress and have professionals from the Bureau of Economics assisting them in an advisory capacity. There are many other stakeholders involved, including the Government of Belize (GOB), and it is important to have the participation and cooperation of them all in the development of a viable plan.
- Although plan parameters are not yet defined at this time, the terms and conditions will be made very clear and it is hoped that there will be different alternatives, allowing consumers to choose by making the best decisions they can under the circumstances.
- Some weeks after the Court has made its ruling in the case, the redress plan will be made public; at that time there will be a chance for all stakeholders to come forth with discussion or objections. There is no way to know how all potentially affected parties might react; however, if there are no prolonged litigations delaying the process, the required approvals could go relatively fast, leading to a final Court order and implementation.

- The plan will be based on the funds recovered as of the time any said plan has received final FTC and Court approval; in the event that more funds are recovered later, they will be distributed per the guidelines of the same plan, regardless of how much time may have passed.
- Under the final Court approved redress plan, all resolutions and distributions will be accomplished after consumers follow a formalized set of claim procedures involving the Receiver; it is understood that there may be some very complicated cases due to multiple claims per lot or other difficult issues.
- The redress plan will have to address the issue of foreclosures; the FTC presented evidence of the improprieties during the trial. The Court will have a large say about the resolution process for those lots with duplicate claims because of this issue.
- The GOB has considerable interest in helping the Reserve to succeed as it may offer value and benefit to the country and its economy.
- The Receiver is considering future potential developers for the Reserve; the FTC is assisting with ideas as well.
- One of the major FTC goals involves the creation of a different process that would allow owners to obtain lot titles in a clear, streamlined manner. The current inability to receive title quickly and easily is a major impediment for lot owners and any community developers; if this issue can be resolved, it may improve the lot values.

Follow-up and Updates RE:

Electric Meters

- Anita Jen reported that the electric meters at the Beach Club have finally been completed; all permits were issued as required and the electrician was paid.
- The last bill on the old system was for the period of Feb. 28-March 17; the new multiplier becomes effective with the billing period that began March 18, 2020.
- Although the project took a considerable length of time from beginning through completion, it is expected to result in greatly reduced electrical costs going forward.

Equestrian Center

- An accident report was filed regarding a rider who fell off of a horse named Stormy.
- The person was riding beyond her horsemanship abilities and fell off when the horse obeyed her command to gallop; the fall was an accident and the horse is not to blame.
- Valerie Slocum reported that Stormy is a good horse and not a problem, but needs an experienced rider.
- Some of the horses that are now gone were older and better suited for inexperienced riders and/or teenagers.

Internet

- Brick Kane stated that he had been notified about an invoice some owners had received regarding internet installation and soliciting a fee. That invoice was **not** associated with or approved by Alfonzo Bailey or the Receiver. The employee responsible has been interviewed and terminated regarding this matter.
- Henry Jen reported that the Receiver is still awaiting the required license approval for the antennae; the vendor is working on this issue with the Public Utility Commission (PUC).

Re-Survey of Estates Subdivision

- The Receiver reported that an area in the Estates section has been cleared out and a Surveyor has begun work. It is estimated that the surveys will take approximately 6-8 weeks for completion.
- The Estates area that is being re-surveyed encompasses 96-98 lots, including the green area.
- The only Estates lots that are **not** being re-surveyed are #225-#242; those lots have a different legal entry number and a re-survey is unnecessary for this section.
- Once the work has been completed and details are known, the Receiver will be able to determine the scope of the problem and the appropriate course of action needed to remedy the incorrect legal descriptions of any properties involved.

Streamlined Process Re: Obtaining Property Titles

- Henry Jen reported that the Receiver has received additional requests for lot titles since February.
- Currently, 95 of those title requests are complete and ready for submission to the Central Bank of Belize.
- An additional six title requests are lacking some of the specified requirements; if those owners have not responded to provide the missing requirements by Friday, those title requests will *not be included* in this submission.
- The Receiver will make the formal submission by mid-April; the completed title requests will be presented to the Central Bank through the Receiver's attorney in Belize.

Status of Airstrip

- The Department of Civil Aviation in Belize sent a letter requesting an update on the status of the aerodrome license previously issued to Sittee River Wildlife Reserve, citing "a spike of clandestine aircraft landings for the purpose of illegal drug trafficking" and noting that the illicit landings are a National Security concern and put innocent citizens at risk.

- The letter further stated that if the license is not to be renewed, it is necessary to render the airstrip unusable for future aircraft use as soon as possible.
- The Receiver has decided to suspend the aerodrome license at this time and the license will not be renewed.
- Jimbob noted that a burn of the footprint is the only work that was ever completed for the planned SBE airstrip; however, it has been proposed that SRWR excavate a number of trenches across the runway area to make it inoperable for landing and takeoff of all types of aircraft.
- The Department of Civil Aviation was asked for their suggestions and input on this proposal; the Receiver will proceed accordingly and complete any activity necessary to comply when a response and instructions have been received.

The meeting was adjourned at 1:23pm EST.