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IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF MARYLAND  
SOUTHERN DIVISION

AUG 2 2019

AT WASHINGTON  
CLERK U.S. DISTRICT COURT  
DISTRICT OF MARYLAND

DEPT. OF JUSTICE

In re SANCTUARY BELIZE LITIGATION

No. 18-cv-3309-PJM

~~PROPOSED~~ ORDER GOVERNING INTERIM RECEIVERSHIP MANAGEMENT

The Federal Trade Commission (“FTC” or “Commission”), Andris Pukke, Peter Baker and various lot owners submitted interim management plans for Sanctuary Belize, as defined below. The Temporary Receiver, Robb Evans & Associates LLC (“Receiver”), supported the FTC’s interim management plan. A hearing was held on July 9, 2019 at which time the Court heard oral argument as to the various plans. The Court, having read and considered the various plans and all pleadings filed in support of and in opposition to the various plans, having heard and considered the arguments and contentions of counsel as well as Craig Hibbert as spokesperson on behalf of the plan submitted by various lot owners and Peter Baker *in pro per*, having directed the Receiver to submit a redrafted Proposed Order outlining a management plan consistent with the provisions described by the Court at the conclusion of oral argument, and good cause being shown therefore,

**IT IS HEREBY ORDERED:**

A. Nothing herein alters any existing obligations under the Interim Preliminary Injunction (DE34) (Nov. 22, 2019), as modified or superseded by subsequent orders.

**I. DEFINITIONS**

A. “**Lot Purchaser**” means any consumer who purchased a lot: (i) in Sanctuary Belize; (ii) located elsewhere, but that was transferred to Sanctuary Belize (with or without their consent); or (iii) within any area the Court determines to be part of the Receivership. Notwithstanding the foregoing, a consumer is not a “lot purchaser” if the consumer received a full refund, or payment from defendants or their agents for help selling lots.

B. **“Sanctuary Belize”** means the development area in Belize known as “Sanctuary Belize,” “Sanctuary Bay,” and “The Reserve.”

C. **“Consumer Committee”** means a committee of eight Lot Purchasers who purchased a lot in Sanctuary Belize, including two each from three categories of consumers: (i) consumers who were informed they were “foreclosed,” were “in default,” or were otherwise informed the developer would take back their lot, but who did not receive a full refund; (ii) consumers not in category (i), but who do not currently own a completed or partly-completed home in Sanctuary Belize; and (iii) consumers who reside in Sanctuary Belize. The Receiver will select consumers in each category, along with two additional lot purchasers. The Receiver may change Committee membership periodically as the Receiver deems appropriate.

D. **“Vipulis FTC Recovery”** means the \$4.12 million the FTC recovered from Relief Defendant John Vipulis pursuant to a Court-approved settlement, DE326 (Mar. 20, 2019).

## II. AVOIDANCE OF WASTE AND MAINTENANCE OF STATUS QUO

A. The Receiver will manage the Sanctuary Belize development in a manner designed to avoid waste and maintain the status quo while this matter is pending. Without limitation, this includes, to the extent practical: (i) maintaining utilities and internet access at the level that existed when the FTC filed this action; (ii) preventing amenities from falling into disrepair; (iii) preventing any material degradation of the development’s environmental conditions; and (iv) providing feeding and care at a level that satisfies U.S. veterinary standards to horses housed within Sanctuary Belize when the FTC filed this action. In addition to the foregoing, the Receiver may make expenditures for Sanctuary Belize that may be classified as improvements if, in the Receiver’s opinion and judgment, such improvements preserve the value of Sanctuary Belize and prevent deterioration, and if such improvements may be made without adversely and materially impacting the financial condition of the Receivership.

B. The Receiver also will ensure the security of Sanctuary Belize and persons within it to the extent practical, even if that involves reasonable and appropriate security expenses that exceed levels existing when the FTC filed this action. This includes, without limitation: (i) maintaining the number of Sanctuary Belize security personnel to not less than the number of security personnel presently employed; (ii) ensuring that all such employees are timely paid; (iii) taking reasonable measures to secure inland waterways; (iv) taking reasonable measures to prevent trespassing on Sanctuary Caye (Long Coco Caye); and (v) taking reasonable measures to prevent the theft, destruction or unauthorized use of Receivership equipment and materials within Sanctuary Belize.

C. If the Receiver has cause to believe anyone is using Sanctuary Belize or any other Receivership assets for any unlawful activity, the Receiver must report it to the FTC promptly.

D. Nothing herein prevents any lot purchasers from forming any Organization of Lot Purchasers (“OLP”) for any lawful purpose including, without limitation, collecting donations from lot purchasers who volunteer such donations. No OLP may make any material misrepresentation to anyone. The Receiver may cooperate with any OLP within its discretion, but may not disclose nonpublic consumer information to any OLP or anyone else.

E. The Receiver shall provide email notice to all Lot Purchasers whose contact information it can reasonably ascertain advising them that they may make voluntary lot payments (separate and apart from any voluntary donations as provided in subsection II. D, above) using the notice attached hereto as Exhibit I.

F. The Receiver will not operate any development amenity or commercial establishment at a loss. However, the Receiver may, in its discretion and subject to terms it accepts, allow OLPs or other third parties to operate such amenities or establishments for profit or at loss; however, the Receiver is not obligated to operate any amenity, to permit access to it, or to permit its operation.

G. As soon as practicable, the Receiver will review the employment status of any Receivership employee or agent who previously worked, directly or indirectly, for any Receivership entity, and terminate the employment or agency if there is reasonable cause to believe he or she presents any risk to Receivership assets, or for any other appropriate reason.

H. Except as otherwise specified herein or by an Order of this Court, the manner in which the Receiver implements its responsibilities, including the avoidance of waste and maintenance of the status quo, is subject to the Receiver's discretion.

I. There shall be no lot sales at Sanctuary Belize by the Receiver until further order of the Court.

J. There shall be no interim distributions or other payments to Lot Purchasers or other potential claimants in the Receivership until further order of the Court.

### **III. CONSUMER COMPLAINTS**

A. In the event any consumer, including any Lot Purchaser, has a complaint with respect to the management or operations of Sanctuary Belize, such complaint shall be directed to the Receiver in written form, not to exceed three pages in length. Consumers may also copy the FTC on any complaint directed to the Receiver and provide the FTC with any other information or material they deem appropriate. Consumers shall not direct any such complaints to the Court and the Court will not address any complaint if brought directly to the Court by a consumer.

B. The Receiver shall be solely responsible for handling all complaints in its discretion, including without limitation how to respond to the complaint and whether and the manner in which the complaint shall be brought to the attention of the Court for determination.

### **IV. CONSUMER COMMUNICATION**

A. Beginning within sixty days of the entry of this Order (unless impractical to meet initially within sixty days), and except as provided herein, the Receiver will meet monthly with the Consumer Committee via teleconference or videoconference. The FTC may attend, along with

counsel for the Receiver and any Consumer Committee member, and anyone else the Receiver invites (with the FTC's consent).

B. The first monthly meeting and every fourth thereafter will be in person, at a location in the United States the FTC selects. Individual Consumer Committee members will not disclose locations in advance. Individual Consumer Committee members may receive travel expense reimbursement (at government rates and per government policies) from the Receiver as a Receivership expense.

C. Beginning in August 2019, the Receiver will email all Lot Purchasers whose contact information it can reasonably ascertain with updates regarding the Receivership including, without limitation, a summary of the most recent Consumer Committee meeting.

**V. RECEIVERSHIP FUNDING WITH VIPULIS FTC RECOVERY**

A. The Receiver will use assets or revenue recovered from defendants or other sources to fund Receivership expenses including, but not limited to, expenses incurred pursuant to this Order.

B. If the Receiver exhausts such assets or revenue, it will use the Vipulis FTC Recovery funds to fund Receivership expenses including, but not limited to, expenses incurred pursuant to this Order.

C. The use of unspent Vipulis FTC Recovery funds remains subject to the Commission's sole discretion as provided in DE326 (Mar. 20, 2019).

SO ORDERED, this 22 day of Aug, 2019.

  
HONORABLE PETER J. MESSITTE  
UNITED STATES DISTRICT JUDGE

# EXHIBIT 1

UPDATE ON **SANCTUARY BELIZE** LITIGATION

Dear Lot Purchasers:

We're writing to update you on the status of the FTC's action against Andris Pukke and other Sanctuary Belize defendants. The United States District Court has set trial to begin on January 21, 2020. In the meantime, the Court has implemented an Interim Receivership Management Plan meant to protect the interests of all lot purchasers.

For now, lot purchasers are not making payments – and **you are not required to make payments at this time.**

However, some lot purchasers have asked what they should do if they want to make payments voluntarily. If you choose to make payments, understand that there are risks and uncertainties involved. Each lot purchaser who chooses to make payments must initial and sign this form acknowledging that you understand those risks and uncertainties. If two lot purchasers signed a purchase contract together (for example, a husband and wife), both must initial and sign this form.

**FOR LOT PURCHASERS WHO CHOOSE TO MAKE PAYMENTS**

- I understand there is no guarantee that any payments I make will be credited to my account, and I may not receive a refund.
- Given Belizean currency restrictions, I understand it may be impossible or impracticable for the Receiver to make payments on my behalf.
- I understand that making payments could have tax consequences under both United States and Belizean law.
- I understand that if I make payments, I could be ratifying – binding myself to – the terms of what may be found to be an illegal contract.
- Making payments could affect or eliminate any right I may have to future monetary and non-monetary compensation.


*Initial Below*

<input type="text"/>	<input type="text"/>
<i>Purchaser 1</i>	<i>Purchaser 2</i>
<input type="text"/>	<input type="text"/>
<i>Purchaser 1</i>	<i>Purchaser 2</i>
<input type="text"/>	<input type="text"/>
<i>Purchaser 1</i>	<i>Purchaser 2</i>
<input type="text"/>	<input type="text"/>
<i>Purchaser 1</i>	<i>Purchaser 2</i>

LOT NUMBER:

\_\_\_\_\_  
 LOT PURCHASER SIGNATURE                      PRINT NAME                      DATE

\_\_\_\_\_  
 LOT PURCHASER SIGNATURE                      PRINT NAME                      DATE



*If you choose to make payments, complete this form, scan it, and email it to [rea@robbevans.com](mailto:rea@robbevans.com)*

*Or print the completed form and mail it to*  
**Robb Evans & Associates LLC**  
**11450 Sheldon Street**  
**Sun Valley, California 91352-1121**

- *If lot purchasers choose to submit this form, the Receiver will give them instructions about what to do next.*
- *This form is only for lot purchasers who voluntarily choose to make payments.*
- *For lot purchasers who don't want to make payments, there is nothing more you need to do.*