

CONSUMER COMMITTEE MEETING
June 18, 2020

Telephone Conference called to Order at 2:25 pm EDT

In Attendance:

Receiver:

Brick Kane
Val Miller
Anita Jen
Henry Jen

FTC:

Jonathan Cohen
Caroline Dorsey

Committee Members:

Lisa Daniels
Larry Grice
Craig Hibbert
Shryl Kirkbride
Jimbob Slocum
Leslie Thomas
Jodi Vance

Linda Ozmindowski was unable to attend.

FTC UPDATE

- It is still anticipated that the Court will rule on this case by the end of August.
- Should the ruling be in favor of the Plaintiffs, the FTC plans to present a redress plan to the Court shortly thereafter; the FTC is hopefully optimistic that there will be a Court-entered Judgment and a redress plan under consideration by early fall.
 - The FTC and the Receiver have been working hard to develop a proposal that will maximize recovery.
 - Making the redress plan fair and equitable to consumers, and giving equal consideration to all groups, is a very difficult and complicated process; it is understood that many consumers may be unhappy in some respect - there are too many parties and competing interests in this complex case.

- While it is not known at this time if Kanantik will be in or out, the Court's decision on this issue could affect the redress plan in some ways.
- After the redress plan has been presented, the Court will provide an opportunity for people to object or comment; that process will take some time and must be completed before a final redress plan can be approved by the Court and implemented.
- The final, Court-approved redress plan is expected to include a claims procedure that will need to be followed for consumers to either keep or give up their lots; the Receiver will be required to approve or reject each claim based upon rules imposed by the Court.
- Regardless of plan approval, it is important to note that during the appellate process, the Receiver cannot distribute money from the Receivership until the judgment in this case is final: final means there are no more ways to appeal or fight judgement. However, the Receiver may develop or bring in a developer.
- If the Defendants are found liable, they cannot file any appeal until the Judgment has been entered against them; the FTC will encourage the Judge to do that entry in a timely manner.
 - It is not certain that all Defendants will appeal the case ruling – it is a complicated process.
 - In the event that Defendants do file appeals, they will be heard by the 4th Circuit Court of Appeals and would hopefully be resolved quickly.
- Defendant Luke Chadwick has left the U.S. and returned to Australia with his wife and four children; his trip is open-ended and a date of return is unknown at this time.
 - The Court approved the return of Mr. Chadwick's passport and authorized his international travel, allowing him to visit gravely ill relatives.
 - As a part of the approval, Chadwick executed an agreed Power of Attorney (POA) concerning his assets and has provided an associated declaration to the FTC.
 - All of Chadwick's assets with a value exceeding \$1,000 are included in the Receivership; if a judgment is entered against him, the signed POA guarantees that those assets can, and will, be turned over.

Submission of Documents to the Central Bank of Belize

- Belizean attorney Rodwell Williams is trying to arrange a meeting with the Deputy Governor of Central Bank.
- It is anticipated that all title documents previously prepared for submission by the Receiver will be delivered on the day following this Committee meeting.

Internet Status

- The Receiver is still in the process of obtaining permits to improve the wireless network; it is hoped that will be completed within a few weeks, at which time the towers can be completed.

Possible Reserve Asset Sales and/or Developers

- The Receiver noted that the specific assets available for sale will not be known until the claims process has been implemented and is well underway; once all consumers have initiated the process, the necessary information will be available to finally determine all assets that will still be included as a part of the development.
 - The Beach Club and the island will **not** be sold and will remain a part of the development.
- It will be important to make certain that all lots, in all subdivisions, will have access to all utilities and internet.
- Preferred developers would be legitimate American companies; the FTC and the Receiver would want to require that any of the Defendants are not involved in any way.
- One of the real estate experts provided by the FTC has been contacted by the Receiver; he has identified qualified and experienced developers and managers capable of running the development and increasing its value.
 - The Receiver researched all those identified and has spoken with one developer having considerable, verified experience; follow-up contact will be made after the final Court decision.

Update of the Review of AoA's and RCC&E's by Rodwell Williams

- Belizean attorney Williams had good comments and suggested revisions on the documents provided; it is necessary and important that all items conform to Belizean law.
- Val Miller wrote to Mr. Williams this past week in order to address some of the specific concerns from lot owners.
- One of main issues still to be resolved is a determination as to how the RCC&E's should be filed; it is necessary that they apply to all lot owners, including those who already have title.

Status of the Airstrip

- The airstrip is currently out of commission and was deemed to be basically unusable; the GOB decided it was not necessary to have an inspector confirm that.

Mini Market – Gas Station Status

- The Manager of this enterprise has remained uncooperative and unresponsive to the Receiver and all requests for information.
- Henry Jen had planned a trip to deal with this issue in person; the Covid 19 crisis put that solution on hold and the trip has not been rescheduled at this time.
- The Receiver is currently working with Alfonzo in an attempt to have the Market Manager comply with their requests.
- Alfonzo is also considering others who might be qualified to manage the Mini Market-Gas Station; the Receiver may take over management of this facility if necessary.

DRG Allowance of Construction Workers to Live On-Site

- The Design Guidelines were created in 2014; they now need to be reviewed and updated and specific issues should be rewritten: for example, the bond amount required by builders should probably not be a part of the RCC&E's – because the SRWR Board will have the power to appoint DRG Members **and** rewrite the DRG Guidelines, it will be considerably easier for the Board to make any necessary adjustments to amounts if those are specific to the Guidelines themselves and not written into the RCC&E's.
- Section 5.7 of the Guidelines states “Temporary living quarters for Builders or their employees on the Lot may be permitted with DRC approval.”
 - We don't want to prevent or restrain building by making it more difficult to bring a builder from some distance away; this section may be helpful in that regard.
 - The building of more homes is desirable and expected to increase the value of the development.
 - Because of the remote nature of Sanctuary Belize, we need the ability to attract builders who are not based nearby; in the US, workers at a remote location often have tents or housing provided to accommodate working there.
 - Lot owners can save thousands of dollars without having the added expense of transporting workers.
 - The Receiver previously approved a request for allowing a group of construction workers to live on-site; unfortunately, some problems have resulted from this living arrangement.
 - Construction workers are not lot owners, nor are they typically bonded and/or insured; any problems which arise as a result of their living on-site are ultimately the responsibility of the Owner who hired the builder.
 - A concern for security is paramount; specific plans and remedies are required.
 - It was suggested that workers not be allowed to lodge on the Owner's Lot; a better solution would be to house any/all workers in one general area – perhaps near the maintenance area and away from owners.
 - When not on the job, workers should be confined to the specified general housing area in whatever housing the builder and owner wish to provide; that specific housing location and type should be approved by the DRG.
 - Everyone agreed that because of materials and tools kept on building sites, extra security measures are necessary and appropriate to prevent theft and/or vandalism; options include: 1) the owner and builder could arrange for extra, regular SBE Security patrols at their own expense, 2) the owner and builder could hire a private security guard, and/or 3) just one of the construction workers could be designated and approved to stay on-site at night and guard the construction assets.
 - It was also suggested that the owner and their builder should be required to put up a 6' privacy fence at the building location, at their own expense.
 - Discussion ensued about methods for vetting workers to help prevent bad situations; it is hoped that the proposed \$40,000 bond requirement for builders would guarantee that builders take some precautions with those they hire.

New Business

- It was noted that legal and other documents have referred to the development as both “Sanctuary Belize” and/or “The Reserve”; after some discussion, the Committee unanimously agreed on how to now clarify the development designation(s):
 - All portions of the approximately 14,000 acres SRWR which *are* designated for the development of the Sanctuary Belize Residential, Recreation, and Commercial Community shall henceforth be known as Sanctuary Belize (SBE).
 - Those other parts of SRWR which are *not* designated for the development of the Sanctuary Belize Residential, Recreation, and Commercial Community will henceforth be known simply as “reserve”- *uncapitalized*.
 - Although consumers were misled by the Defendants, it is now known that there is no official registration or designation in Belize of *any* part of the SRWR total designated area as either a sanctuary, wildlife, or any other type of protected area.
 - SRWR has the word “Reserve” as a part of its legal name - that entity name will continue to remain the same: “Sittee River Wildlife Reserve”.
 - SRWR is “a company not-for-profit limited by guarantee duly formed under the laws of Belize” and a “Belizean not-for-profit association”; Association Membership is to be comprised only of all Lot Owners within the SRWR total designated area.
 - After SRWR is released from the Receivership, everyone on the Board of Directors shall forever after be required to be Members of the Association.

The meeting was adjourned at 3:58pm EDT.