

**CONSUMER COMMITTEE MEETING
September 24, 2020**

Meeting called to Order at 12:15pm EDT

In Attendance:

Receiver:

Via Video Teleconference:

Brick Kane
Val Miller
Gary Caris
Anita Jen

FTC:

In Person:

Jonathan Cohen
Christopher Erickson
Caroline Dorsey

Committee Members:

Via Teleconference:

Lisa Daniels
Shryl Kirkbride
Jodi Vance

In Person:

Larry Grice
Craig Hibbert
Linda Ozminkowski
Jimbob Slocum
Leslie Thomas

Receiver Topics:

Central Bank Title Clearance

- During the summer, the Receiver submitted a group of approximately 100 title request application packets to the Central Bank of Belize.

- A good-news notification arrived last week from the Central Bank approving all of those application submissions, clearing them to move forward.
- Title application is a two-step process:
 1. First, approval was required from the Central Bank of Belize. Notably, CB had previously stopped giving approvals because of currency violations by the Defendants; however, approval was granted for all applications in this group submitted by the Receiver. In the future, the Central Bank will require only written “Notice” from a lot owner. The notice must include the memorandum of sale, details of each payment made for the lot, a notarized copy of the purchaser’s passport (if jointly held, both passport’s are required), if the lot ownership is held by an LLC, the beneficial owner’s of the LLC must be provided.
 2. Following Central Bank approval, the second step necessitates making application with the Belize Lands Department; Lot Owners are responsible for filing the required paperwork.
- Those Lot Owners included in the Receiver’s group application submission were emailed by Henry Jen last week, notifying them of the CB approval; if requested, information was also provided regarding attorneys and real estate consultants who may be of assistance in preparing and filing the Land Department requirements.

Management of Reserve Expenditures

- Anita Jen noted it is the policy of the Receiver to verify that all contracted services have been satisfactorily performed and completed in full, via inspection and acceptance by Alfonzo, before payment is made for said services.
- The only exception to the noted policy is the occasional issuance of a deposit that is required by a vendor for the purpose of obtaining needed materials; however, the Receiver verifies the inventory of requested, necessary supplies before approving a deposit for same, and final payment is not made until after the project has been completed to the Receiver’s satisfaction.
- Payments are only made for actual invoices received and approved; they are disbursed in the form of checks issued and signed by the office of Rodwell Williams and checks are picked up and delivered by Alfonzo.
- The Receiver maintains a petty cash account, accessible only by Alfonzo and allowed only with required supporting documentation.
- All SBE cars receive gasoline from two tanks maintained on site for that purpose (*not* at the Mini-Market); there is now a full accounting system for all cars and gasoline used.

Tent Rental Status (pre-Hurricane Nana)

- One rental has been arranged beginning on December 11, 2020. The amount due must be paid in cash - credit cards cannot be accepted.
- No advertising has been done due to past and ongoing Covid-19 Travel Restrictions.

Mini Market Status

- A new operator has been installed and has agreed to pay a rental fee; the rent due has been paid for the last two months and the operator is current on account.
- Inventory selection has been upgraded and increased.

Damage from Hurricane Nana: overview, repairs/replacement

- The estimated cost of total damages is approximately \$500,000 US.
- The Receiver has spent approximately \$15,000 to date for clean-up; significant chainsaw work and haul-away were required to remove the many downed trees, and a trench needed to be dug in order to accommodate drainage of a flooded area containing a considerable amount of standing water.
- One of the tents designated for rental sustained severe damage.
- The new, recently completed Internet Tower was damaged and needed to be rebuilt. Repairs to the Internet Tower have been completed.
- No hurricane insurance was in place.
- Discussion ensued about the need to assess and distinguish the difference between damages resulting truly from the hurricane, versus damages sustained and resulting primarily from the failures of poor construction.
- There was consensus that before moving forward, it is important to prioritize what items *should or should not* be repaired and/or rebuilt by the Receiver, versus those that a new developer would most likely have needed and/or wanted to do as a part of their agreement to complete the development according to accepted US building codes. Crucial consideration must remember that any repairs or rebuilds done by the Receiver will result in large expenses that will most certainly impact, and potentially reduce, the final amount of money that would otherwise be available for consumer restitution.

U.S. Developer Search

- Developer interest is being held in abeyance until the final Court Order has been signed and Covid-19 Travel Rules have been relaxed, thus allowing the Receiver to visit SBE.
- The Receiver has informally engaged the services of a consultant with expertise in the Caribbean Region; they will all travel together to conduct a detailed inspection of the SBE project.

- An evaluation and determination of all significant details will include identifying the scope of amenities, all work that still needs to be done in all subdivisions, and the many challenges involved moving forward.
- The consultant also has expertise in identifying and locating the staff required for large development projects, including a qualified Project Manager to live on-site.
- Thorough inspection details will allow for preparing a focused plan and accurate proposal that will identify and attract appropriate and qualified developers; this preparation work can begin now, although any sale would likely not be consummated until all aspects of the Court case have been completed and finalized.

Old Business:

- The Belize Lands Department has still not accepted the payments of Lot Owner property taxes that were sent to the Receiver some months ago; GOB acceptance of tax payments is still a work in process and under negotiation.

FTC Topics:

Discussion of Court's August 28, 2020 Ruling

- The Court filed a Memorandum Opinion on August 28th and issued three Proposed Orders:
 1. Proposed Order for Permanent Injunction and Monetary Judgment against Defendants Andris Pukke, Peter Baker and Luke Chadwick.
 2. Proposed Order for Permanent Injunction and Monetary Judgment against Defaulting Defendants John Usher, Global Property Alliance Inc., Sittee River Wildlife Reserve, Buy Belize LLC, Buy International Inc., Foundation Development Marketing Inc., Eco Futures Development, Eco-Futures Belize Limited, Power Haus Marketing, Prodigy Management Group LLC, Belize Real Estate Affiliates LLC, Exotic Investor LLC, Southern Belize Realty LLC, Sanctuary Belize Property Owners Association, and The Estate of John Pukke.
 3. Proposed Order of Contempt against Andris Pukke, Peter Baker and John Usher, Entering Judgment against Pukke as Compensatory Monetary Relief, and Ordering that Pukke Take Certain Actions or Be Subject to Coercive Relief Until He Does So.
- Pending completion of the in-process, Court-designated period for consideration and comment allowed to the Parties, the Orders will be finalized and signed by the Court. Final orders will be consequential.
- The FTC is completing work on a Redress Plan and will file it with the Court as soon as practical.

The meeting was adjourned at 4:15pm EDT.