

CONSUMER COMMITTEE MEETING

November 19th, 2020

Webex Meeting called to Order at 1:05pm EST

In Attendance:

Receiver:

Brick Kane
Val Miller
Gary Caris
Anita Jen
Henry Jen

FTC:

Jonathan Cohen
Christopher Erickson

Committee Members:

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

New Prospective Committee Members, Representing Kanantik

Shawna Arop
Michele Weslander Quaid

Update on Kanantik

- On November 5th, 2020, the Court entered the following order:
“A. At least until further order of the Court, the entities comprising the Kanantik Development in Belize are receivership assets under existing court orders, including Mango Springs Development Ltd., G&R Development Company of Belize, Ltd., Kanantik International Limited, Palmaya Development, Ltd., and Mango Springs Development, LLC.
“B. Kanantik lots purchased by consumers are not receivership assets.”
- Shawna Arop and Michele Weslander Quaid were introduced at the meeting as prospective new Consumer Committee Members representing Kanantik Lot Purchasers.

- Their membership is considered prospective until such time as the Court signs the Order which would officially expand the Consumer Committee by authorizing the inclusion of two lot purchasers who bought lots in Kanantik but not Sanctuary Belize.
- It was noted that there are no Categories of Ownership for Kanantik Lot Purchasers like those that were designated for SBE Lot Purchasers.
- Kanantik funds, assets, and debts are being kept separate from those of SBE.

FTC Topics

Kazazi Update

- Litigation is currently ongoing between the FTC and Rod Kazazi; as CFO and COO of SBE, Mr. Kazazi previously agreed to a settlement with the FTC entailing various conditions, including the requirement that he make payment of \$280,000 by a specified date.
- Mr. Kazazi did not make the payment as pledged and thus the terms of the settlement agreement were not met, which may trigger additional consequences. He has requested extra time to satisfy his obligations; this matter will be decided by the Court.

Case Overview - Restitution Plan

- Final Orders in the SBE case are pending and expected to be signed very soon.
- The detailed Restitution Plan is nearly complete and will be filed with the Court within 30 days after the Final Orders have been entered.
- Following review of the submitted restitution document, the Court will specify a time period during which all Lot Owners will be given the means and opportunity to examine the complete Plan and ask questions and offer comments.
- Upon conclusion of the comment period and a review of all feedback, a Court ruling will be made regarding the final terms and implementation of the Restitution Plan.
- Settlement payments will not be made until the case is officially and finally completed, with no further means of appeal available to the Defendants.
- A specific claim application procedure will be administered by the Receiver, which all Lot Owners will be required to follow and complete for verification of eligibility and participation in the final Restitution Plan.
- All claim settlement information will detail the risks inherent for all aspects of settlement, including those risks that pertain to either opting-in or opting-out.
- Typically, restitution payments are not considered to be taxable income in the US; it is usually reasoned that they are a return of investment dollars that were lost. However, it is strongly recommended that Owners consult their tax advisors for advice, information, and planning. Neither the FTC or the Receiver are able to provide any tax advice.

Receiver Topics:

Internet Update

- The Receiver submitted a registration package to the Utilities Commission in September; as of this meeting date, no response had been received.
- Owners who were on a waitlist for internet service were notified that the appropriate antennae must be ordered by the Receiver in order to assure that local guidelines and all specified requirements are followed.
- The Receiver initially pre-ordered 6 antennas from GS-COM because only 6 homeowners responded to the notification. Confirmations and payments have been received from five homeowners; Henry Jen is following up with one regarding their plans regarding installation.
- Hawkseye is a local tower vendor used by the Receiver to install/maintain their internet towers; this vendor is now being asked to also do antenna internet installation because of his expertise.
- **Homeowners need to go through the Receiver for Internet Antenna equipment purchase because of the PUC Registration issue:**
 1. The Receiver does not have an internet reseller permit; therefore, homeowners are currently using the Receiver's network.
 2. Equipment is being standardized by the Receiver in order to assure everything can be monitored remotely.
 3. An installation waitlist is being maintained; it is necessary to track the number of homeowners who are on the network in order to monitor bandwidth and service status.
 - **Homeowners wishing to be on the Installation Waitlist should contact Henry Jen at: hjen@ROBBEVANS.COM**

Kanantik Expenses

- Accounting is separate for SBE and Kanantik.
- The Receiver paid the Kanantik current employee net payroll of \$2,676.40.
- It appears there is still an outstanding payroll and payroll taxes of about US \$25,000.00; the Receiver is currently reviewing and reconciling the information they have received before making any additional disbursements.
- Kanantik has no funds at this time; monies are currently being advanced from SBE for payments due. All advanced funds will be repaid to SBE when Kanantik assets are liquidated.

The meeting was adjourned at 3:15pm EST.