

UNITED STATES DISTRICT COURT  
DISTRICT OF MARYLAND  
SOUTHERN DIVISION

*In re* SANCTUARY BELIZE LITIGATION

No: 18-cv-3309-PJM

**MOTION FOR ORDER APPROVING AND AUTHORIZING PAYMENT OF RECEIVER’S AND PROFESSIONAL’S FEES AND COSTS FROM OCTOBER 1, 2019 THROUGH MARCH 31, 2020; MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT THEREOF [SUPPORTING DECLARATIONS OF BRICK KANE AND GARY OWEN CARIS FILED CONCURRENTLY HEREWITH]**

The Receiver Robb Evans & Associates LLC (“Receiver”), the Receiver appointed as permanent receiver pursuant to, among other orders, the Preliminary Injunction as to Defendants Andris Pukke, Peter Baker, Luke Chadwick, John Usher, Certain Corporate Defendants, and the Estate of John Pukke (Doc. 615), hereby moves the Court for an order approving and authorizing payment of receivership fees and costs for the six-month period from October 1, 2019 through March 31, 2020 (“Fourth Expense Period”). The Receiver specifically moves the Court for an order: (1) approving and authorizing for payment the fees of the Receiver, the Receiver’s members, staff and professionals, and reimbursement of costs, comprised of (a) Receiver’s fees, including the Receiver’s members and staff, of \$427,995.15 and Receiver’s

costs of \$57,863.69, for a total of \$485,858.84; and (b) Receiver's counsel Barnes & Thornburg LLP's fees of \$339,264.90 and costs of \$20,848.90, for a total of \$360,113.80.

Dated: May 19, 2020

By: /s/ Gary Owen Caris

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UNITED STATES DISTRICT COURT  
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No: 18-cv-3309-PJM

MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT OF MOTION  
FOR ORDER APPROVING AND AUTHORIZING PAYMENT OF RECEIVER'S  
AND PROFESSIONAL'S FEES AND COSTS FROM OCTOBER 1, 2019  
THROUGH MARCH 31, 2020

I. INTRODUCTION

This lawsuit was commenced on October 31, 2018 by the Federal Trade Commission (“FTC”) with its filing of a Complaint for Permanent Injunction and Other Equitable Relief (Doc. 1) (“Complaint”). The lawsuit named 17 entity defendants and seven individual defendants, in addition to five relief defendants. On November 5, 2018, the Court issued an Ex Parte Temporary Restraining Order With Asset Freeze, Writs *Ne Exeat*, Appointment of a Temporary Receiver, and Other Equitable Relief, and Order to Show Cause Why a Preliminary Injunction Should Not Issue (“TRO”). Under the TRO, the Receiver became temporary receiver over all entity defendants except for Atlantic International Bank, Ltd. (“AIBL”) and over the assets of Andris Pukke (“Pukke”) and Peter Baker (“Baker”) valued at \$1,000 or more. The Court extended the duration of the TRO pursuant to the Interim Preliminary Injunction on November 20, 2018.

The FTC filed a motion to amend the Complaint and a proposed Amended Complaint for Permanent Injunction and Other Equitable Relief (“Amended Complaint”) on December 28,

2018 (Doc. 87) adding Michael Santos and Newport Land Group, LLC (“NLG”) as defendants. The Court granted the motion to amend on January 11, 2019 (Doc. 107). On February 13, 2019 the Court entered a Stipulated Preliminary Injunction as to Defendants Rod Kazazi, Foundation Partners, Brandi Greenfield, BG Marketing LLC, Frank Costanzo, Deborah Connelly, Ecological Fox LLC, Michael Santos, Angela Chittenden, and Beach Bunny Holdings LLC (Doc. 195) (“Stipulated Preliminary Injunction”). Under the Stipulated Preliminary Injunction, the Receiver remained as receiver over the stipulating Receivership Entities BG Marketing, LLC, Ecological Fox, LLC, and Foundation Partners, and NLG was expressly added as a named Receivership Entity.<sup>1</sup>

On October 3, 2019, the Court issued the Preliminary Injunction as to Defendants Andris Pukke, Peter Baker, Luke Chadwick, John Usher, Certain Corporate Defendants, and the Estate of John Pukke (Doc. 615) (“Pukke Preliminary Injunction”). Under the Pukke Preliminary Injunction, the Receiver was named as permanent receiver over at least 16 Receivership Entities and over Pukke’s, Baker’s and Luke Chadwick’s (“Chadwick”) assets valued at \$1,000 or more.

On November 6, 2019, a Stipulated Order for Permanent Injunction and Monetary Judgment Against Defendants Frank Costanzo and Ecological Fox LLC and Relief Defendant Deborah Connelly (Doc. 668) (“Costanzo Stipulated Judgment”) was entered. Among other things, the Receiver remained as permanent receiver over Ecological Fox LLC under the Costanzo Stipulated Judgment. Subsequently, several other stipulated judgments were entered against various Defendants and Relief Defendants, each of which vested certain duties, powers and authority in the Receiver, including the Stipulated Order for Permanent Injunction and

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<sup>1</sup> The Receiver had already determined that NLG is a non-party Receivership Entity, in addition to previously determining that two other non-party entities, 2729 Bristol LLC and 3905 Marcus, LLC, are Receivership Entities, pursuant to Sections XVI.W and X of the TRO.

Monetary Judgment Against Defendant Michael Santos (“Santos Stipulated Judgment”) (Doc. 820). *See also* Docs. 788, 789 and 819.

Pursuant to Section XXIII of the TRO, Section XXIII of the Stipulated Preliminary Injunction, Section XXII of the Pukke Preliminary Injunction and Section IX of the Costanzo Stipulated Judgment, the Receiver is directed to file and serve on the parties periodic requests for the payment of reasonable compensation for the performance of its duties and for the cost of its out-of-pocket expenses from the assets of the receivership estate.

The Receiver filed its initial fee motion on April 5, 2019 (Doc. 400), covering the period from the inception of the receivership estate through January 31, 2019. The Court granted the Receiver’s motion in its entirety by Order entered on April 25, 2019 (Doc. 430). The Receiver filed its second fee motion on August 26, 2019 (Doc. 562) covering the period from February 1, 2019 through May 31, 2019. The Court granted the Receiver’s second fee motion in its entirety by Order entered on August 30, 2019 (Doc. 567). The Receiver filed its third fee motion on November 26, 2019 (Doc. 722) covering the period from June 1, 2019 through September 30, 2019. The Court granted the Receiver’s third fee motion in its entirety by Order entered on December 16, 2020 (Doc. 748).

This Motion is the fourth request for an order approving and authorizing payment of the fees and costs incurred by the Receiver and its counsel, Barnes & Thornburg LLP (“Barnes & Thornburg”), covering the six-month period from October 1, 2019 through March 31, 2020 (“Fourth Expense Period”).

As evidenced by the detailed billing records which accompany the declaration of Brick Kane (“Kane Declaration”) in support of the Motion, marked collectively as Exhibit 2 to the Kane Declaration, and by the detailed billing records which accompany the declaration of Gary

Owen Caris (“Caris Declaration”) in support of the Motion, marked collectively as Exhibit 1 to the Caris Declaration, and as discussed in greater detail below, the receivership continues to be extremely challenging and time consuming for the Receiver and its counsel.

During the Fourth Expense Period, the Receiver focused extensively on the administration and management of the real estate development project in Belize known as the Reserve in order to preserve that asset. The Receiver managed and worked closely with the Reserve Consumer Committee on a myriad of operational issues. It also had extensive communications with Reserve lot owners concerning a variety of issues affecting the owners. It worked closely with authorities in Belize to assist lot owners who had fully paid for their lots to obtain title to their properties. Three members of the Receiver’s team traveled to Belize in October 2019 and one member returned to Belize in December 2019 to address these issues, as more fully discussed below.

The Receiver continued to develop and implement strategies for the preservation and monetization of several assets of the receivership estate. Through these efforts, in conjunction with the efforts of its counsel and the stipulated judgments negotiated by the FTC with various of the Defendants and Relief Defendants, the Receiver was able to bring funds into the receivership estate during the Fourth Expense Period totaling \$1,504,297.98. On April 28, 2020, four weeks after the end of the Fourth Expense Period, the Receiver closed its third large California real estate transaction in this receivership, resulting in the recovery of an additional \$320,000. An additional \$75,000 has been collected from Gordon Barienbrock (“Barienbrock”) pursuant to a

settlement with him that is pending Court approval.<sup>2</sup> Not including the Barienbrock funds, since the inception of the receivership through April 30, 2020 the Receiver has successfully collected cash and monetized assets of the receivership estate in excess of \$8.32 million. This figure does not include \$27,112,000 in funds received in the aggregate from Relief Defendant John Vipulis and from stipulating Defendant AIBL.

During the Fourth Expense Period, Barnes & Thornburg worked on a number of assignments to assist the Receiver in discharging its duties. As discussed below, these included numerous activities in connection with the collection and liquidation of receivership assets. This included entering into numerous settlements with various third parties to recover money and other assets for the benefit of the receivership estate; undertaking discovery geared at recovering other assets; and preparing numerous settlement documents, motions and pleadings to assist the Receiver in performing its duties and to advance the interests of the receivership estate.

The services rendered by the Receiver and its counsel are summarized separately below, discussed in the accompanying declarations of Kane and Caris, and described in the detailed billing records attached as exhibits to those declarations.

## **II. SUMMARY OF THE RECEIVER'S SERVICES AND ACTIVITIES DURING THE FOURTH EXPENSE PERIOD**

The Receiver seeks payment of the Receiver's fees and costs summarized in the Receivership Administrative Expenses and Fund Balance spreadsheet ("Financial Summary") attached as Exhibit 1 to the Kane Declaration in support of this Motion, together with the

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<sup>2</sup> Among other provisions, that settlement calls for Barienbrock to pay \$100,000 for the acquisition of the receivership estate's one-half interest in a boat in three installment payments; the \$75,000 represents the first two payments, of which \$50,000 was received during the Fourth Expense Period.

detailed billing records of the Receiver, attached to the Kane Declaration collectively as Exhibit 2.<sup>3</sup> During the Fourth Expense Period, the Receiver has incurred fees for the Receiver's members and staff of \$427,995.15. The Receiver's costs during the Fourth Expense Period total \$57,863.69 and are detailed in the Financial Summary.

A. Management of the Reserve

The Receiver continued dealing with complex, challenging and time consuming issues related to a host of financial and operational issues facing the Reserve and the lot owners at the Reserve. This included issues pertaining to land taxes, payroll, payables, Marina repair, Beach Club operations, the gas station and mini mart run by a third party at the Reserve, debris removal and brush clearance, the equestrian center and care for horses at the Reserve, electric meter billing charges, problems with internet service, and refurbishment of beach tents. The Receiver also addressed the Reserve's environmental compliance plan and searched for a new Environmental Compliance Manager. The Receiver prepared a bid request for repair of the defective seawall and researched potential repair firms. It entered into a contract with a new internet provider. In March 2020, the Receiver addressed issues related to the COVID-19 pandemic as it related to the Reserve.

The Receiver also had to address numerous problems and questions regarding property title issues, including issues pertaining to ownership, lot sizes, and legal descriptions of various property within the Reserve, including in Bamboo Springs and Laguna Palms. It obtained engineering and survey work to understand legal description discrepancies. It extensively addressed land tax amnesty payments with Belize authorities and lot owners. The Receiver also

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<sup>3</sup> As explained in the Caris declaration, the bills have been redacted where appropriate to preserve confidential, sensitive, tactical, strategic, attorney-client privileged and/or attorney work-product information.



analyzed the potential transfer of real and personal property and contracts from Eco Futures Belize to Sittee River Wildlife Reserve (“SRWR”).

The Receiver undertook a substantial amount of work in an effort to assist lot owners who had paid in full for their lots in getting title from the Central Bank of Belize (“Central Bank”). This included conducting a thorough forensic review and analysis of bank records as well as a reconstruction of accounting records to submit data to the Central Bank. The Receiver’s team also extensively researched electronic records concerning lot owner information, payment history and property descriptions. Three members of the Receiver’s team met with representatives of the Central Bank during its trip to Belize in October 2019 and another representative of the Receiver met with the Belize Land Commission during a trip to Miami in March 2020.

The Receiver regularly communicated with on-site management at the Reserve and the Receiver’s Belize counsel over these and other issues. The Receiver continued to communicate extensively with numerous lot purchasers regarding many issues, including title transfer and ownership issues, interim plans for the Reserve, repair, maintenance, development, and security.

The Receiver continued to work closely with the Consumer Committee formed pursuant to the Court’s Interim Reserve Management Order. It set the agenda for, scheduled and chaired five monthly meetings of the Consumer Committee, four telephonic meetings and one in-person meeting held in Washington D.C. on the eve of trial in January 2020. In addition to addressing many of the items described above, the Receiver assisted the Consumer Committee in reviewing draft revisions to the SRWR’s Articles of Association and SRWR’s Restrictive Covenants, Conditions and Easements (“RCCEs”), and making suggested revisions to the drafts. The Receiver also prepared drafts of the Consumer Committee minutes and assisted in finalizing the

minutes.

In October 2019, as noted above, three members of the Receiver's team traveled to Belize to address some of these issues. The Receiver toured the Reserve and met with numerous parties, include its Belize counsel, representatives of the Central Bank, Reserve staff and lot owners, and a person with experience with the Belize Land Commission. In December 2019, one member of the Receiver's office returned to Belize for the purpose of addressing many of the issues described above. He met with staff at the Reserve, addressed title, survey and development issues, met with the prospective new internet provider, assessed the condition of the internet tower and beach tents, and interviewed applicants for the position of Environmental Compliance Manager. He also toured the Reserve and model homes and met with the Receiver's Belize counsel. In March 2020, another member of the Receiver's team traveled to Miami, Florida and met with representatives of the Belize Land Commission and the FTC to address title transfer and related issues.

B. Asset Preservation and Sales

The Receiver, in connection with its counsel, Barnes & Thornburg, continued to preserve the value of receivership assets and aggressively take steps to liquidate receivership assets at market value as appropriate.

During the prior expense period, the Receiver worked with its counsel in successfully seeking Court approval to market the property at 3995 Marcus Avenue, Newport Beach, California ("Marcus Property") and obtained a full-value offer on the property. During the Fourth Expense Period, the Court granted the Receiver's motion to sell the property. The Receiver assisted its counsel to facilitate a prompt closing of the Marcus Property sale transaction. Escrow successfully closed, resulting in \$512,215.37 in net sale proceeds for the

receivership estate.

The Receiver has continued to assert control over the property located at 104 Kings Place, Newport Beach, California (“Kings Place Property”), held in the name of the AAC Family HYCET Trust Dated 10/7/15 (“AAC Trust”),<sup>4</sup> but which is specifically identified as an asset of the receivership estate in the TRO and Preliminary Injunction. Pursuant to the Stipulated Order for Final Judgment Against Relief Defendants Angela Chittenden and Beach Bunny Holdings LLC (Doc. 819) (“Chittenden Stipulated Judgment”), the Kings Place Property has become an undisputed asset of the receivership estate. As discussed in the Receiver’s first three fee motions, the AAC Trust entered into a post-TRO lease/purchase option agreement on the property without the Receiver’s knowledge or permission. Starting in May 2019 and continuing through the end of the Fourth Expense Period, the lessee has made substantial lease and purchase option payments to the Receiver in the total amount of \$775,000. The Receiver has continued to negotiate extensively with the lessee about an accelerated acquisition of the property at a modified price. During the Fourth Expense Period, the Receiver, with its counsel, also continued to address various insurance claims on the Kings Place Property as a result of issues pertaining to the property’s slope and soil, and water damage. During this period, it also took steps to address air conditioning repair issues.

The Receiver continued to address and attempt to maximize value for the property at 2729 Bristol Street, Costa Mesa, California (“Bristol Property”). Prior to the Fourth Expense Period, the Receiver’s counsel developed legal theories concerning the Bristol Property and negotiated with counsel for the former owner of the Bristol Property who holds a purchase

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<sup>4</sup> The AAC Trust is a purported asset protection trust for the benefit of the minor children of Pukke and Chittenden. AAC are Chittenden’s initials. HYCET stands for “have your cake and eat it too.”

money first trust deed on the property. An agreement in principal with the former owner was reached, but could not be consummated as a result of the former owner's inability to obtain title insurance from the title insurer which insured the prior sale transaction. During the Fourth Expense Period, the Receiver addressed maintenance and repair issues on the Bristol Property while its counsel continued to attempt to complete a settlement with the Bristol Property's former owner. The Receiver, through counsel, successfully consummated a settlement with the Bristol Property's former owner during the Fourth Expense Period and the settlement was approved by the Court in the Fourth Expense Period. On April 28, 2020, four weeks after the end of the Fourth Expense Period, escrow closed on the transaction and the receivership estate received a payment of \$320,000 in connection with the Bristol Property transaction. This was an excellent result for the estate given that the former owner's lien on the Bristol Property exceeded the fair market value of the property.

Pursuant to the Santos Stipulated Judgment, Michael Santos's interest in five parcels of real property was assigned to the Receiver for liquidation. For each of the five properties, the Receiver had to analyze the ownership structure, the status of liens and encumbrances, whether the property was rented, and whether the tenants were performing under the lease. The properties posed challenges because Michael Santos's wife had a joint tenancy or community property interest in each of the properties and because Michael Santos and his wife had made and delivered second trust deed liens on each of the properties to one of two individuals at or about the time the Court issued an asset freeze against Michael Santos in January 2019. As described below, the Receiver, with counsel's assistance, entered into a settlement with Lee Nobmann ("Nobmann"), one of the second trust deed holders, pursuant to which the Receiver obtained \$350,000 in exchange for the assignment of the Receiver's interest in the five properties to

Nobmann. This was another favorable settlement for the receivership estate given the values of the properties and the challenges facing the Receiver.

C. General Operational Work

The Receiver undertook work in prospective preparation of a claims allowance and payment procedure. In addition, Brick Kane was asked by the FTC to prepare for, appear and testify at trial. Kane testified in January 2020 shortly after the inception of the trial. The Receiver scheduled the in-person meeting of the Consumer Committee in Washington D.C. on the eve of trial so as to avoid multiple trips to the East Coast, and also held a meeting in Greenbelt at that time with a lot owner with electronic security expertise to address issues relevant to potential electronic voting that may be required of lot owners and other potential claimants in the receivership.

The Receiver also prepared the financial materials provided to the Court in connection with its third fee application. It also continued to handle traditional receivership operational matters, including maintaining and updating the accounting and financial records of the receivership estate, utilizing and overseeing vendors to preserve and maintain receivership assets, and processing payables.

Despite the wide-ranging and complex nature of this receivership, the Receiver's work has been extremely beneficial and cost-effective to the estate. As noted above, the Receiver has collected \$1,504,297.98 during the Fourth Expense Period, not including \$23 million obtained from AIBL, \$320,000 recently obtained from the sale of the Bristol Property and \$75,000 in payments from Barienbrock held pending Court approval of the Receiver's settlement with him.

**III. SUMMARY OF THE RECEIVER'S COUNSEL'S SERVICES AND ACTIVITIES DURING THE FOURTH EXPENSE PERIOD**

The Receiver also seeks payment of its counsel's fees and expenses summarized in the Financial Summary, Exhibit 1 to the Kane Declaration, and set forth in the detailed billing records of Barnes & Thornburg, attached collectively as Exhibit 1 to the Caris Declaration. During the Fourth Expense Period, the Receiver incurred fees to Barnes & Thornburg of \$339,264.90 and costs of \$20,848.90, for a total of \$360,113.80.

A. Monetizing Assets

Barnes & Thornburg rendered extensive services during the Fourth Expense Period to assist in monetizing assets for the benefit of the receivership estate. Counsel finalized and filed a successful motion for an order approving and confirming the Marcus Property sale, generating \$512,215.37 for the estate, which was received in November 2019.

During the Fourth Expense Period, counsel was able to resurrect the comprehensive settlement agreement with the former owner of the Bristol Property by locating an alternative title insurer to insure the settlement transaction. It revised the settlement documentation and prepared a successful motion to approve the settlement. The transaction closed on April 28, 2020, shortly after the end of the Fourth Expense Period, resulting in a payment of \$320,000 to the receivership estate.

Barnes & Thornburg took an active role in addressing the real property co-owned by Michael Santos which was assigned to the Receiver under the Santos Judgment. It reviewed the documents regarding the last-minute second trust deed loans given by Michael Santos and his wife to two private parties, one of which was Nobmann. It developed strategies with the Receiver to take control of the five properties. This included the preparation of five Notices of

Pending Action (Lis Pendenses) and five Requests for Notice under California Civil Code section 2924b pursuant to which lenders have to notify parties in interest of any pending foreclosure activity. It also developed legal theories pursuant to which it could avoid the second trust deed liens, if necessary, and utilized those theories when successfully negotiating a resolution with Nobmann. After reaching a settlement in principal with Nobmann, Barnes & Thornburg drafted the settlement agreement and filed a successful motion for an order approving the settlement. The settlement was approved shortly after the end of the Fourth Expense Period, but counsel for the Receiver had negotiated for the \$350,000 payment to be made to the Receiver pending Court approval and the Receiver took possession of the \$350,000 settlement payment during the Fourth Expense Period.

Pursuant to the Stipulated Order for Permanent Injunction and Monetary Judgment Against Atlantic International Bank Limited (Doc. 607) (“AIBL Judgment”), counsel continued to revise and negotiate the terms of a comprehensive assignment pursuant to Section IV.C of the AIBL Judgment which provides that various assets of AIBL are to be assigned to the Receiver. In March 2020, the Assignment Agreement was finalized and executed by AIBL’s Liquidator after extensive negotiations and revisions between the Receiver and the Liquidator, through their respective counsel.

The AIBL Judgment also provided for the turnover to the Receiver of \$23 million held in three different banks. Barnes & Thornburg, with the assistance of the Receiver and the FTC, took steps to ensure that these payments were made to the Receiver. During the Fourth Expense Period, \$23 million was turned over by AIBL to the Receiver as required by the AIBL Judgment.

The FTC took the lead in negotiating settlements with two creditors of the Reserve and another real property development in Belize known as Kanantik: Barienbrock and Violette

Mathis (“Mathis”). Mathis also holds several ownership interests in Kanantik-related companies.<sup>5</sup> Barnes & Thornburg was actively involved in negotiating these settlements. It conferred extensively with the FTC and, along with the Receiver, attended a settlement meeting with Barienbrock and his counsel. It also conferred extensively with counsel for Mathis and the FTC about her settlement. Counsel for the Receiver took the lead in drafting both settlement agreements and the Certifications of Trust which accompanied each of the settlement agreements. Prior to preparing the settlement agreements, counsel reviewed extensive documentation pertinent to the settlement. Both settlements were completed in March 2020, during the Fourth Expense Period. A motion to approve this settlement was prepared and filed after the Fourth Expense Period and is pending before the Court.

B. Discovery

In the prior expense period, the Receiver’s counsel prepared two deposition subpoenas and two document production requests for Jorge Diaz-Cueto (“Diaz-Cueto”), individually and as president of Bella Mar Estates, Ltd. (“Bella Mar”), to investigate the facts and circumstances surrounding the Receivership Entities’ acquisition of land in the Bahamas. Diaz-Cueto asserts that this property is no longer property of the receivership estate as a result of non-payment to the vendor under a purchase money sales contract. In December 2019, counsel for the Receiver deposed Diaz-Cueto in Miami, Florida. During the deposition, the Receiver determined and Diaz-Cueto acknowledged that substantial additional documents were required to be produced. Diaz-Cueto also refused to answer questions about the ultimate disposition of \$1,065,000 paid by the Receivership Entities for the acquisition of the Bahamas property. The Receiver was forced

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<sup>5</sup> Much of Barienbrock’s interests are held in his family trust. Much of Mathis’s interests are held in her family trust or CVM Corporation, wholly owned by the family trust.



to bring a motion in the Southern District of Florida seeking to alternatively transfer the discovery dispute to this Court or compel Diaz-Cueto to answer the questions he refused to answer at the deposition. Barnes & Thornburg, also filed a response to the opposition and filed a successful opposition to a request for late-filed additional briefing. In March 2020, the Court in Florida denied the motion to transfer the matter to this Court but granted the motion to compel Diaz-Cueto to answer all questions pertaining to the disposition of the \$1,065,000. The Receiver intends to take the deposition of Diaz-Cueto as soon as possible once COVID-19 travel and other restrictions are lifted. Additional documents were produced by Diaz-Cueto and Bella Mar and reviewed in March 2020, but they too proved incomplete. The Receiver's counsel has continued through the end of the Fourth Expense Period and beyond to address these document production issues.

C. Other Litigation Work and Insurance Work

During the Fourth Expense Period, Barnes & Thornburg prepared and filed the successful third fee motion. It prepared an opposition to Pukke's unsuccessful motion to release funds and to Michael Santos's unsuccessful motion requesting \$30,000 from the receivership estate. Counsel for the Receiver also participated in the FTC's pre-trial preparation regarding Kane's testimony, and attended the trial during the period in which Kane testified. While in Greenbelt, the Receiver's counsel also attended the in-person meeting of the Consumer Committee held in Washington D.C. on the eve of trial.

Finally, counsel for the Receiver continues to take a primary role in negotiating the Receiver's insurance claims surrounding water damage affecting the Kings Place Property as it relates to slope and soil issues. It has taken the lead in negotiations to compel the insurance carrier to make payments for testing and repair as required by under the insurance contract.

Barnes & Thornburg, utilizing its Washington, D.C. office, also has acted as local counsel through James Van Horn to facilitate the service and filing of pleadings and assist Caris as necessary to ensure compliance with local practice and procedure.

**IV. THE FEES AND COSTS OF THE RECEIVER AND ITS COUNSEL ARE REASONABLE AND SHOULD BE PAID AS REQUESTED**

It is a fundamental tenet of receivership law that expenses of administration incurred by the receiver, including those of the receiver, his counsel and others employed by him, constitute priority expenses for which compensation should be paid from the assets of the receivership. As explained in the leading treatise *Clark on Receivers*:

The obligations and expenses which the court creates in its administration of the property are necessarily burdens on the property taken possession of, and this, irrespective of the question who may be the ultimate owner, or who may have the preferred lien, or who may invoke the receivership. The appointing court pledges its good faith that all duly authorized obligations incurred during the receivership shall be paid.

2 Clark, Ralph Ewing, *A Treatise on the Law and Practice of Receivers* § 637, p. 1052 (3rd ed. Rev. 1992).

The Receiver is an officer of the Court charged with a myriad of duties under the Court's orders, many of which have no relationship to recovery of assets or increasing the funds available for distribution to creditors. Because of the nature of the administrative and other services required in receiverships, the benefit a receiver confers on receivership property cannot be determined based solely on the increase or decrease in the value of property in the receiver's

possession. As the Court explained in *Securities and Exchange Commission v. Elliott*, 953 F. 2d 1560, 1577 (11th Cir. 1992):

[I]t is sometimes difficult to ascertain what type of benefits a receiver has bestowed on receivership property . . . . [A] benefit to a secured party may take more subtle forms than a bare increase in monetary value. Even though a receiver may not have increased, or prevented a decrease in, the value of the collateral, if a receiver reasonably and diligently discharges his duties, he is entitled to compensation. [Citations omitted.]

*Securities and Exchange Commission v. Elliott*, 953 F. 2d at 1577.

The Court has broad discretion in determining the reasonableness of fees to be awarded a receiver. See *In re San Vicente Medical Partners Ltd.*, 962 F. 2d 1402, 1409-1410 (9th Cir. 1992). The Court may evaluate the time and effort expended by the Receiver with respect to specific projects and aspects of the administration of the estate, and may look to a number of different factors under the case law in approving receiver's and counsel's fees. *In re San Vicente Medical Partners Ltd.*, 962 F. 2d at 1409-1410.

The Receiver and its professionals have performed extensive and wide-ranging tasks during the Fourth Expense Period in this complex receivership proceeding. This motion establishes that the Receiver, its members, staff and professionals rendered important and necessary services for the receivership estate during the Fourth Expense Period that were highly beneficial to the estate and which has led to the successful recovery of \$1,504,297.98 during the period, not including \$23 million turned over by AIBL pursuant to the AIBL Judgment, \$75,000 paid by Barienbrock pending Court approval of the Barienbrock settlement, and \$320,000 paid

shortly after the Fourth Expense Period as a result of the Bristol Property settlement with its former owner. The Receiver submits the fees are reasonable in light of the services rendered, and that the fees and expenses requested should be awarded in their entirety. *See Federal Trade Commission v. Capital Acquisitions & Management Corp.*, 2005 U.S. Dist. LEXIS 18504 (N.D. Ill. August 26, 2005). Currently, the Receiver has on hand over \$7.5 million, which is available to pay the fees and costs requested for payment pursuant to this Motion.

V. **CONCLUSION**

Based on the Motion, this Memorandum of Points and Authorities, the supporting declarations of Brick Kane and Gary Owen Caris, along with the exhibits attached thereto, it is respectfully requested that the Court grant the Motion in its entirety, and approve and authorize for payment the fees and expenses of the Receiver and its counsel as set forth herein.

Dated: May 19, 2020

By: /s/ Gary Owen Caris

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UNITED STATES DISTRICT COURT  
DISTRICT OF MARYLAND  
SOUTHERN DIVISION

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**DECLARATION OF BRICK KANE IN SUPPORT OF MOTION FOR  
ORDER APPROVING AND AUTHORIZING PAYMENT OF RECEIVER'S AND  
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MARCH 31, 2020**

I, Brick Kane, declare:

1. I am the President of Robb Evans & Associates LLC (“Receiver”), the receiver in this action. This lawsuit was commenced on October 31, 2018 by the Federal Trade Commission (“FTC”) with its filing of a Complaint for Permanent Injunction and Other Equitable Relief (“Complaint”). The lawsuit named 17 entity defendants and seven individual defendants, in addition to five relief defendants. The Court issued the Ex Parte Temporary Restraining Order With Asset Freeze, Writs *Ne Exeat*, Appointment of a Temporary Restraining Order and Other Equitable Relief, and Order to Show Cause Why a Preliminary Injunction Should Not Issue (“TRO”) on November 5, 2018. Under the TRO, the Receiver became temporary receiver over all entity defendants except for Atlantic International Bank, Ltd. (“AIBL”) and over the assets of Andris Pukke (“Pukke”) and Peter Baker (“Baker”) valued at \$1,000 or more. The Court extended the duration of the TRO pursuant to an Extension of Temporary Restraining Order and Interim Preliminary Injunction on November 20, 2018. The FTC filed a motion to amend the Complaint and a proposed Amended Complaint for Permanent Injunction and Other Equitable Relief (“Amended Complaint”) on December 28, 2018 adding Michael Santos and Newport

Land Group, LLC (“NLG”) as defendants. The Court granted the motion to amend on January 11, 2019. On February 13, 2019 the Court entered a Stipulated Preliminary Injunction as to Defendants Rod Kazazi, Foundation Partners, Brandi Greenfield, BG Marketing LLC, Frank Costanzo, Deborah Connelly, Ecological Fox LLC, Michael Santos, Angela Chittenden, and Beach Bunny Holdings LLC (“Stipulated Preliminary Injunction”). Under the Stipulated Preliminary Injunction, the Receiver remained as receiver over the stipulating Receivership Entities BG Marketing, LLC, Ecological Fox, LLC, and Foundation Partners, and NLG was expressly added as a named Receivership Entity. On October 3, 2019, the Court issued the Preliminary Injunction as to Defendants Andris Pukke, Peter Baker, Luke Chadwick, John Usher, Certain Corporate Defendants, and the Estate of John Pukke (“Pukke Preliminary Injunction”). Under the Pukke Preliminary Injunction, the Receiver was named as permanent receiver over at least 16 Receivership Entities and over Pukke’s, Baker’s and Luke Chadwick’s (“Chadwick”) assets valued at \$1,000 or more. On November 6, 2019, a Stipulated Order for Permanent Injunction and Monetary Judgment Against Defendants Frank Costanzo and Ecological Fox LLC and Relief Defendant Deborah Connelly (“Costanzo Stipulated Judgment”) was entered. Among other things, the Receiver remained as permanent receiver over Ecological Fox LLC under the Costanzo Stipulated Judgment. Subsequently, several other stipulated judgments were entered against various Defendants and Relief Defendants, each of which vested certain duties, powers and authority in the Receiver, including the Stipulated Order for Permanent Injunction and Monetary Judgment Against Defendant Michael Santos (“Santos Stipulated Judgment”).

2. I have been one of the members of Robb Evans & Associates LLC primarily responsible for the supervision, management and administration of the receivership estate, the

Receiver's taking possession and control of the business and operations of the Receivership Entities, as defined in the TRO, Stipulated Preliminary Injunction and Pukke Preliminary Injunction, the review and investigation of the business, operations and assets of the Receivership Entities and the individuals whose assets are under receivership, and the Receiver's exercise of the other powers and duties set forth in the TRO, Stipulated Preliminary Injunction Pukke Preliminary Injunction, Santos Stipulated Judgment and other judgments that have been entered in this case. I have been involved in the Receiver's ongoing review and detailed analysis of the Receivership Entities' financial records, banking records, and other business records and files. I was personally involved in the preparation and review of the Receiver's Report of Activities for the Period From November 6, 2018 to February 21, 2019 ("First Report") filed on February 22, 2019 and the Receiver's Second Court Report Dated July 2, 2019 ("Second Report"). I have personal knowledge of the matters set forth in this declaration and if I were called upon to testify as to these matters I could and would competently testify thereto based on my personal knowledge.

3. The Receiver seeks payment of the Receiver's fees and costs summarized in the Receivership Administrative Expenses and Fund Balance spreadsheet ("Financial Summary") attached hereto as Exhibit 1. The fees are set forth in the detailed billing records of the Receiver, attached collectively hereto as Exhibit 2, for the six-month period from October 1, 2019 through March 31, 2020 ("Fourth Expense Period"). During the Fourth Expense Period, the Receiver has incurred fees for the Receiver, including the Receiver's members and staff, of \$427,995.15. The Receiver's costs during the Fourth Expense Period total \$57,863.69 and are detailed in the Financial Summary.

4. During the Fourth Expense Period, the Receiver focused extensively on the administration and management of the real estate development project in Belize known as the Reserve in order to preserve that asset. The Receiver managed and worked closely with the Reserve Consumer Committee on a myriad of operational issues. It also had extensive communications with Reserve lot owners concerning a variety of issues affecting the owners. It worked closely with authorities in Belize to assist lot owners who had fully paid for their lots to obtain title to their properties. Three members of the Receiver's team traveled to Belize in October 2019 and one member returned to Belize in December 2019 to address these issues, as more fully discussed below. The Receiver also continued to develop and implement strategies for the preservation and monetization of several assets of the receivership estate. Through these efforts, in conjunction with the efforts of its counsel and the stipulated judgments negotiated by the FTC with several of the Defendants and Relief Defendants, the Receiver was able to bring funds into the receivership estate during the Fourth Expense Period totaling \$1,504,297.98. On April 28, 2020, four weeks after the end of the Fourth Expense Period, the Receiver closed its third large California real estate transaction in this receivership, resulting in the recovery of an additional \$320,000. An additional \$75,000 has been collected from Gordon Barienbrock ("Barienbrock") pursuant to a settlement with him that is pending Court approval. Among other provisions, that settlement calls for Barienbrock to pay \$100,000 for the acquisition of the receivership estate's one-half interest in a boat in three installment payments; the \$75,000 represents the first two payments, of which \$50,000 was received during the Fourth Expense Period. Not including the Barienbrock funds, since the inception of the receivership through April 30, 2020 the Receiver has successfully collected cash and monetized assets of the receivership estate in excess of \$8.32 million. This figure does not include \$27,112,000 in funds



received in the aggregate from Relief Defendant John Vipulis and from stipulating Defendant AIBL.

5. As evidenced by the detailed billing records which accompany this declaration, during the Fourth Expense Period the receivership continued to be extremely challenging and time consuming. The Receiver continued dealing with complex and challenging and issues related to a host of financial and operational issues facing the Reserve and the lot owners at the Reserve. This included issues pertaining to land taxes, payroll, payables, Marina repair, Beach Club operations, the gas station and mini mart run by a third party at the Reserve, debris removal and brush clearance, the equestrian center and care for horses at the Reserve, electric meter billing charges, problems with internet service, and refurbishment of beach tents. The Receiver also addressed the Reserve's environmental compliance plan and searched for a new Environmental Compliance Manager. The Receiver prepared a bid request for repair of the defective seawall and researched potential repair firms. It entered into a contract with a new internet provider. In March 2020, the Receiver addressed issues related to the COVID-19 pandemic as it related to the Reserve.

6. The Receiver also had to address numerous problems and questions regarding property title issues, including issues pertaining to ownership, lot sizes, and legal descriptions of various property within the Reserve, including in Bamboo Springs and Laguna Palms. It obtained engineering and survey work to understand legal description discrepancies. It extensively addressed land tax amnesty payments with Belize authorities and lot owners. The Receiver also analyzed the potential transfer of real and personal property and contracts from Eco Futures Belize to Sittee River Wildlife Reserve ("SRWR").

7. The Receiver undertook a substantial amount of work in an effort to assist lot owners who had paid in full for their lots in getting title from the Central Bank of Belize (“Central Bank”). This included conducting a thorough forensic review and analysis of bank records as well as a reconstruction of accounting records to submit data to the Central Bank. The Receiver’s team also extensively researched electronic records concerning lot owner information, payment history and property descriptions. M. Val Miller, Henry Jen and I met with representatives of the Central Bank during our trip to Belize in October 2019 and Kenton Johnson met with the Belize Land Commission during a trip to Miami in March 2020.

8. The Receiver regularly communicated with on-site management at the Reserve and the Receiver’s Belize counsel over these and other issues. The Receiver continued to communicate extensively with numerous lot purchasers regarding many issues, including title transfer and ownership issues, interim plans for the Reserve, repair, maintenance, development, and security.

9. The Receiver continued to work closely with the Consumer Committee formed pursuant to the Court’s Interim Reserve Management Order. It set the agenda for, scheduled and chaired five monthly meetings of the Consumer Committee, four telephonic meetings and one in-person meeting held in Washington D.C. on the eve of trial in January 2020. In addition to addressing many of the items described above, the Receiver assisted the Consumer Committee in reviewing draft revisions to the SRWR’s Articles of Association and SRWR’s Restrictive Covenants, Conditions and Easements (“RCCEs”), and making suggested revisions to the drafts. The Receiver also prepared drafts of the Consumer Committee minutes and finalized the minutes.

10. As noted above, in October 2019, along with M. Val Miller and Henry Jen, I traveled to Belize to address some of the issues facing the Reserve and its lot owners. We toured the Reserve and met with numerous parties, include its Belize counsel, representatives of the Central Bank, Reserve staff and lot owners, and a person with experience with the Belize Land Commission. In December 2019, Mr. Jen traveled back to Belize for the purpose of addressing many of the issues described above. He met with staff at the Reserve, addressed title, survey and development issues, met with the prospective new internet provider, assessed the condition of the internet tower and beach tents, and interviewed applicants for the position of Environmental Compliance Manager. He also toured the Reserve and model homes and met with the Receiver's Belize counsel. In March 2020, Kenton Johnson, another member of the Receiver's office, traveled to Miami, Florida and met with representatives of the Belize Land Commission and the FTC to address title transfer and related issues.

11. The Receiver, in connection with its counsel, Barnes & Thornburg, continued to preserve the value of receivership assets and aggressively take steps to liquidate receivership assets at market value as appropriate. During the prior expense period, the Receiver worked with its counsel in successfully seeking Court approval to market the property at 3995 Marcus Avenue, Newport Beach, California ("Marcus Property") and obtained a full-value offer on the property. During the Fourth Expense Period, the Court granted the Receiver's motion to sell the property. The Receiver assisted its counsel to facilitate a prompt closing of the Marcus Property sale transaction. Escrow successfully closed, resulting in \$512,215.37 in net sale proceeds for the receivership estate.

12. The Receiver has continued to assert control over the property located at 104 Kings Place, Newport Beach, California ("Kings Place Property"), held in the name of the AAC

Family HYCET Trust Dated 10/7/15 (“AAC Trust”), but which is specifically identified as an asset of the receivership estate in the TRO and Preliminary Injunction. Pursuant to the Stipulated Order for Final Judgment Against Relief Defendants Angela Chittenden and Beach Bunny Holdings LLC (“Chittenden Stipulated Judgment”), the Kings Place Property has become an undisputed asset of the receivership estate. As discussed in the Receiver’s first three fee motions, the AAC Trust entered into a post-TRO lease/purchase option agreement on the property without the Receiver’s knowledge or permission. Starting in May 2019 and continuing through the end of the Fourth Expense Period, the lessee has made substantial lease and purchase option payments to the Receiver in the total amount of \$775,000. The Receiver has continued to negotiate extensively with the lessee about an accelerated acquisition of the property at a modified price. During the Fourth Expense Period, the Receiver, with its counsel, also continued to address various insurance claims on the Kings Place Property as a result of issues pertaining to the property’s slope and soil, and water damage. During this period, it also took steps to address air conditioning repair issues.

13. The Receiver continued to address and attempt to maximize value for the property at 2729 Bristol Street, Costa Mesa, California (“Bristol Property”). Prior to the Fourth Expense Period, the Receiver’s counsel developed legal theories concerning the Bristol Property and negotiated with counsel for the former owner of the Bristol Property who holds a purchase money first trust deed on the property. An agreement in principal with the former owner was reached, but could not be consummated as a result of the former owner’s inability to obtain title insurance from the title insurer which insured the prior sale transaction. During the Fourth Expense Period, the Receiver addressed maintenance and repair issues on the Bristol Property while its counsel continued to attempt to complete a settlement with the Bristol Property’s

former owner. The Receiver, through counsel, successfully consummated a settlement with the Bristol Property's former owner during the Fourth Expense Period and the settlement was approved by the Court in the Fourth Expense Period. On April 28, 2020, four weeks after the end of the Fourth Expense Period, escrow closed on the transaction and the receivership estate received a payment of \$320,000 in connection with the Bristol Property transaction. I believe that this was an excellent result for the estate given that the former owner's lien on the Bristol Property exceeded the fair market value of the property.

14. Pursuant to the Santos Stipulated Judgment, Michael Santos's interest in five parcels of real property was assigned to the Receiver for liquidation. For each of the five properties, the Receiver had to analyze the ownership structure, the status of liens and encumbrances, whether the property was rented, and whether the tenants were performing under the lease. The properties posed challenges because Michael Santos's wife had a joint tenancy or community property interest in each of the properties and because Michael Santos and his wife had made and delivered second trust deed liens on each of the properties to one of two individuals at or about the time the Court issued an asset freeze against Michael Santos in January 2019. The Receiver, with counsel's assistance, entered into a settlement with Lee Nobmann ("Nobmann"), one of the second trust deed holders, pursuant to which the Receiver obtained \$350,000 in exchange for the assignment of the Receiver's interest in the five properties to Nobmann. I believe that this was another favorable settlement for the receivership estate given the values of the properties and the challenges facing the Receiver.

15. The Receiver continued to perform several other operational and administrative services. It undertook work in prospective preparation of a claims allowance and payment procedure. In addition, I was asked by the FTC to prepare for, appear and testify at trial. I

testified in January 2020 shortly after the inception of the trial. As noted above, the Receiver scheduled an in-person meeting of the Consumer Committee in Washington D.C. on the eve of trial so as to avoid multiple trips to the East Coast, and also scheduled and held a meeting in Greenbelt with a lot owner with electronic security expertise to address issues relevant to potential electronic voting that may be required of lot owners and other potential claimants in the receivership. The Receiver also prepared the financial materials provided to the Court in connection with its third fee application. It also continued to handle traditional receivership operational matters, including maintaining and updating the accounting and financial records of the receivership estate, utilizing and overseeing vendors to preserve and maintain receivership assets, and processing payables.

16. Despite the wide-ranging and complex nature of this receivership, the Receiver's work has been extremely beneficial and cost-effective to the estate. The Receiver has collected \$1,504,297.98 during the Fourth Expense Period, not including \$23 million obtained from AIBL, \$320,000 recently obtained from the sale of the Bristol Property and \$75,000 in payments from Barienbrock held pending Court approval of the Receiver's settlement with him.

17. The billing rates charged by the Receiver in this case reflected in the billing records filed in support of the Motion are discounted by 10% from the rates charged by the Receiver's firm in private sector cases as of the time of the Receiver's appointment in 2018. The Receiver will not raise its rates on this matter from the discounted rates in place as of 2018.

18. As the president of Robb Evans & Associates LLC, I am familiar with the methods and procedures used by the Receiver and its members, staff and employees to record the time spent rendering services to receivership estates over which Robb Evans and/or Robb Evans & Associates LLC have been appointed. The records attached hereto as Exhibit 2 are regularly

prepared by the members, staff and employees of the Receiver at or about the time of the services rendered and each of whom has a business duty to accurately record the information regarding their services set forth in these records. The records are reviewed by the Receiver's accounting staff or me and summarized in the Financial Summary, Exhibit 1 attached hereto. Based on my experience with Robb Evans & Associates LLC, I believe the Receiver's methods and procedures for recording and accounting for time and services for the receivership estates over which Robb Evans and/or Robb Evans & Associates LLC have been appointed are reliable and accurate.

19. I have worked for over 20 years with Robb Evans & Associates LLC and have been directly involved in the supervision, management and administration of over 90 federal equity receivership matters. Based on my experience, I believe the rates and amounts charged by the Receiver for the services rendered during the Fourth Expense Period are reasonable and appropriate based on the nature of the services rendered, the quality and amount of services provided, the complexity of this receivership estate and issues involved and other factors under the circumstances.

20. The receivership estate presently has over \$7.5 million which is available to pay the fees and costs requested for payment by the Receiver and its counsel.

I declare under penalty of perjury that the foregoing is true and correct and that this declaration was executed on May 18, 2020 at Alhambra, California.

  
BRICK KANE

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# EXHIBIT 1



	Previously Reported and Approved	Oct 19	Nov 19	Dec 19	Jan 20	Feb 20	Mar 20	10/1/19~ 3/31/20	TOTAL
<b>Corporate/Defendants' Assets</b>									
<b>Funds Turned Over</b>									
2729 Bristol LLC	3,729.22	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,729.22
3905 Marcus LLC	1,742.51	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,742.51
Belize Real Estate Affiliates	94.55	0.00	0.00	0.00	0.00	0.00	0.00	0.00	94.55
Buy International Inc	71,155.69	0.00	0.00	0.00	0.00	0.00	0.00	0.00	71,155.69
Cortez Properties LLC	21,290.93	0.00	0.00	0.00	0.00	0.00	0.00	0.00	21,290.93
Eco Future Belize Ltd	21,134.52	0.00	0.00	0.00	0.00	0.00	0.00	0.00	21,134.52
Eco Futures Development	286,935.30	0.00	0.00	0.00	0.00	0.00	0.00	0.00	286,935.30
Eco Futures Management Co. Ltd	1,576.15	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,576.15
Foundations Partners	67,559.34	0.00	0.00	0.00	0.00	0.00	0.00	0.00	67,559.34
Global Property Alliance Inc.	252,537.72	0.00	0.00	0.00	0.00	0.00	0.00	0.00	252,537.72
Newport Land Group LLC	3,757,345.09	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,757,345.09
Office & Petty Cash	1,527.38	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,527.38
Power Haus Marketing	42,141.82	0.00	0.00	0.00	0.00	0.00	0.00	0.00	42,141.82
Prodigy Management Group	0.32	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.32
Sanctuary Belize POA	347,347.56	0.00	0.00	0.00	0.00	0.00	0.00	0.00	347,347.56
Southern Belize Realty LLC	4.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4.50
<b>T total Funds Turned Over</b>	<b>4,876,122.60</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>4,876,122.60</b>
<b>Other Funds Collected</b>									
104 Kings Place Rent	460,000.00	52,500.00	52,500.00	52,500.00	52,500.00	52,500.00	52,500.00	315,000.00	775,000.00
AAC Family HYCET Trust	197,772.23	0.00	0.00	0.00	0.00	0.00	0.00	0.00	197,772.23
Bil tong Brand, LLC	2,592.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,592.00
Foundation Partners	8,452.17	0.00	0.00	0.00	0.00	0.00	0.00	0.00	8,452.17
Irvine Office Auction Proceeds	9,659.69	0.00	0.00	0.00	0.00	0.00	0.00	0.00	9,659.69
Lessor Refund	16,066.21	0.00	0.00	0.00	0.00	0.00	0.00	0.00	16,066.21
<b>Santos Properties</b>									
1807 Coastal Way Rent	0.00	0.00	0.00	0.00	0.00	4,000.00	3,000.00	7,000.00	7,000.00
14070 Falling Leaf Rd. Rent	0.00	0.00	0.00	0.00	0.00	1,200.00	1,200.00	2,400.00	2,400.00
17085 Birch Hill Rd. Rent	0.00	0.00	0.00	0.00	0.00	7,000.00	7,000.00	14,000.00	14,000.00
L. Nobmann Settlement	0.00	0.00	0.00	0.00	0.00	0.00	350,000.00	350,000.00	350,000.00
<b>Total Santos Properties</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>12,200.00</b>	<b>361,200.00</b>	<b>373,400.00</b>	<b>373,400.00</b>
<b>Sale - 1833 Port Barsmouth</b>	<b>862,413.63</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>862,413.63</b>
<b>Sale - 3905 Marcus Ave.</b>	<b>0.00</b>	<b>0.00</b>	<b>512,215.37</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>512,215.37</b>	<b>512,215.37</b>
<b>T total Other Funds Collected</b>	<b>1,556,955.93</b>	<b>52,500.00</b>	<b>564,715.37</b>	<b>52,500.00</b>	<b>52,500.00</b>	<b>64,700.00</b>	<b>413,700.00</b>	<b>1,200,615.37</b>	<b>2,757,571.30</b>
<b>Total Corporate/Defendants' Assets</b>	<b>6,433,078.53</b>	<b>52,500.00</b>	<b>564,715.37</b>	<b>52,500.00</b>	<b>52,500.00</b>	<b>64,700.00</b>	<b>413,700.00</b>	<b>1,200,615.37</b>	<b>7,633,693.90</b>

	Previously Reported and Approved	Oct 19	Nov 19	Dec 19	Jan 20	Feb 20	Mar 20	10/1/19~ 3/31/20	TOTAL
<b>Relief Defendants' Assets</b>									
A. Chittenden	150,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	150,000.00
Beach Bunny Holdings LLC	115,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	115,000.00
John Vipulis	4,112,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4,112,000.00
<b>Total Relief Defendants' Assets</b>	<b>4,377,000.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>4,377,000.00</b>
<b>Other Collections</b>									
G. Barlenbrock Family Trust	0.00	0.00	0.00	50,000.00	0.00	0.00	0.00	50,000.00	50,000.00
Interest Income	17,675.89	1,794.47	1,850.83	2,429.49	2,598.70	2,520.54	2,013.61	13,207.64	30,883.53
Online Wedding Solutions Inc.	176,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	176,000.00
Misc. Refunds	187.71	0.00	210.00	0.00	2,624.70	0.00	0.00	2,834.70	3,022.41
Remote.com Inc.	150,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	150,000.00
UNITED Check Card Refunds	451.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	451.00
<b>Total Other Collections</b>	<b>344,314.60</b>	<b>1,794.47</b>	<b>2,060.83</b>	<b>52,429.49</b>	<b>5,223.40</b>	<b>2,520.54</b>	<b>2,013.61</b>	<b>66,042.34</b>	<b>410,356.94</b>
<b>The Sanctuary Reserve- Misc</b>									
Beach Club Funds Received	2,172.41	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,172.41
Bill Allen Rent	0.00	2,250.00	0.00	1,125.00	1,125.00	0.00	475.00	4,975.00	4,975.00
Boat Charter Fees	0.00	0.00	0.00	600.00	600.00	750.00	0.00	1,950.00	1,950.00
Collection of Docking Fees	32,064.04	1,714.88	680.70	276.62	1,194.99	3,618.60	406.75	7,892.54	39,956.58
Collection for Logs/Materials	6,725.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6,725.00
Equipment Rental	0.00	200.00	0.00	0.00	0.00	0.00	0.00	200.00	200.00
Horse Back Riding Fees	315.80	0.00	0.00	0.00	0.00	0.00	0.00	0.00	315.80
Laundry Coin Collected	115.25	27.75	39.00	0.00	0.00	0.00	0.00	66.75	182.00
Lombak Villa Rent	0.00	0.00	0.00	0.00	1,000.00	0.00	0.00	1,000.00	1,000.00
Miscellaneous	0.00	0.00	0.00	87.93	0.00	0.00	250.00	337.93	337.93
Sale of Horses	0.00	0.00	0.00	0.00	0.00	1,000.00	0.00	1,000.00	1,000.00
Vehicle Cleaning Fees	5.00	0.00	0.00	0.00	0.00	10.00	0.00	10.00	15.00
Vehicle & Equipment Repairs	0.00	0.00	715.55	0.00	0.00	117.50	0.00	833.05	833.05
Visitor Rent	0.00	0.00	2,250.00	0.00	1,000.00	0.00	1,125.00	4,375.00	4,375.00
Waimea Villa Rent	3,070.32	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,070.32
<b>Total The Sanctuary Reserve- Misc</b>	<b>44,467.82</b>	<b>4,192.63</b>	<b>3,685.25</b>	<b>2,089.55</b>	<b>4,919.99</b>	<b>5,496.10</b>	<b>2,256.75</b>	<b>22,640.27</b>	<b>67,108.09</b>
<b>Total Funds Collected</b>	<b>11,198,860.95</b>	<b>58,487.10</b>	<b>570,461.45</b>	<b>107,019.04</b>	<b>62,643.39</b>	<b>72,716.64</b>	<b>417,970.36</b>	<b>1,289,297.98</b>	<b>12,488,158.93</b>

Expenses	Previously Reported and Approved	Oct 19	Nov 19	Dec 19	Jan 20	Feb 20	Mar 20	10/1/19~3/31/20	TOTAL
<b>Corporate Entity Expenses</b>									
Buy Belize International Inc.									
IRA Contributions	259.87	0.00	0.00	0.00	0.00	0.00	0.00	0.00	259.87
<b>Total Buy Belize International Inc.</b>	<b>259.87</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>259.87</b>
<b>Buy Belize LLC</b>									
Corporation Taxes	800.00	0.00	0.00	0.00	0.00	800.00	0.00	800.00	1,600.00
PTO/Sick Pay	3,403.80	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,403.80
<b>Total Buy Belize LLC</b>	<b>4,203.80</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>800.00</b>	<b>0.00</b>	<b>800.00</b>	<b>5,003.80</b>
<b>Buy International Inc.</b>									
Corporation Taxes	800.00	0.00	0.00	0.00	0.00	800.00	0.00	800.00	1,600.00
Payroll Earnings	53,443.38	0.00	0.00	0.00	0.00	0.00	0.00	0.00	53,443.38
PTO/Sick Pay	20,735.46	0.00	0.00	0.00	0.00	0.00	0.00	0.00	20,735.46
<b>Total Buy International Inc.</b>	<b>74,978.84</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>800.00</b>	<b>0.00</b>	<b>800.00</b>	<b>75,778.84</b>
<b>Eco Futures Development</b>									
Corporation Taxes	800.00	0.00	0.00	0.00	0.00	800.00	0.00	800.00	1,600.00
Payroll Earnings	1,626.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,626.00
PTO/Sick Pay	1,846.08	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,846.08
<b>Total Eco Futures Development</b>	<b>4,272.08</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>800.00</b>	<b>0.00</b>	<b>800.00</b>	<b>5,072.08</b>
<b>Global Property Alliance Inc.</b>									
Corporation Taxes	800.00	0.00	0.00	250.00	0.00	800.00	0.00	1,050.00	1,850.00
<b>Total Global Property Alliance Inc.</b>	<b>800.00</b>	<b>0.00</b>	<b>0.00</b>	<b>250.00</b>	<b>0.00</b>	<b>800.00</b>	<b>0.00</b>	<b>1,050.00</b>	<b>1,850.00</b>
<b>Power Haus Marketing</b>									
Corporation Taxes	800.00	0.00	0.00	250.00	0.00	800.00	0.00	1,050.00	1,850.00
<b>Total Power Haus Marketing</b>	<b>800.00</b>	<b>0.00</b>	<b>0.00</b>	<b>250.00</b>	<b>0.00</b>	<b>800.00</b>	<b>0.00</b>	<b>1,050.00</b>	<b>1,850.00</b>
<b>Total Corporate Entity Expenses</b>	<b>85,314.59</b>	<b>0.00</b>	<b>0.00</b>	<b>500.00</b>	<b>0.00</b>	<b>4,000.00</b>	<b>0.00</b>	<b>4,500.00</b>	<b>89,814.59</b>
<b>Court Approved Legal Fees for P. Baker</b>	<b>20,000.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>20,000.00</b>
<b>Court Approved Trial Allowance</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>15,000.00</b>	<b>0.00</b>	<b>0.00</b>	<b>15,000.00</b>	<b>15,000.00</b>
<b>Payroll Processing Fees</b>	<b>951.31</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>951.31</b>
<b>Property Expenses</b>									
460 Lindberg Circle									
Property Insurance Premiums	0.00	0.00	0.00	0.00	125.26	201.81	215.73	542.80	542.80
<b>Total 460 Lindberg Circle</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>125.26</b>	<b>201.81</b>	<b>215.73</b>	<b>542.80</b>	<b>542.80</b>

Receiver Administration Expenses and Fund Balances  
From Inception (November, 2018) to March 31, 2020

	Previously Reported and Approved	Oct 19	Nov 19	Dec 19	Jan 20	Feb 20	Mar 20	10/1/19~ 3/31/20	TOTAL
<b>7862 Chase Avenue</b>									
Property Insurance Premiums	0.00	0.00	0.00	0.00	35.02	112.83	120.60	268.45	268.45
T total 7862 Chase Avenue	0.00	0.00	0.00	0.00	35.02	112.83	120.60	268.45	268.45
<b>104 Kings Place</b>									
Appraisal Fees	3,700.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,700.00
Litigation Guarantee Costs	1,151.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,151.00
Mortgage Payments	324,353.02	35,904.51	35,904.51	73,671.98	36,934.42	36,540.67	36,934.42	255,890.51	580,243.53
Property Insurance Premiums	271.79	28.88	27.95	28.84	28.88	27.02	28.88	170.45	442.24
Repairs & Maintenance									
Insurance Funded Expenses	32,386.12	0.00	(49,759.04)	5,528.00	1,945.00	3,250.00	2,095.00	(36,941.04)	(4,554.92)
Repairs & Maintenance	21,493.71	22,392.00	0.00	0.00	1,400.00	0.00	0.00	23,792.00	45,285.71
T total Repairs & Maintenance	53,879.83	22,392.00	(49,759.04)	5,528.00	3,345.00	3,250.00	2,095.00	(13,149.04)	40,730.79
T total 104 Kings Place	383,355.64	58,325.39	(13,826.58)	79,228.82	40,308.30	39,817.69	39,058.30	242,911.92	626,267.56
<b>1833 Port Barmouth Place</b>									
Appraisal Fees	1,750.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,750.00
Electricity	1,358.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,358.50
Gardening	550.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	550.00
Litigation Guarantee Costs	1,151.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,151.00
Mortgage Payments	97,300.53	0.00	0.00	0.00	0.00	0.00	0.00	0.00	97,300.53
Natural Gas	221.17	0.00	0.00	0.00	0.00	0.00	0.00	0.00	221.17
Pool Maintenance	722.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	722.50
Property Insurance Premiums	186.32	0.00	0.00	0.00	0.00	0.00	0.00	0.00	186.32
Water/Sewer	565.36	0.00	0.00	0.00	0.00	0.00	0.00	0.00	565.36
T total 1833 Port Barmouth Place	103,805.38	0.00	0.00	0.00	0.00	0.00	0.00	0.00	103,805.38
<b>2729 Bristol St. Office</b>									
Appraisal Fees	1,970.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,970.00
Electricity	9,864.87	440.45	331.40	318.73	294.12	305.21	280.24	1,970.15	11,835.02
Landscaping Services	2,302.14	0.00	0.00	0.00	4,630.00	0.00	1,000.00	5,630.00	7,932.14
Litigation Guarantee Costs	1,151.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,151.00
Property Insurance	56,813.15	5,469.59	5,293.15	5,469.59	5,469.59	5,116.71	5,469.59	32,288.22	89,101.37
Repairs & Maintenance	3,642.34	2,700.00	0.00	0.00	670.00	0.00	0.00	3,370.00	7,012.34
Secured Property Taxes	49,372.67	0.00	0.00	0.00	0.00	0.00	0.00	0.00	49,372.67
Security Patrol Services	0.00	3,478.61	791.54	1,124.82	1,335.13	1,212.16	1,212.16	9,154.42	9,154.42
Water	1,980.25	0.00	868.69	0.00	477.86	0.00	568.55	1,915.10	3,895.35
T total 2729 Bristol St. Office	127,096.42	12,088.65	7,284.78	6,913.14	12,876.70	6,634.08	8,530.54	54,327.89	181,424.31

	Previously Reported and Approved	Oct 19	Nov 19	Dec 19	Jan 20	Feb 20	Mar 20	10/1/19~ 3/31/20	TOTAL
<b>3905 Marcus Ave.</b>									
Appraisal Fees	2,370.00	0.00	0.00	80.00	0.00	0.00	0.00	80.00	2,450.00
Electricity	48.15	0.00	0.00	1.40	10.76	0.00	0.00	12.16	60.31
Legal Fees	400.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	400.00
Litigation Guarantee Costs	1,151.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,151.00
Moving Expenses	2,740.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,740.01
Property Insurance Premiums	3,004.18	229.32	51.79	0.00	0.00	0.00	0.00	281.11	3,285.29
Repairs & Maintenance	145.26	0.00	0.00	0.00	0.00	0.00	0.00	0.00	145.26
Water	431.98	0.00	0.00	0.00	0.00	0.00	0.00	0.00	431.98
<b>T total 3905 Marcus Ave.</b>	<b>10,290.58</b>	<b>229.32</b>	<b>51.79</b>	<b>81.40</b>	<b>10.76</b>	<b>0.00</b>	<b>0.00</b>	<b>373.27</b>	<b>10,663.85</b>
<b>Santos Properties</b>									
<b>1807 Coastal Way</b>									
Mortgage Payments	0.00	0.00	0.00	0.00	0.00	0.00	8,838.24	8,838.24	8,838.24
Property Insurance Premiums	0.00	0.00	0.00	0.00	193.71	312.09	333.61	839.41	839.41
<b>T total 1807 Coastal Way</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>193.71</b>	<b>312.09</b>	<b>9,171.85</b>	<b>9,677.65</b>	<b>9,677.65</b>
<b>14070 Falling Leaf Rd.</b>									
Mortgage Payments	0.00	0.00	0.00	0.00	0.00	1,153.83	1,153.83	2,307.66	2,307.66
Property Insurance Premiums	0.00	0.00	0.00	0.00	62.13	100.11	107.01	269.25	269.25
<b>T total 14070 Falling Leaf Rd.</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>62.13</b>	<b>1,253.94</b>	<b>1,260.84</b>	<b>2,576.91</b>	<b>2,576.91</b>
<b>17085 Birch Hill Rd.</b>									
Mortgage Payments	0.00	0.00	0.00	0.00	0.00	4,616.62	4,616.62	9,233.24	9,233.24
Property Insurance Premiums	0.00	0.00	0.00	0.00	243.61	392.50	419.56	1,055.67	1,055.67
<b>T total 17085 Birch Hill Rd.</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>243.61</b>	<b>5,009.12</b>	<b>5,036.18</b>	<b>10,288.91</b>	<b>10,288.91</b>
<b>T total Santos Properties</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>499.45</b>	<b>6,575.15</b>	<b>15,468.87</b>	<b>22,543.47</b>	<b>22,543.47</b>
<b>The Sanctuary Reserve</b>									
Annual Station Licenses	1,375.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,375.00
Bank Fees	1,701.03	78.00	72.00	36.00	62.00	134.00	66.00	448.00	2,149.03
Boarding Fees	725.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	725.00
Conservation Mgmt Fees	32,535.00	20,000.00	0.00	0.00	0.00	0.00	0.00	20,000.00	52,535.00
Consumer Committee Expenses	5,761.24	2,177.60	0.00	0.00	8,698.20	0.00	0.00	10,875.80	16,637.04
Electricity	124,076.03	8,043.87	7,539.40	7,408.44	5,957.51	10,096.26	6,041.92	45,087.40	169,163.43
Employee Relations	0.00	0.00	0.00	5,461.63	(184.81)	0.00	0.00	5,276.82	5,276.82
Equipment	21,223.10	9,699.04	295.55	0.00	1,657.30	1,657.25	3,296.73	16,605.87	37,828.97
Equipment Maintenance	0.00	0.00	0.00	0.00	638.59	1,287.50	4,322.78	6,248.87	6,248.87
Equipment Parts & Supplies	13,536.33	5,683.95	2,123.61	13,735.87	16,049.20	1,753.80	19,062.98	58,409.41	71,945.74
Equipment Transport & Shipping	9,236.90	0.00	0.00	0.00	150.00	0.00	0.00	150.00	9,386.90

Receiver Administration Expenses and Fund Balance  
 From Inception (November 3, 2018) to March 31, 2020

	Previously Reported and Approved	Oct 19	Nov 19	Dec 19	Jan 20	Feb 20	Mar 20	10/1/19~3/31/20	TOTAL
Gasoline and Diesel	48,597.40	7,103.87	8,172.43	7,374.95	7,008.94	8,978.39	14,758.42	53,397.00	101,994.40
General Liability Insurance	52,100.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	52,100.00
General Maintenance & Supplies	40,055.89	9,409.77	5,755.21	4,014.22	30,472.24	33,252.26	12,501.76	95,405.46	135,461.35
Government of Belize Taxes	181,746.45	9,214.97	8,493.48	8,968.81	10,402.95	9,210.19	28,972.72	75,263.12	257,009.57
Internet & Phones	43,871.39	2,412.60	2,313.65	2,240.54	1,547.50	1,587.50	3,163.76	13,265.55	57,136.94
Land & Lot Surveying	0.00	0.00	0.00	0.00	0.00	0.00	6,307.20	6,307.20	6,307.20
Legal Fees & Costs	67,414.69	2,250.00	2,250.00	7,104.38	3,700.00	4,500.00	30,514.39	50,318.77	117,733.46
License & Registration	6,770.00	485.94	0.00	1,423.13	657.72	995.63	2,184.50	5,746.92	12,516.92
Meals	882.21	25.00	98.00	59.10	50.00	81.00	1,100.86	1,413.96	2,296.17
Miscellaneous	1,275.00	0.00	0.00	(0.03)	250.00	0.00	0.00	249.97	1,524.97
Office & Misc Supplies	4,044.10	506.93	584.15	10.00	1,607.96	55.98	284.50	3,049.52	7,093.62
Pool Supplies & Maintenance	1,899.50	0.00	0.00	1,741.00	0.00	0.00	12,854.60	14,595.60	16,495.10
Postage & Delivery Charges	0.00	1,897.27	0.00	0.00	0.00	0.00	65.00	1,962.27	1,962.27
Post Office Box rental	60.00	0.00	0.00	0.00	60.00	0.00	0.00	60.00	120.00
Security Training	0.00	0.00	0.00	0.00	0.00	0.00	435.50	435.50	435.50
Staff & Management Fees	706,263.43	90,516.73	60,104.60	60,303.48	58,875.14	63,934.64	125,566.38	459,300.97	1,165,564.40
Vehicle/Motorcycle Fleet Insurance	5,150.67	0.00	0.00	0.00	0.00	0.00	7,403.50	7,403.50	12,554.17
Water Quality Testing	2,338.38	0.00	0.00	0.00	0.00	0.00	2,413.38	2,413.38	4,751.76
<b>Total The Sanctuary Reserve</b>	<b>1,372,638.74</b>	<b>169,505.54</b>	<b>97,802.08</b>	<b>119,881.52</b>	<b>147,660.44</b>	<b>137,524.40</b>	<b>281,316.88</b>	<b>953,690.86</b>	<b>2,326,329.60</b>
<b>Total Property Expenses</b>	<b>1,997,186.76</b>	<b>240,148.90</b>	<b>91,312.07</b>	<b>206,104.88</b>	<b>201,515.93</b>	<b>190,865.96</b>	<b>344,710.92</b>	<b>1,274,658.66</b>	<b>3,271,845.42</b>
<b>Receiver Fees &amp; Expenses</b>									
<b>Receiver Fees</b>									
R. Evans	1,071.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,071.00
B. Kane	186,629.40	25,718.40	5,198.40	4,993.20	23,563.80	4,411.80	10,362.60	74,248.20	260,877.60
V. Miller	231,192.00	38,646.00	19,630.80	7,182.00	18,297.00	22,640.40	25,650.00	132,046.20	363,238.20
K. Johnson	75,308.40	5,437.80	3,693.60	923.40	1,504.80	1,675.80	5,677.20	18,912.60	94,221.00
S. Krishnan	8,755.20	0.00	0.00	0.00	0.00	0.00	0.00	0.00	8,755.20
A. Jen	139,809.60	5,266.80	4,104.00	1,881.00	2,804.40	2,394.00	20,896.20	37,346.40	177,156.00
M. Lin	109,866.60	0.00	0.00	0.00	0.00	0.00	0.00	0.00	109,866.60
T. Chung	260,827.65	0.00	15,165.45	13,115.25	1,899.45	0.00	4,673.25	34,853.40	295,681.05
F. Jen	67,988.25	0.00	90.45	1,447.20	0.00	0.00	271.35	1,809.00	69,797.25
C. Callahan	31,725.00	450.00	1,732.50	0.00	3,307.50	6,277.50	1,260.00	13,027.50	44,752.50
H. Jen	124,983.00	14,809.50	6,966.00	11,583.00	15,079.50	15,120.00	19,399.50	82,957.50	207,940.50
C. DeCius	58,259.25	5,904.90	5,200.20	3,596.40	4,021.65	3,948.75	4,216.05	26,887.95	85,147.20
J. Dadbin	22,906.80	2,162.70	591.30	826.20	567.00	178.20	0.00	4,325.40	27,232.20
Support Staff	5,196.00	156.00	264.00	129.00	345.00	432.00	255.00	1,581.00	6,777.00
<b>Total Receiver Fees</b>	<b>1,324,518.15</b>	<b>98,552.10</b>	<b>62,636.70</b>	<b>45,676.65</b>	<b>71,390.10</b>	<b>57,078.45</b>	<b>92,661.15</b>	<b>427,995.15</b>	<b>1,752,513.30</b>

Receiver Administrative Expenses and Fund Balance  
 From Inception (November 3, 2018) to March 31, 2020

	Previously Reported and Approved	Oct 19	Nov 19	Dec 19	Jan 20	Feb 20	Mar 20	10/1/19~3/31/20	TOTAL
<b>Receiver Expenses</b>									
Asset & Investigative Searches	2,259.87	360.14	0.00	120.05	0.00	0.00	0.00	480.19	2,740.06
Bank Fees	194.27	150.00	0.00	176.53	0.00	0.00	0.00	326.53	520.80
Document Reproduction	725.90	0.00	13,896.00	0.00	0.00	3,174.60	0.00	17,070.60	17,796.50
External Storage Device	1,487.23	1.99	0.00	0.00	0.00	5.97	0.00	7.96	1,495.19
Locksmith Services	2,872.91	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,872.91
Office Moving Expenses	585.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	585.00
Office Supplies	749.91	0.00	87.52	0.00	0.00	0.00	0.00	87.52	837.43
Parking & Tolls	488.15	98.00	0.00	0.00	61.00	0.00	0.00	159.00	647.15
Postage & Delivery	2,960.02	338.84	371.77	112.86	97.52	514.97	223.13	1,659.09	4,619.11
Security Guard	1,900.80	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,900.80
Storage Unit Rent	3,934.33	370.00	370.00	370.00	370.00	370.00	370.00	2,220.00	6,154.33
Tax Return Preparation	18,235.88	0.00	0.00	0.00	0.00	0.00	0.00	0.00	18,235.88
Travel Expenses	15,546.36	13,961.97	833.78	0.00	6,999.59	13,516.26	0.00	35,311.60	50,857.96
Website Support	4,254.12	301.65	31.05	66.54	70.98	70.98	0.00	541.20	4,795.32
<b>Total Receiver Expenses</b>	<b>56,194.75</b>	<b>15,582.59</b>	<b>15,590.12</b>	<b>845.98</b>	<b>7,599.09</b>	<b>17,652.78</b>	<b>593.13</b>	<b>57,863.69</b>	<b>114,058.44</b>
<b>Legal Fees &amp; Costs</b>									
Barnes & Thornburg LLP									
Legal Fees	576,675.15	39,944.25	57,833.55	37,799.40	94,972.20	53,216.30	55,499.20	339,264.90	915,940.05
Legal Costs	15,028.58	4,355.14	1,400.19	3,898.88	3,247.52	5,211.80	2,735.37	20,848.90	35,877.48
<b>Total Barnes &amp; Thornburg LLP</b>	<b>591,703.73</b>	<b>44,299.39</b>	<b>59,233.74</b>	<b>41,698.28</b>	<b>98,219.72</b>	<b>58,428.10</b>	<b>58,234.57</b>	<b>360,113.80</b>	<b>951,817.53</b>
<b>Total Legal Fees &amp; Costs</b>	<b>591,703.73</b>	<b>44,299.39</b>	<b>59,233.74</b>	<b>41,698.28</b>	<b>98,219.72</b>	<b>58,428.10</b>	<b>58,234.57</b>	<b>360,113.80</b>	<b>951,817.53</b>
<b>Total Receiver Fees &amp; Expenses</b>	<b>1,972,416.63</b>	<b>158,434.08</b>	<b>137,460.56</b>	<b>88,220.91</b>	<b>177,208.91</b>	<b>133,159.33</b>	<b>151,488.85</b>	<b>845,972.64</b>	<b>2,818,389.27</b>
<b>Total Expenses</b>	<b>4,075,869.29</b>	<b>398,582.98</b>	<b>228,772.63</b>	<b>294,825.79</b>	<b>393,724.84</b>	<b>328,025.29</b>	<b>496,199.77</b>	<b>2,140,131.30</b>	<b>6,216,000.59</b>
<b>Fund Balance</b>	<b>7,122,991.66</b>								<b>6,272,158.34</b>
<b>Defendant's Funds Held by the Receiver</b>									
Atlantic International Bank Ltd	0.00	3,271,608.06	10,120,996.00	9,607,396.00	0.00	0.00	0.00	23,000,000.06	23,000,000.06
<b>Total Defendant's Funds Held by the Receiver</b>	<b>0.00</b>	<b>3,271,608.06</b>	<b>10,120,996.00</b>	<b>9,607,396.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>23,000,000.06</b>	<b>23,000,000.06</b>

UNITED STATES DISTRICT COURT  
DISTRICT OF MARYLAND  
SOUTHERN DIVISION

*In re* SANCTUARY BELIZE LITIGATION

No: 18-cv-3309-PJM

**DECLARATION OF GARY OWEN CARIS IN SUPPORT OF MOTION FOR  
ORDER APPROVING AND AUTHORIZING PAYMENT OF RECEIVER'S AND  
PROFESSIONAL'S FEES AND COSTS FROM OCTOBER 1, 2019 THROUGH  
MARCH 31, 2020**

I, Gary Owen Caris, declare:

1. I am an attorney at law duly licensed to practice before all courts of the State of California and admitted *pro hac vice* before this Court in this matter. Since the inception of the receivership estate, I have been the attorney at Barnes & Thornburg LLP (“Barnes & Thornburg”) primarily responsible for representing the receiver, Robb Evans & Associates LLC (“Receiver”) on this matter and its lead counsel. My partner, James E. Van Horn, resident in Barnes & Thornburg’s Washington D.C. office and admitted to practice in the courts of Maryland and the United States District Court for the District of Maryland, has been responsible for acting as the Receiver’s local counsel on this matter. I have personal knowledge of the matters set forth in this declaration and if I were called upon to testify as to these matters I could and would competently testify thereto.

2. Attached collectively hereto as Exhibit 1 are copies of the billing records for the attorneys and paralegals at Barnes & Thornburg who performed work on this matter during the period from the October 1, 2019 through March 31, 2020 (“Fourth Expense Period”).



3. During the Fourth Expense Period, the Receiver has incurred attorneys' fees to Barnes & Thornburg of \$339,264.90 and costs of \$20,848.90 for a total of \$360,113.80. The billing records attached as Exhibit 1 itemize and detail the hours spent and the work performed by those attorneys and paralegals rendering services on this matter. The time records attached hereto as Exhibit 1, as well as the time records for the Receiver which accompany Brick Kane's declaration, have been redacted by me where appropriate to preserve descriptions containing confidential, sensitive, tactical, strategic, attorney-client privileged and/or work-product information. It is particularly important not to disclose sensitive and strategic information concerning the Receiver's work while the Receiver and its counsel are still developing asset recovery strategies and are engaged in various disputes and/or negotiations with third parties.

4. Barnes & Thornburg rendered extensive services during the Fourth Expense Period to assist in monetizing assets for the benefit of the receivership estate. Counsel finalized and filed a successful motion for an order approving and confirming the sale of 3995 Marcus Avenue, Newport Beach, California ("Marcus Property"), generating \$512,215.37 for the estate. The Marcus Property transaction closed and the funds were received in November 2019.

5. During the Fourth Expense Period, counsel was able to resurrect a comprehensive settlement agreement with the former owner of the property at 2729 Bristol Street, Costa Mesa, California ("Bristol Property") by locating an alternative title insurer to insure the settlement transaction. It revised the settlement documentation and prepared a successful motion to approve the settlement. The Bristol Property transaction closed on April 28, 2020, shortly after the end of the Fourth Expense Period, resulting in a payment of \$320,000 to the receivership estate.

6. Barnes & Thornburg took an active role in addressing the real property co-owned by Michael Santos which was assigned to the Receiver under the Stipulated Order for Permanent

Injunction and Monetary Judgment Against Michael Santos (“Santos Stipulated Judgment”). It reviewed the documents regarding the second trust deed loans given by Michael Santos and his wife to two private parties, one of which was Lee Nobmann (“Nobmann”), just before the imposition of an asset freeze against Michael Santos in January 2019. It developed strategies with the Receiver to take control of the five properties. This included the preparation of five Notices of Pending Action (Lis Pendenses) and five Requests for Notice under California Civil Code section 2924b pursuant to which lenders have to notify parties in interest of any pending foreclosure activity. It also developed legal theories pursuant to which it could avoid the second trust deed liens, if necessary, and utilized those theories when successfully negotiating a resolution with Nobmann. After reaching a settlement in principal with Nobmann, Barnes & Thornburg drafted the settlement agreement and filed a successful motion for an order approving the settlement. The settlement was approved shortly after the end of the Fourth Expense Period, but counsel for the Receiver had negotiated for the \$350,000 payment to be made to the Receiver pending Court approval and the Receiver took possession of the \$350,000 settlement payment during the Fourth Expense Period.

7. Pursuant to the Stipulated Order for Permanent Injunction and Monetary Judgment Against Atlantic International Bank Limited (“AIBL Judgment”), counsel continued to revise and negotiate the terms of a comprehensive Assignment Agreement pursuant to Section IV.C of the AIBL Judgment which provides that various assets of AIBL are to be assigned to the Receiver. In March 2020, the Assignment Agreement was finalized and executed by AIBL’s Liquidator after extensive negotiations and revisions between the Receiver and the Liquidator, through their respective counsel.

8. The AIBL Judgment also provided for the turnover to the Receiver of \$23 million held in three different banks. Barnes & Thornburg, with the assistance of the Receiver and the FTC, took steps to ensure that these payments were made to the Receiver. During the Fourth Expense Period, \$23 million was turned over by AIBL to the Receiver as required by the AIBL Judgment.

9. The FTC took the lead in negotiating settlements with two creditors of the Reserve and another real property development in Belize known as Kanantik: Gordon Barienbrock (“Barienbrock”) and Violette Mathis (“Mathis”). Mathis also holds several ownership interests in Kanantik-related companies. Much of Barienbrock’s interests are held in his family trust. Much of Mathis’s interests are held in her family trust or CVM Corporation, wholly owned by the family trust. Barnes & Thornburg was actively involved in negotiating these settlements. It conferred extensively with the FTC and, along with the Receiver, attended a settlement meeting with Barienbrock and his counsel. It also conferred extensively with counsel for Mathis and the FTC about her settlement. Counsel for the Receiver took the lead in drafting both settlement agreements and the Certifications of Trust which accompanied each of the settlement agreements. Prior to preparing the settlement agreements, counsel reviewed extensive documentation pertinent to the settlement. Both settlements were completed in March 2020, during the Fourth Expense Period. A motion to approve these settlements was prepared and filed after the Fourth Expense Period and is pending before the Court.

10. In the prior expense period, the Receiver’s counsel prepared two deposition subpoenas and two document production requests for Jorge Diaz-Cueto (“Diaz-Cueto”), individually and as president of Bella Mar Estates, Ltd. (“Bella Mar”), to investigate the facts and circumstances surrounding the Receivership Entities’ acquisition of land in the Bahamas.

Diaz-Cueto asserts that this property is no longer property of the receivership estate as a result of non-payment to the vendor under a purchase money sales contract. In December 2019, I deposed Diaz-Cueto in Miami, Florida. During the deposition, I determined and Diaz-Cueto acknowledged that substantial additional documents were required to be produced. Diaz-Cueto also refused to answer questions about the ultimate disposition of \$1,065,000 paid by the Receivership Entities for the acquisition of the Bahamas property. The Receiver was forced to bring a motion in the Southern District of Florida seeking to alternatively transfer the discovery dispute to this Court or compel Diaz-Cueto to answer the questions he refused to answer at the deposition. Barnes & Thornburg, also filed a response to the opposition and filed a successful opposition to a request for late-filed additional briefing. In March 2020, the Court in Florida denied the motion to transfer the matter to this Court but granted the motion to compel Diaz-Cueto to answer all questions pertaining to the disposition of the \$1,065,000. The Receiver intends to take the deposition of Diaz-Cueto as soon as possible once COVID-19 travel and other restrictions are lifted. Additional documents were produced by Diaz-Cueto and Bella Mar and reviewed in March 2020, but they too proved incomplete. The Receiver's counsel has continued through the end of the Fourth Expense Period and beyond to address these document production issues.

11. During the Fourth Expense Period, Barnes & Thornburg prepared and filed the successful third fee motion. It prepared an opposition to Andris Pukke's unsuccessful motion to release funds and to Michael Santos's unsuccessful motion requesting \$30,000 from the receivership estate. I also participated in Brick Kane's pre-trial preparation with the FTC and attended the trial during the period in which Mr. Kane testified. While in Greenbelt, I also

attended the in-person meeting of the Consumer Committee held in Washington D.C. on the eve of trial.

12. Counsel for the Receiver continues to take a primary role in negotiating the Receiver's insurance claims surrounding water damage affecting the property at 104 Kings Place, Newport Beach, California ("Kings Place Property") as it relates to slope, soil and water damage issues. It has taken the lead in negotiations to compel the insurance carrier to make payments for testing and repair as required under the insurance contract.

13. Barnes & Thornburg, utilizing its Washington, D.C. office, also has acted as local counsel through James Van Horn to facilitate the service and filing of pleadings and assist me as necessary to ensure compliance with local practice and procedure.

14. As a partner at Barnes & Thornburg, I am familiar with the methods and procedures used to create, record and maintain billing records for clients of the firm. The billing records collectively attached hereto as Exhibit 1 are prepared from computerized time records prepared contemporaneously with the services rendered by each attorney and paralegal billing time to the matter. These computerized records are prepared in the ordinary course of business by the attorneys and paralegals employed by the firm who have a business duty to accurately record their time spent and services rendered on the matters on which they perform work. The time records are transferred into computerized billing programs that generate monthly invoices under the supervision of the accounting department of the firm. Based upon my experience at Barnes & Thornburg, I believe the methods and procedures used for recording and accounting for time and services for our clients are reliable and accurate.

15. The fees charged by Barnes & Thornburg on this matter reflect a 10% discount off of the standard hourly billing rates charged by the firm in 2018 for lawyers and paralegals

who worked on this matter. The firm's rates will not be raised during this engagement from those discounted 2018 rates.

16. I have more than 40 years' experience as a business and commercial litigator and I also have extensive experience as a bankruptcy attorney representing creditors in Chapter 11 and Chapter 7 cases. For more than 20 years, I have also specialized in representing receivers in federal equity receiverships. I believe the rates and amounts incurred by the Receiver to Barnes & Thornburg for the services rendered during the period covered by the Motion are reasonable and appropriate based on the nature of the services rendered, the quality and amount of services provided, the complexity of the issues involved and other factors under the circumstances.

I declare under penalty of perjury that the foregoing is true and correct and that this declaration was executed on May 19, 2020 at Solvang, California.

  
GARY OWEN CARIS

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