

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
APRIL 1, 2020 THROUGH SEPTEMBER 30, 2020**

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 April 1, 2020 through September 30, 2020 (“Fifth 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 during the Fifth Expense Period, comprised of (a) Receiver’s fees, including the Receiver’s members and staff, of \$255,065.40 and Receiver’s costs of \$17,396.77, for a total of \$272,462.17; and (b) Receiver’s counsel

Barnes & Thornburg LLP's fees of \$203,548.20 and costs of \$7,667.22, for a total of \$211,215.42.

Dated: November 3, 2020

By: /s/ Gary Owen Caris

Gary Owen Caris, Calif. Bar No. 088918
Admitted Pro Hac Vice 11/30/18
BARNES & THORNBURG LLP
2029 Century Park East, Suite 300
Los Angeles, CA 90067
Telephone: (310) 284-3880
Facsimile: (310) 284-3894
Email: gcaris@btlaw.com

By: /s/ James E. Van Horn

James E. Van Horn (Bar No. 29210)
BARNES & THORNBURG LLP
1717 Pennsylvania Avenue, NW,
Suite 500
Washington, DC 20006
Telephone: (202) 289-1313
Facsimile: (202) 289-1330
Email: jvanhorn@btlaw.com

Attorneys for Receiver, Robb Evans &
Associates LLC

UNITED STATES DISTRICT COURT
DISTRICT OF MARYLAND
SOUTHERN DIVISION

In re SANCTUARY BELIZE LITIGATION

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 APRIL 1, 2020
THROUGH SEPTEMBER 30, 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 Limited (“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.¹

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 Judgment”) was entered. Among other things, the Receiver remained as permanent receiver over Ecological Fox LLC under the Costanzo 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

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

Against Defendants Brandi Greenfield and BG Marketing, LLC (Doc. 788) (“Greenfield Judgment”); Stipulated Order for Permanent Injunction and Monetary Judgment Against Defendants Rod Kazazi and Foundation Partners (Doc. 789) (“Kazazi Judgment”); Stipulated Order for Final Judgment Against Relief Defendants Angela Chittenden and Beach Bunny Holdings LLC (Doc. 819) (“Chittenden Judgment”); and Stipulated Order for Permanent Injunction and Monetary Judgment Against Defendant Michael Santos (“Santos Judgment”) (Doc. 820) (collectively, these four judgments and the Costanzo Judgment are referred to as the “Stipulated Judgments”). On October 8, 2020 the Receiver brought its Application for Extension of Term of Receiver Pursuant to Stipulated Judgments (Doc. 1061) (“Extension Application”), seeking an extension of the term of the Receiver under the Stipulated Judgments through October 10, 2021. The Court entered an Order granting the Extension Application on October 29, 2020 (Doc.1072).

Pursuant to the TRO, Stipulated Preliminary Injunction, Pukke Preliminary Injunction and the Stipulated Judgments, 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). The Receiver filed its fourth fee motion on May 19, 2020 (Doc. 955) covering the period from October 1, 2019 through March 31, 2020. The Court granted the Receiver's fourth fee motion in its entirety by Order entered on June 8, 2020 (Doc. 970).

This Motion is the fifth 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 April 1, 2020 through September 30, 2020 ("Fifth 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, requiring them to focus on a myriad of issues and receivership assets.

During the Fifth Expense Period, the Receiver continued to focus extensively on the administration and management of the real estate development project in Belize, sometimes referred to as the Reserve, in order to preserve that asset. The Receiver managed the Reserve 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 with the Central Bank of Belize ("Central Bank") and submitted a group application to the Central Bank to assist owners of 103 lots who had fully paid for their lots, in order to enable them to obtain title to their properties. Late in the Fifth Expense Period,

the Central Bank approved the Receiver's submission, paving the way for these lot owners to obtain title through their separate subsequent application to the Belize Lands Department ("Lands Department"). The Receiver also began implementing a process for the eventual development and/or sale of the Reserve.

The Receiver also began to prepare for a comprehensive claims allowance and redress plan which the FTC intends to present to the Court. This required the Receiver to extensively analyze information that will be used to quantify consumer claims, and to review and provide suggested revisions to multiple drafts of the redress plan being formulated by the FTC.

The Receiver continued to develop and implement strategies for the preservation and monetization of various other assets of the receivership estate. Through these efforts, in conjunction with the efforts of its counsel and in part as a result of the Stipulated Judgments obtained by the FTC, the Receiver was able to bring funds into the receivership estate during the Fifth Expense Period totaling \$694,669.80, including \$50,000 collected from Gordon Barienbrock ("Barienbrock") pursuant to a settlement with him that is pending Court approval.² Including the Barienbrock funds, since the inception of the receivership through September 30, 2020 the Receiver has successfully collected cash and monetized assets of the receivership estate in excess of \$9,070,000. This figure does not include \$27,112,000 in funds received in the aggregate from Relief Defendant John Vipulis and from Defendant AIBL.

² 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 final \$50,000 owed under this provision was received during the Fifth Expense Period and \$100,000 is held by the Receiver pending the Court's ruling on the Receiver's settlement motion. By Memorandum Order entered October 29, 2020 (Doc. 1073), the Court indicated that it "sees no reason why it should not approve the settlements [with Barienbrock and Violette Mathis]" and instructed the FTC to submit a proposed order with findings of fact in connection with that motion.

During the Fifth Expense Period, Barnes & Thornburg worked on a number of assignments to assist the Receiver in discharging its duties. This included completing 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 motions and pleadings to assist the Receiver in performing its duties and advancing the interests of the receivership estate. Counsel for the Receiver was also extensively involved in the review and revision of multiple drafts of the FTC's prospective claims allowance and redress plan.

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 FIFTH 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 detailed billing records of the Receiver, attached to the Kane Declaration collectively as Exhibit 2.³ During the Fifth Expense Period, the Receiver has incurred fees for the Receiver's members and staff of \$255,065.40. The Receiver's costs during the Fifth Expense Period total \$17,396.77 and are detailed in the Financial Summary.

³ 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.

A. Management and Potential Sale and Development 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. During the Fifth Expense Period, the Receiver addressed the effect of the COVID-19 pandemic on the development, including emergency restrictions placed on construction and travel by the Government of Belize. It addressed pressing security issues at the Reserve in light of break-ins that occurred there. The Receiver dealt with road maintenance and repair issues. The Receiver determined that some of the original roads built by the Defendants had failed to follow the surveyed plan and encroached on certain lots. The Receiver had a re-survey of certain Reserve property made and is considering plans to re-cut roads to meet the original specifications. It assisted the new Design Review Group by editing outdated design guidelines for the Reserve. The Receiver also evicted the non-compliant operator of the gas station and mini market at the Reserve and replaced him with a new operator under a new lease. The Receiver also continued to address problems with internet service and also began to address damage to the Reserve caused by the recent Hurricane Nana.

The Receiver also continued to address issues regarding land tax payments with Belize authorities and lot owners. The Belize land tax amnesty program has terminated and the Belize Lands Department would not accept land tax payments from the Receiver on behalf of individual lot owners in light of a decree which required that tax payments be made at one time for all lots in a subdivision for those lots which were not titled to individual lot owners. Many individual owners have not yet made a decision as to whether they wish to retain their lots, so this decree has been problematic. The Receiver continues to work with the Lands Department in an effort to get them to accept tax payments on behalf of individual lot owners constituting less than the

entire tax bill for a subdivision.

As noted above, the Receiver undertook a substantial amount of work to assist lot owners who had paid in full for their lots in obtaining title. It worked closely with the Central Bank and made a group application to the Central Bank to assist lot owners of 103 lots who had fully paid for their lots, in order to enable them to obtain title to their properties. The Receiver continued to conduct a thorough forensic review and analysis of bank records as well as a reconstruction of accounting records, in order to submit data to the Central Bank in support of this application. The Receiver's team also extensively researched electronic records concerning lot owner information, payment history and property descriptions for the application. Late in the Fifth Expense Period, the Central Bank approved the Receiver's submission, paving the way for these lot owners to obtain title through their separate subsequent application to the Lands Department.

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, interim plans for the Reserve, repair, maintenance, development, and security. It also reviewed the Court's Memorandum Opinion and three proposed orders which were issued in late August and had numerous communications with lot purchasers who had questions about these rulings and the effect of the rulings on the Reserve.

The Receiver has also 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. These meetings primarily were held telephonically in light of the COVID-19 pandemic. The Receiver continued to assist the

Consumer Committee by reviewing draft revisions to the Sittee River Wildlife Reserve's ("SRWR") Articles of Association and the SRWR's Restrictive Covenants, Conditions and Easements ("RCCes"), and making suggested revisions to these draft documents. The Receiver also prepared drafts of the Consumer Committee minutes and assisted in finalizing the minutes.

The Receiver also began implementing strategies for the potential development and/or sale of the Reserve to a third party. During the Fifth Expense Period, it conducted a search for consultants who could potentially assist the Receiver in locating qualified prospective developers. It had extensive discussions with third parties and the FTC on this issue. The Receiver has informally engaged the services of a highly qualified consultant with expertise in the region who can identify staffing requirements for large development projects. It is believed that a focused plan and detailed development proposal can be crafted under the guidance of this consultant. This proposal will then be used to identify and attract appropriate and qualified developers.

B. Claims Allowance and Redress Plan

The Receiver has been extensively involved in the FTC's drafting of a proposed claims allowance and redress plan. This has included undertaking substantial forensic accounting work to analyze data that will be relevant to the quantification of consumer claims in order to suggest revisions to the draft redress plan. The Receiver and its counsel have reviewed and suggested revisions to multiple drafts of the redress plan and attended numerous conference calls with the FTC concerning the draft plan.

C. Asset Preservation and Sales

The Receiver, in connection with its counsel, Barnes & Thornburg, continued to preserve the value of and monetize receivership assets.

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”),⁴ but which is specifically identified as an asset of the receivership estate in the TRO and Preliminary Injunction. Pursuant to the Chittenden Judgment, the Kings Place Property has become an undisputed asset of the receivership estate. As discussed in the Receiver’s first four 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 Fifth Expense Period, the lessee made lease and purchase option payments to the Receiver in the total amount of \$1,037,500. The Receiver had previously negotiated extensively with the lessee about an accelerated acquisition of the property at a substantially reduced price to reflect actual market value. However, the FTC has raised concerns about the lessee/potential purchaser and has sought numerous financial documents and posed many questions to the lessee in an effort to determine if the FTC would object to a sale to the lessee. Additionally, as described in more detail below, the Receiver, through counsel, has notified the lessee that the purchase option has lapsed in light of his failure to make the last two option payments. The lessee has also failed to make the last two rent payments due for September and October 2020. The Receiver, through counsel, is currently in discussion with the lessee’s third lawyer to address his default and to determine whether the lessee intends on attempting to satisfy the FTC’s concerns in an effort to still acquire the property, or alternatively, whether he intends on vacating the property. The Receiver is developing alternative marketing and sale strategies in light of the current impasse with the

⁴ 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.”

lessee.

In conjunction with the Receiver's counsel, it has continued to address various insurance claims and repair issues on the Kings Place Property as a result of the property's slope and soil issues, and water damage.

During the Fifth Expense Period, the Receiver assisted its counsel in taking steps to finalize the settlement reached concerning the property at 2729 Bristol Street, Costa Mesa, California ("Bristol Property"). The Receiver through counsel successfully consummated a settlement with the Bristol Property's former owner (and holder of a purchase money deed of trust on the property) and the settlement was approved by the Court prior to the Fifth Expense Period. During the Fifth Expense Period, the Receiver in conjunction with its counsel took steps to ensure a successful closing on the Bristol Property transaction, resulting in the payment of \$320,000 to the receivership estate. 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 Judgment, Michael Santos's interest in five parcels of real property was assigned to the Receiver for liquidation. During the prior expense period, the Receiver, with counsel's assistance, entered into a settlement with Lee Nobmann ("Nobmann"), one of the second trust deed holders on certain of the property, pursuant to which the Receiver obtained \$350,000 in exchange for the assignment of the Receiver's interest in the five properties to Nobmann. During the Fifth Expense Period, the Receiver, in conjunction with counsel, took steps to address post-closing issues, including a proper allocation between the Receiver and Nobmann of rental income generated by the properties.

D. General Operational Work

The Receiver also prepared the financial materials provided to the Court in connection with its fourth 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 \$694,669.80 during the Fifth Expense Period, even though the bulk of the work which the Receiver performed during this period of time was not focused on the immediate liquidation of receivership assets but rather on longer-term issues pertaining to the management, preservation and development of the Reserve and the implementation of a claims allowance and redress plan.

III. SUMMARY OF THE RECEIVER'S COUNSEL'S SERVICES AND ACTIVITIES DURING THE FIFTH 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 Fifth Expense Period, the Receiver incurred fees to Barnes & Thornburg of \$203,548.20 and costs of \$7,667.22, for a total of \$211,215.42.

A. Monetizing and Addressing Receivership Assets

Barnes & Thornburg rendered extensive services during the Fifth Expense Period to assist in monetizing or otherwise addressing assets for the benefit of the receivership estate, as

well as working closely with the Receiver and the FTC concerning a proposed claims allowance and redress plan.

During the prior 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, revise the settlement documentation and prepare a successful motion to approve the settlement. Early in the Fifth Expense Period, it took the remainder of steps necessary to ensure that the transaction successfully closed, working with counsel for the former owner to facilitate another inspection of the property and addressing and working to resolve all remaining title issues and concerns. The transaction closed in late April 2020, resulting in a payment of \$320,000 to the receivership estate.

During the prior expense period, the settlement with Nobmann concerning the five properties assigned to the Receiver under the Santos Judgment was documented and payment of \$350,000 pursuant to that settlement was paid to the Receiver pending Court approval. The Court approved the settlement at the outset of the Fifth Expense Period. Thereafter, Barnes & Thornburg withdrew Notices of Pending Action (Lis Pendens) on the five properties and, at Nobmann's counsel's request, reviewed, revised and approved assignment documents for recordation on the five properties. Barnes & Thornburg also negotiated the proper allocation of rents between the Receiver and Nobmann which had been paid to the Receiver for some of these properties, pursuant to the terms of the Court-approved settlement. While allocating rental payments, the Receiver's counsel also made certain that the receivership estate would be compensated for post-closing work undertaken at Nobmann's request.

Counsel continued to take steps to ensure that all appropriate actions were taken by AIBL's Liquidator pursuant to the Stipulated Order for Permanent Injunction and Monetary

Judgment Against Atlantic International Bank Limited (Doc. 607) (“AIBL Judgment”). Barnes & Thornburg communicated with the Liquidator’s counsel and with the Receiver’s Belize counsel to make sure that all required documents were turned over to the Receiver under the AIBL Judgment and that additional assignment documentation was obtained as necessary and recorded as required under Belize law.

During the prior expense period, 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.⁵ Both settlements were completed in March 2020, during the prior expense period. During the Fifth Expense Period, extensive steps were taken to consummate the Mathis settlement despite challenges faced in light of the COVID-19 pandemic and Mathis’s desire to remain strictly quarantined. A motion to approve the Barienbrock and Mathis settlements was prepared and filed during the Fifth Expense Period. The Receiver’s counsel filed a response to the objection to the settlement motion filed by defendant Chadwick and the settlement motion remains pending before the Court.

As discussed above, the Receiver’s counsel has been actively involved in addressing issues pertaining to the Kings Place Property. It provided formal notice to the lessee that its purchase option lapsed as a result of non-payment of certain option payments. It had numerous communications with two different lawyers for the lessee during the Fifth Expense Period and has continued to communicate with a third lawyer retained by the lessee after the Fifth Expense Period, in order to address issues raised by the FTC concerning the lessee’s potential acquisition

⁵ 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.

of the property, the lessee's recent default in payment of rent on the property for September and October, and a potential resolution of the impasse between the lessee and the Receiver.

B. Discovery

Prior to the Fifth 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. Prior to the Fifth Expense Period, 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. 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. During the Fifth Expense Period, additional documents were produced by Diaz-Cueto and Bella Mar and reviewed by Receiver's counsel. Also during the Fifth Expense Period, Barnes & Thornburg and counsel for Diaz-Cueto entered into two consent motions to extend the time to take the Court-order supplemental deposition in an effort to eventually conduct the deposition in Miami when it was safe to do so. However, it was determined that it was more prudent to conduct the

deposition remotely in light of the ongoing COVID-19 pandemic. The supplemental deposition was conducted remotely on October 21 and October 23, 2020. During the Fifth Expense Period, the Receiver's counsel and Diaz-Cueto's counsel also had preliminary settlement discussions. No resolution has been reached and the Receiver is evaluating its legal options.

C. Prospective Claims Allowance and Redress Plan

During the Fifth Expense Period, the Receiver's counsel spent a significant amount of time reviewing and revising multiple drafts of the FTC's claims allowance and redress plan. Barnes & Thornburg had numerous telephonic communications with the Receiver and the FTC to discuss and revise the proposed redress plan.

D. Other Litigation Work and Insurance Work

During the Fifth Expense Period, Barnes & Thornburg prepared and filed the successful fourth fee motion. It prepared an opposition to a series of letters brought by investors in the project in Costa Rica known as Rancho Del Mar, seeking an untimely return of funds from a bank account held by Receivership Entity NLG. A ruling on the letters filed by these investors has not yet been issued. The Receiver also prepared a reply to the oppositions filed separately by Chadwick and Baker to the FTC's motion for default judgment, in which various baseless allegations were leveled against the Receiver. Throughout the Fifth Expense Period, Barnes & Thornburg has continued to monitor and review voluminous pleadings filed by the parties and orders issued by the Court. Counsel for the Receiver has analyzed in detail this Court's Memorandum Opinion and three proposed orders which were issued in late August 2020. As a result of the Memorandum Opinion and proposed orders, counsel for the Receiver discussed with the FTC suggested modifications to the proposed judgments relevant to the Receiver.

Finally, counsel for the Receiver continues to take a primary role in negotiating the Receiver's insurance claims concerning water damage and slope repairs affecting the Kings Place Property. 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.

Barnes & Thornburg, utilizing its Washington, D.C. office, continues to act 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 Fifth 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 Fifth Expense Period that were highly beneficial to the estate. Much of the work during the Fifth Expense Period was, of necessity, not focused on the monetization of receivership assets, but instead was focused on preserving asset value at the Reserve, crafting and beginning to implement a strategy for the development of the Reserve, and assisting in the drafting of a claims allowance and redress plan. Nevertheless, the Receiver's services and those of its counsel also led to the successful recovery of \$694,669.80 during the period. 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). As of October 29, 2020, the Receiver has on hand over \$5.728 million available to pay the fees and costs requested for payment pursuant to this Motion, which sum does not include the \$23 million AIBL settlement payment.

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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: November 3, 2020

By: /s/ Gary Owen Caris
Gary Owen Caris, Calif. Bar No. 088918
Admitted Pro Hac Vice 11/30/18
Barnes & Thornburg LLP
2029 Century Park East, Suite 300
Los Angeles, CA 90067
Telephone: (310) 284-3880
Facsimile: (310) 284-3894
Email: gcaris@btlaw.com

By: /s/ James E. Van Horn
James E. Van Horn (Bar No. 29210)
Barnes & Thornburg LLP
1717 Pennsylvania Avenue, NW,
Suite 500
Washington, DC 20006
Telephone: (202) 289-1313
Facsimile: (202) 289-1330
Email: jvanhorn@btlaw.com

Attorneys for Receiver, Robb Evans &
Associates LLC

18372469v1

UNITED STATES DISTRICT COURT
DISTRICT OF MARYLAND
SOUTHERN DIVISION

In re SANCTUARY BELIZE LITIGATION

No: 18-cv-3309-PJM

**DECLARATION OF BRICK KANE IN SUPPORT OF MOTION FOR
ORDER APPROVING AND AUTHORIZING PAYMENT OF RECEIVER'S AND
PROFESSIONAL'S FEES AND COSTS FROM APRIL 1, 2020 THROUGH
SEPTEMBER 30, 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 Limited (“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 Judgment”) was entered. Among other things, the Receiver remained as permanent receiver over Ecological Fox LLC under the Costanzo 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 Defendants Brandi Greenfield and BG Marketing, LLC (“Greenfield Judgment”); Stipulated Order for Permanent Injunction and Monetary Judgment Against Defendants Rod Kazazi and Foundation Partners (“Kazazi Judgment”); Stipulated Order for Final Judgment Against Relief Defendants Angela Chittenden and Beach Bunny Holdings

LLC (“Chittenden Judgment”); and Stipulated Order for Permanent Injunction and Monetary Judgment Against Defendant Michael Santos (“Santos Judgment”) (collectively, these four judgments and the Costanzo Judgment are referred to as the “Stipulated Judgments”). On October 8, 2020 the Receiver brought its Application for Extension of Term of Receiver Pursuant to Stipulated Judgments (“Extension Application”), seeking an extension of the term of the Receiver under the Stipulated Judgments through October 10, 2021. On October 29, 2020, the Court issued an Order granting the Extension Application.

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, and Stipulated Judgments. 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 April 1, 2020 through September 30, 2020 ("Fifth Expense Period"). During the Fifth Expense Period, the Receiver has incurred fees for the Receiver, including the Receiver's members and staff, of \$255,065.40. The Receiver's costs during the Fourth Expense Period total \$17,396.77 and are detailed in the Financial Summary.

4. During the Fifth Expense Period, the Receiver continued to focus extensively on the administration and management of the real estate development project in Belize, sometimes referred to as the Reserve, in order to preserve that asset. The Receiver managed the Reserve and worked closely with the Reserve Consumer Committee on a myriad of issues. 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.

5. During the Fifth Expense Period, the Receiver addressed the effect of the COVID-19 pandemic on the development, including emergency restrictions placed on construction and travel by the Government of Belize. It addressed pressing security issues at the Reserve in light of break-ins that occurred there. The Receiver dealt with road maintenance and repair issues. The Receiver determined that some of the original roads built by the Defendants had failed to follow the surveyed plan and encroached on certain lots. The Receiver had a re-survey of certain Reserve property made and is considering plans to re-cut roads to meet the original specifications. It assisted the new Design Review Group by editing outdated design guidelines for the Reserve. The Receiver also evicted the non-compliant operator of the gas

station and mini market at the Reserve and replaced him with a new operator under a new lease. The Receiver also continued to address problems with the quality of internet service at the Reserve. The Receiver also began to address damage to the Reserve caused by the recent Hurricane Nana.

6. The Receiver also continued to address issues regarding land tax payments with Belize authorities and lot owners. The Belize land tax amnesty program has terminated and the Belize Lands Department (“Lands Department”) would not accept land tax payments from the Receiver on behalf of individual lot owners in light of a decree which required that tax payments be made at one time for all lots in a subdivision which were not titled to individual lot owners. Many individual owners have not yet made a decision as to whether they wish to retain their lots, so this decree has been problematic. The Receiver continues to work with the Lands Department in an effort to get them to accept tax payments on behalf of individual lot owners constituting less than the entire tax bill for a subdivision.

7. The Receiver undertook a substantial amount of work to assist lot owners who had paid in full for their lots in obtaining title. It worked closely with Central Bank of Belize (“Central Bank”) and made a group application to the Central Bank to assist lot owners of 103 lots who had fully paid for their lots, in order to enable them to obtain title to their properties. The Receiver continued to conduct a thorough forensic review and analysis of bank records as well as a reconstruction of accounting records, in order to submit data to the Central Bank in support of this application. The Receiver’s team also extensively researched electronic records concerning lot owner information, payment history and property descriptions for the application. Late in the Fifth Expense Period, the Central Bank approved the Receiver’s submission, paving

the way for these lot owners to obtain title through their separate subsequent application to the Lands Department.

8. The Receiver regularly communicated with on-site management at the Reserve and the Receiver's Belize counsel over the issues described in this declaration as well as other issues. The Receiver also continued to communicate extensively with numerous lot purchasers regarding many issues, including title transfer and ownership, interim plans for the Reserve, repair, maintenance, development, and security. It also reviewed the Court's Memorandum Opinion and three proposed orders which were issued in late August and had numerous communications with lot purchasers who had questions about these rulings and the effect of the rulings on the Reserve.

9. The Receiver has 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. These meetings were primarily held telephonically in light of the COVID-19 pandemic. The Receiver continued to assist the Consumer Committee by reviewing draft revisions to the Sittee River Wildlife Reserve's ("SRWR") Articles of Association and the SRWR's Restrictive Covenants, Conditions and Easements ("RCCEs"), and making suggested revisions to these draft documents. The Receiver also prepared drafts of the Consumer Committee minutes and assisted in finalizing the minutes.

10. The Receiver also began implementing strategies for the potential development and/or sale of the Reserve to a third party. During the Fifth Expense Period, it conducted a search for consultants who could potentially assist the Receiver in locating qualified prospective developers. It had extensive discussions with third parties and the FTC on this issue. The

Receiver has informally engaged the services of a highly qualified consultant with expertise in the region who can identify staffing requirements for large development projects. The Receiver believes that a focused plan and detailed development proposal can be crafted under the guidance of this consultant. This proposal will then be used to identify and attract appropriate and qualified developers.

11. The Receiver has been extensively involved in the FTC's drafting of a proposed claims allowance and redress plan. This has included undertaking substantial forensic accounting work to analyze data that will be relevant to the quantification of consumer claims in order to suggest revisions to the draft redress plan. The Receiver and its counsel have reviewed and suggested revisions to multiple drafts of the redress plan and attended numerous conference calls with the FTC concerning the draft plan.

12. The Receiver, in connection with its counsel, Barnes & Thornburg, continued to preserve the value of and monetize receivership assets. 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 Chittenden Judgment, the Kings Place Property has become an undisputed asset of the receivership estate. As discussed in the Receiver's first four 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 Fifth Expense Period, the lessee made lease and purchase option payments to the Receiver in the total amount of \$1,037,500. The Receiver had previously negotiated extensively with the lessee about an accelerated acquisition of the property at a substantially reduced price to

reflect actual market value. However, the FTC has raised concerns about the lessee/potential purchaser and has sought numerous financial documents and posed many questions to the lessee in an effort to determine if the FTC would object to a sale to the lessee. The Receiver, through counsel, has notified the lessee that the purchase option has lapsed in light of his failure to make the last two option payments. The lessee has also failed to make the last two rent payments due for September and October 2020. The Receiver, through counsel, is currently in discussion with the lessee's third lawyer to address the lessee's default and to determine whether the lessee intends on attempting to satisfy the FTC's concerns in an effort to acquire the property, or alternatively, whether he intends on vacating the property. The Receiver is developing alternative marketing and sale strategies in light of the current impasse with the lessee.

13. In conjunction with the Receiver's counsel, it has continued to address various insurance claims and repair issues on the Kings Place Property as a result of the property's slope and soil issues, and water damage.

14. During the Fifth Expense Period, the Receiver assisted its counsel in taking steps to finalize the settlement reached concerning the property at 2729 Bristol Street, Costa Mesa, California ("Bristol Property"). The Receiver through counsel successfully consummated a settlement with the Bristol Property's former owner (and holder of a purchase money deed of trust on the property) and the settlement was approved by the Court prior to the Fifth Expense Period. During the Fifth Expense Period, the Receiver in conjunction with its counsel took steps to ensure a successful closing on the Bristol Property transaction, resulting in the payment of \$320,000 to the receivership estate. 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.

15. Pursuant to the Santos Judgment, Michael Santos's interest in five parcels of real property was assigned to the Receiver for liquidation. During the prior expense period, the Receiver, with counsel's assistance, entered into a settlement with Lee Nobmann ("Nobmann"), one of the second trust deed holders on some of those properties, pursuant to which the Receiver obtained \$350,000 in exchange for the assignment of the Receiver's interest in the five properties to Nobmann. During the Fifth Expense Period, the Receiver, in conjunction with counsel, took steps to address post-closing issues, including a proper allocation between the Receiver and Nobmann of rental income generated by the properties.

16. The Receiver also prepared the financial materials provided to the Court in connection with its fourth 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.

17. 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 \$694,669.80 during the Fifth Expense Period, even though the bulk of the work which the Receiver performed during this period of time was not focused on the immediate liquidation of receivership assets but rather on longer-term issues pertaining to the management, preservation and development of the Reserve and the implementation of a claims allowance and redress plan. Including \$100,000 which has been paid to the Receiver by Gordon Barienbrock ("Barienbrock") for the acquisition of the receivership estate's one-half interest in a boat as part of a global settlement with Barienbrock that is pending Court approval, but which the Court recently indicated would be approved, the payment of which was made partly in the Fifth

Expense Period and partly before that, since the inception of the receivership through September 30, 2020 the Receiver has successfully collected cash and monetized assets of the receivership estate in excess of \$9,070,000. This figure also does not include \$27,112,000 in funds received in the aggregate from Relief Defendant John Vipulis and from Defendant Atlantic International Bank Limited (“AIBL”).

18. 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.


19. 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.

20. 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 Fifth 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.

21. As of October 29, 2020, the receivership estate has over \$5.728 million which is available to pay the fees and costs requested for payment by the Receiver and its counsel, which sum does not include the \$23 million AIBL settlement payment.

I declare under penalty of perjury that the foregoing is true and correct and that this declaration was executed on November 2, 2020 at Alhambra, California.



BRICK KANE

18387289v1

EXHIBIT 1

From inception (November 8, 2018) to September 30, 2020

	Previously Reported and Approved	Apr 20	May 20	Jun 20	Jul 20	Aug 20	Sep 20	4/1/20~9/30/20	TOTAL
Corporate/Defendants' Assets									
Funds Turned Over									
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 Internationals 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
Mango Springs Development LLC	0.00	0.00	0.00	18,616.36	0.00	0.00	0.00	18,616.36	18,616.36
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
Total Funds Turned Over	4,876,122.60	0.00	0.00	18,616.36	0.00	0.00	0.00	18,616.36	4,894,738.96
Other Funds Collected									
104 Kings Place Rent	775,000.00	52,500.00	52,500.00	52,500.00	0.00	105,000.00	0.00	262,500.00	1,037,500.00
2729 Bristol St Settlement	0.00	320,000.00	0.00	0.00	0.00	0.00	0.00	320,000.00	320,000.00
AAC Family HYCET Trust	197,772.23	0.00	0.00	0.00	0.00	0.00	0.00	0.00	197,772.23
Biltong 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
Santos Properties									
1807 Coastal Way Rent	7,000.00	2,000.00	0.00	0.00	0.00	0.00	0.00	2,000.00	9,000.00
14070 Falling Leaf Rd. Rent	2,400.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,400.00
17085 Birch Hill Rd. Rent	14,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	14,000.00
L. Nobmann Settlement	350,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	350,000.00
Total Santos Properties	373,400.00	2,000.00	0.00	0.00	0.00	0.00	0.00	2,000.00	375,400.00
Sale - 1833 Port Barsmouth	862,413.63	0.00	0.00	0.00	0.00	0.00	0.00	0.00	862,413.63
Sale - 3905 Marcus Ave.	512,215.37	0.00	0.00	0.00	0.00	0.00	0.00	0.00	512,215.37
Total Other Funds Collected	2,757,571.30	374,500.00	52,500.00	52,500.00	0.00	105,000.00	0.00	584,500.00	3,342,071.30
Total Corporate/Defendants' Assets	7,633,693.90	374,500.00	52,500.00	71,116.36	0.00	105,000.00	0.00	603,116.36	8,236,810.26

From inception (November 8, 2018) to September 30, 2020

	Previously Reported and Approved	Apr 20	May 20	Jun 20	Jul 20	Aug 20	Sep 20	4/1/20~9/30/20	TOTAL
Relief Defendants' Assets									
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
Total Relief Defendants' Assets	4,377,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4,377,000.00
Other Collections									
Corporate Tax Refunds	0.00	0.00	0.00	2,410.13	0.00	0.00	0.00	2,410.13	2,410.13
G. Barienbrock Family Trust	50,000.00	25,000.00	0.00	0.00	25,000.00	0.00	0.00	50,000.00	100,000.00
Interest Income	30,883.53	1,107.58	1,023.13	995.72	996.43	1,004.43	1,000.57	6,127.86	37,011.39
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	3,022.41	0.00	0.00	2,647.45	0.00	0.00	0.00	2,647.45	5,669.86
Remote.com Inc.	150,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	150,000.00
UnitedCheck Card Refunds	451.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	451.00
Total Other Collections	410,356.94	26,107.58	1,023.13	6,053.30	25,996.43	1,004.43	1,000.57	61,185.44	471,542.38
The Sanctuary Reserve- Misc									
Beach Club Funds Received	2,172.41	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,172.41
Boat Charter Fees	1,950.00	0.00	0.00	600.00	0.00	0.00	0.00	600.00	2,550.00
Marina Sales & Docking Services	39,956.58	369.88	3,505.59	2,086.04	100.00	5,372.41	8,320.63	19,754.55	59,711.13
Collection for Logs/Materials	6,725.00	0.00	0.00	0.00	400.00	0.00	0.00	400.00	7,125.00
Equipment Rental	200.00	0.00	406.25	500.00	0.00	250.00	0.00	1,156.25	1,356.25
Horse Back Riding Fees	315.80	0.00	30.00	0.00	30.00	0.00	0.00	60.00	375.80
Laundry Coin Collected	182.00	0.00	0.00	0.00	7.00	0.00	0.00	7.00	189.00
Miscellaneous	337.93	0.00	1,000.00	4,477.70	50.00	325.00	0.00	5,852.70	6,190.63
Rent Collections									
Bill Allen Rent	4,975.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4,975.00
Lombak Villa Rent	1,000.00	0.00	0.00	0.00	300.00	600.00	600.00	1,500.00	2,500.00
Waimea Villa Rent	3,070.32	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,070.32
Visitor Rent	4,375.00	0.00	0.00	0.00	0.00	937.50	75.00	1,012.50	5,387.50
Total Rent Collections	13,420.32	0.00	0.00	0.00	300.00	1,537.50	675.00	2,512.50	15,932.82
Sale of Horses									
Vehicle Cleaning Fees	1,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,000.00
Vehicle & Equipment Repairs	15.00	0.00	0.00	10.00	0.00	0.00	0.00	10.00	25.00
Total The Sanctuary Reserve- Misc Col	833.05	0.00	0.00	0.00	0.00	5.00	10.00	15.00	848.05
	67,108.09	369.88	4,941.84	7,673.74	887.00	7,489.91	9,005.63	30,368.00	97,476.09
Total Funds Collected	12,488,158.93	400,977.46	58,464.97	84,843.40	26,883.43	113,494.34	10,006.20	694,669.80	13,182,828.73

From inception (November 8, 2018) to September 30, 2020

	Previously Reported and Approved	Apr 20	May 20	Jun 20	Jul 20	Aug 20	Sep 20	4/1/20~9/30/20	TOTAL
Expenses									
Corporate Entity Expenses									
Buy Belize International Inc.									
IRA Contributions	259.87	0.00	0.00	0.00	0.00	0.00	0.00	0.00	259.87
Total Buy Belize International Inc.	259.87	0.00	0.00	0.00	0.00	0.00	0.00	0.00	259.87
Buy Belize LLC									
Corporation Taxes	1,600.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	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
Total Buy Belize LLC	5,003.80	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5,003.80
Buy International Inc.									
Corporation Taxes	1,600.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	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
Total Buy International Inc.	75,778.84	0.00	0.00	0.00	0.00	0.00	0.00	0.00	75,778.84
Eco Futures Development									
Corporation Taxes	1,600.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	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
Total Eco Futures Development	5,072.08	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5,072.08
Global Property Alliance Inc.									
Corporation Taxes	1,850.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,850.00
Total Global Property Alliance Inc.	1,850.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,850.00
Power Haus Marketing									
Corporation Taxes	1,850.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,850.00
Total Power Haus Marketing	1,850.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,850.00
Total Corporate Entity Expenses	89,814.59	0.00	0.00	0.00	0.00	0.00	0.00	0.00	89,814.59
Court Approved Legal Fees for P. Baker	20,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	20,000.00
Court Approved Trial Allowance	15,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	15,000.00
Payroll Processing Fees	951.31	0.00	0.00	0.00	0.00	0.00	0.00	0.00	951.31
Property Expenses									
7862 Chase Avenue									
Property Insurance Premiums	268.45	62.24	0.00	0.00	0.00	0.00	0.00	62.24	330.69
Total 7862 Chase Avenue	268.45	62.24	0.00	0.00	0.00	0.00	0.00	62.24	330.69

	Previously Reported and Approved	Apr 20	May 20	Jun 20	Jul 20	Aug 20	Sep 20	4/1/20~9/30/20	TOTAL
104 Kings Place									
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	580,243.53	36,737.54	36,934.42	36,934.42	36,934.42	36,934.42	36,737.54	221,015.88	801,259.41
Property Insurance Premiums	442.24	27.95	28.88	27.95	28.88	28.88	27.95	170.49	612.73
Repairs & Maintenance									
Insurance Funded Expenses	(4,554.92)	0.00	0.00	0.00	(29,633.12)	4,410.00	(2,186.21)	(27,409.33)	(31,904.25)
Repairs & Maintenance	45,285.71	0.00	0.00	0.00	32,386.12	0.00	0.00	32,386.12	77,671.83
Total Repairs & Maintenance	40,730.79	0.00	0.00	0.00	2,753.00	4,410.00	(2,186.21)	4,976.79	45,707.58
Total 104 Kings Place	626,267.56	36,765.49	36,963.30	36,765.49	39,716.30	41,373.30	34,579.28	226,163.16	852,430.72
1833 Port Barmouth Place									
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
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
2729 Bristol St. Office									
Appraisal Fees	1,970.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,970.00
Electricity	11,835.02	270.94	0.00	0.00	0.00	0.00	0.00	270.94	12,105.96
Landscaping Services	7,932.14	0.00	0.00	0.00	0.00	0.00	0.00	0.00	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	89,101.37	5,293.15	0.00	0.00	0.00	0.00	0.00	5,293.15	94,394.52
Repairs & Maintenance	7,012.34	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7,012.34
Secured Property Taxes	49,372.67	(49,372.67)	0.00	0.00	0.00	0.00	0.00	(49,372.67)	0.00
Security Patrol Services	9,154.42	1,291.46	1,124.82	0.00	0.00	0.00	0.00	2,416.28	11,570.70
Water	3,895.35	0.00	568.55	0.00	0.00	0.00	0.00	568.55	4,463.90
Total 2729 Bristol St. Office	181,424.31	(42,517.12)	1,693.37	0.00	0.00	0.00	0.00	(40,823.75)	140,600.56
3905 Marcus Ave.									
Appraisal Fees	2,450.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,450.00
Electricity	60.31	0.00	0.00	0.00	0.00	0.00	0.00	0.00	60.31
Legal Fees	400.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	400.00

Administrative Expenses and Fund Balance
From inception (November 8, 2018) to September 30, 2020

Previously Reported and Approved	Apr 20	May 20	Jun 20	Jul 20	Aug 20	Sep 20	9/30/20~	TOTAL
Litigation Guarantee Costs	1,151.00	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	2,740.01
Property Insurance Premiums	3,285.29	0.00	0.00	0.00	0.00	0.00	0.00	3,285.29
Repairs & Maintenance	145.26	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	431.98
Total 3905 Marcus Ave.	10,663.85	0.00	0.00	0.00	0.00	0.00	0.00	10,663.85
Santos Properties								
460 Lindberg Circle								
Notary Fees	0.00	0.00	0.00	0.00	0.00	0.00	60.00	60.00
Property Insurance Premiums	542.80	0.00	0.00	0.00	0.00	0.00	111.34	654.14
Total 460 Lindberg Circle	542.80	0.00	0.00	0.00	0.00	0.00	171.34	714.14
1807 Coastal Way								
Mortgage Payments	8,838.24	0.00	0.00	0.00	0.00	0.00	0.00	8,838.24
Property Insurance Premiums	839.41	0.00	0.00	0.00	0.00	0.00	172.18	1,011.59
Total 1807 Coastal Way	9,677.65	0.00	0.00	0.00	0.00	0.00	172.18	9,849.83
14070 Falling Leaf Rd.								
Mortgage Payments	2,307.66	0.00	0.00	0.00	0.00	0.00	0.00	2,307.66
Property Insurance Premiums	269.25	0.00	0.00	0.00	0.00	0.00	55.23	324.48
Total 14070 Falling Leaf Rd.	2,576.91	0.00	0.00	0.00	0.00	0.00	55.23	2,632.14
17085 Birch Hill Rd.								
Mortgage Payments	9,233.24	0.00	0.00	0.00	0.00	0.00	0.00	9,233.24
Property Insurance Premiums	1,055.67	0.00	0.00	0.00	0.00	0.00	216.55	1,272.22
Total 17085 Birch Hill Rd.	10,288.91	0.00	0.00	0.00	0.00	0.00	216.55	10,505.46
Total Santos Properties	23,086.27	615.30	0.00	0.00	0.00	0.00	615.30	23,701.57
The Sanctuary Reserve								
Customs Extensions Paid	0.00	0.00	572.50	600.00	700.00	0.00	1,872.50	1,872.50
Horse & Dog Feed and Supplies	0.00	450.45	45.90	0.00	0.00	0.00	496.35	496.35
Veterinary Services	0.00	405.00	507.50	0.00	192.50	0.00	1,105.00	1,105.00
Mango Springs Development LLC	0.00	0.00	18,616.36	0.00	0.00	0.00	18,616.36	18,616.36
Annual Station Licenses	1,375.00	0.00	0.00	0.00	0.00	0.00	0.00	1,375.00
Bank Fees	2,149.03	72.00	102.00	66.00	108.00	36.00	420.00	2,569.03
Boarding Fees	725.00	0.00	0.00	0.00	0.00	0.00	0.00	725.00
Conservation Mgmt Fees	52,535.00	0.00	0.00	0.00	0.00	0.00	0.00	52,535.00
Consumer Committee Expenses	16,637.04	0.00	0.00	0.00	0.00	2,386.19	2,386.19	19,023.23
Electricity	169,163.43	3,632.34	8,910.65	8,042.93	6,559.59	7,224.03	39,174.16	208,337.59

From inception (November 8, 2018) to September 30, 2020

	Previously Reported and Approved	Apr 20	May 20	Jun 20	Jul 20	Aug 20	Sep 20	4/1/20~9/30/20	TOTAL
Employee Relations	5,276.82	5,434.85	250.40	111.50	290.17	0.00	0.00	6,086.92	11,363.74
Equipment	37,828.97	0.00	4,279.95	5,936.75	13,303.57	5,017.50	12,048.83	40,586.60	78,415.57
Equipment Maintenance	6,248.87	0.00	0.00	6,037.50	350.00	14,401.88	3,307.01	24,096.39	30,345.26
Equipment Parts & Supplies	71,945.74	0.00	12,040.88	8,756.64	11,440.69	13,358.72	19,767.46	65,364.39	137,310.13
Equipment Transport & Shipping	9,386.90	0.00	0.00	0.00	0.00	0.00	0.00	0.00	9,386.90
Gasoline and Diesel	101,994.40	14,533.87	202.52	11,900.48	50.00	13,661.35	13,566.72	53,914.94	155,909.34
General Liability Insurance	52,100.00	0.00	0.00	0.00	0.00	0.00	52,125.00	52,125.00	104,225.00
General Maintenance & Supplies	135,461.35	1,683.20	22,013.24	31,561.23	25,442.57	39,331.18	14,528.24	134,559.66	270,021.01
Government of Belize Taxes	257,009.57	(11,233.53)	8,560.85	9,005.12	15,481.92	9,652.49	11,347.13	42,813.98	299,823.55
Internet & Phones	57,136.94	1,600.00	2,729.56	791.01	2,130.69	2,163.26	2,115.23	11,529.75	68,666.69
Land & Lot Surveying	6,307.20	0.00	6,307.20	3,153.60	0.00	0.00	0.00	9,460.80	15,768.00
Legal Fees & Costs	117,733.46	4,950.00	3,375.00	2,250.00	3,375.00	36,095.00	3,375.00	53,420.00	171,153.46
License & Registration	12,516.92	0.00	1,175.00	737.50	423.98	412.50	947.50	3,696.48	16,213.40
Meals	2,296.17	0.00	0.00	0.00	0.00	206.64	140.25	346.89	2,643.06
Miscellaneous	1,524.97	200.00	490.00	555.07	487.50	350.00	1,400.00	3,482.57	5,007.54
Office & Misc Supplies	7,093.62	0.00	65.88	522.72	1,008.50	51.95	93.80	1,742.85	8,836.47
Pool Supplies & Maintenance	16,495.10	0.00	0.00	1,054.00	0.00	0.00	1,305.00	2,359.00	18,854.10
Postage & Delivery Charges	1,962.27	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,962.27
Post Office Box rental	120.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	120.00
Security Training	435.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	435.50
Staff & Mangement Fees	1,165,564.40	30,596.65	59,132.80	60,892.51	63,792.05	98,055.02	75,265.99	387,735.02	1,553,299.42
Vehicle/Motorcycle Fleet Insurance	12,554.17	0.00	0.00	0.00	0.00	0.00	0.00	0.00	12,554.17
Water Quality Testing	4,751.76	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4,751.76
Total The Sanctuary Reserve	2,326,329.60	51,433.38	126,355.35	172,020.54	146,285.57	240,317.58	220,979.38	957,391.80	3,283,721.40
Total Property Expenses	3,271,845.42	46,359.29	165,012.02	208,786.03	186,001.87	281,690.88	255,558.66	1,143,408.75	4,415,254.17
Receiver Fees & Expenses									
Receiver Fees									
R. Evans	1,071.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,071.00
B. Kane	260,877.60	5,574.60	5,848.20	3,420.00	4,172.40	8,002.80	10,465.20	37,483.20	298,360.80
V. Miller	363,238.20	11,901.60	10,738.80	10,807.20	11,970.00	12,551.40	16,552.80	74,521.80	437,760.00
K. Johnson	94,221.00	1,641.60	786.60	1,402.20	957.60	2,804.40	4,104.00	11,696.40	105,917.40
S. Krishnan	8,755.20	0.00	0.00	0.00	0.00	0.00	1,573.20	1,573.20	10,328.40
A. Jen	177,156.00	5,950.80	3,796.20	1,675.80	1,983.60	2,872.80	3,214.80	19,494.00	196,650.00
M. Lin	109,866.60	0.00	0.00	0.00	0.00	0.00	0.00	0.00	109,866.60
T. Chung	295,681.05	3,648.15	2,532.60	2,562.75	0.00	1,085.40	13,597.65	23,426.55	319,107.60
F. Jen	69,797.25	150.75	0.00	90.45	120.60	0.00	4,733.55	5,095.35	74,892.60
C. Callahan	44,752.50	360.00	157.50	855.00	225.00	225.00	607.50	2,430.00	47,182.50
H. Jen	207,940.50	18,400.50	9,490.50	4,941.00	7,398.00	10,962.00	11,799.00	62,991.00	270,931.50

From inception (November 8, 2018) to September 30, 2020

	Previously Reported and Approved	Apr 20	May 20	Jun 20	Jul 20	Aug 20	Sep 20	4/1/20~9/30/20	TOTAL
C. DeCius	85,147.20	2,940.30	2,976.75	1,858.95	2,563.65	3,183.30	2,830.95	16,353.90	101,501.10
J. Dadbin	27,232.20	0.00	0.00	0.00	0.00	0.00	0.00	0.00	27,232.20
Support Staff	6,777.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6,777.00
Total Receiver Fees	1,752,513.30	50,568.30	36,327.15	27,613.35	29,390.85	41,687.10	69,478.65	255,065.40	2,007,578.70
Receiver Expenses									
Frances Griffith Services	0.00	0.00	1,650.00	0.00	0.00	0.00	0.00	1,650.00	1,650.00
Asset & Investigative Searches	2,740.06	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,740.06
Bank Fees	520.80	(344.80)	75.00	0.00	0.00	0.00	0.00	(269.80)	251.00
Document Reproduction	17,796.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	17,796.50
External Storage Device	1,495.19	0.00	0.00	0.00	0.00	0.00	0.00	0.00	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	837.43	0.00	0.00	0.00	0.00	983.72	2,609.31	3,593.03	4,430.46
Parking & Tolls	647.15	0.00	0.00	0.00	0.00	0.00	0.00	0.00	647.15
Postage & Delivery	4,619.11	144.56	47.42	41.79	78.51	8.15	114.58	435.01	5,054.12
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	6,154.33	370.00	370.00	370.00	370.00	370.00	370.00	2,220.00	8,374.33
Tax Return Preparation	18,235.88	0.00	0.00	0.00	0.00	0.00	15,015.50	15,015.50	33,251.38
Travel Expenses	50,857.96	(5,965.61)	0.00	0.00	0.00	0.00	0.00	(5,965.61)	44,892.35
Website Support	4,795.32	377.06	79.85	26.62	57.67	102.03	75.41	718.64	5,513.96
Total Receiver Expenses	114,058.44	(5,418.79)	2,222.27	438.41	506.18	1,463.90	18,184.80	17,396.77	131,455.21
Legal Fees & Costs									
Barnes & Thornburg LLP									
Legal Fees	915,940.05	48,814.30	36,923.40	11,944.75	20,913.75	29,663.90	55,288.10	203,548.20	1,119,488.25
Legal Costs	35,877.48	974.84	1,754.88	226.82	2,000.00	2,076.33	634.35	7,667.22	43,544.70
Total Barnes & Thornburg LLP	951,817.53	49,789.14	38,678.28	12,171.57	22,913.75	31,740.23	55,922.45	211,215.42	1,163,032.95
Total Legal Fees & Costs	951,817.53	49,789.14	38,678.28	12,171.57	22,913.75	31,740.23	55,922.45	211,215.42	1,163,032.95
Total Receiver Fees & Expenses	2,818,389.27	94,938.65	77,227.70	40,223.33	52,810.78	74,891.23	143,585.90	483,677.59	3,302,066.86
Total Expenses	6,216,000.59	141,297.94	242,239.72	249,009.36	238,812.65	356,582.11	399,144.56	1,627,086.34	7,843,086.93
Fund Balance	6,272,158.34								5,339,741.80
Defendant's Funds Held by the Receiver									
Atlantic International Bank Ltd	23,000,000.06	0.00	0.00	0.00	0.00	0.00	0.00	0.00	23,000,000.06
Total Defendant's Funds Held by the Receiver	23,000,000.06	0.00	0.00	0.00	0.00	0.00	0.00	0.00	23,000,000.06

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 APRIL 1, 2020 THROUGH
SEPTEMBER 30, 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 April 1, 2020 through September 30, 2020 (“Fifth Expense Period”).

3. During the Fifth Expense Period, the Receiver has incurred attorneys' fees to Barnes & Thornburg of \$203,548.20 and costs of \$7,667.22 for a total of \$211,215.42. 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 especially 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 Fifth Expense Period to assist in monetizing or otherwise addressing assets for the benefit of the receivership estate, as well as working closely with the Receiver and the Federal Trade Commission ("FTC") concerning a proposed claims allowance and redress plan.

5. During the prior expense period, counsel was able to resurrect the 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, revise the settlement documentation and prepare a successful motion to approve the settlement. Early in the Fifth Expense Period, Barnes & Thornburg took the remainder of steps necessary to ensure that the transaction successfully closed, working with counsel for the former owner to facilitate another inspection of the property and addressing and working to resolve all remaining title issues and concerns. The transaction closed in late April 2020, resulting in a payment of \$320,000 to the receivership estate.

6. During the prior expense period, a settlement with Lee Nobmann (“Nobmann”) concerning the five properties assigned to the Receiver under the Santos Judgment was documented and payment of \$350,000 pursuant to that settlement was paid to the Receiver pending Court approval. The Court approved the settlement at the outset of the Fifth Expense Period. Thereafter, during the Fifth Expense Period, Barnes & Thornburg withdrew Notices of Pending Action (Lis Pendens) on the five properties and, at Nobmann’s counsel’s request, reviewed, revised and approved assignment documents for recordation on the five properties. Barnes & Thornburg also negotiated the proper allocation of rents between the Receiver and Nobmann which had been paid to the Receiver for some of these properties, pursuant to the terms of the Court-approved settlement. While allocating rental payments, the Receiver’s counsel also made certain that the receivership estate would be compensated for post-closing work undertaken at Nobmann’s request.

7. Counsel continued to take steps to ensure that all appropriate actions were taken by the Liquidator of Atlantic International Bank Limited (“AIBL”) pursuant to the Stipulated Order for Permanent Injunction and Monetary Judgment Against Atlantic International Bank Limited (“AIBL Judgment”). Barnes & Thornburg communicated with the Liquidator’s counsel and with the Receiver’s Belize counsel to make sure that all required documents were turned over to the Receiver under the AIBL Judgment and that additional assignment documentation was obtained as necessary and recorded as required under Belize law.

8. During the prior expense period, 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. Both settlements were

completed in March 2020, during the prior expense period. During the Fifth Expense Period, extensive steps were taken to consummate the Mathis settlement despite challenges faced in light of the COVID-19 pandemic and Mathis's desire to remain strictly quarantined. A motion to approve the Barienbrock and Mathis settlements was prepared and filed during the Fifth Expense Period. The Receiver's counsel filed a response to the objection to the settlement motion filed by defendant Luke Chadwick and the settlement motion remains pending before the Court. The Court recently indicated in a Memorandum Order that it "sees no reason why it should not approve the settlements" and has directed the FTC to submit a proposed order with findings of fact in connection with that motion.

9. The Receiver's counsel has been actively involved in addressing issues pertaining to the property at 104 Kings Place, Newport Beach, California ("Kings Place Property"). It provided formal notice to the lessee that its purchase option lapsed as a result of non-payment of certain option payments. It had numerous communications with two different lawyers for the lessee during the Fifth Expense Period and has continued to communicate with a third lawyer retained by the lessee after the Fifth Expense Period, in order to address issues raised by the FTC concerning the lessee's potential acquisition of the property, the lessee's recent default in payment of rent on the property for September and October, and a potential resolution of the impasse between the lessee and the Receiver.

10. Prior to the Fifth 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. Prior to the Fifth Expense Period, 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. 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. During the Fifth Expense Period, additional documents were produced by Diaz-Cueto and Bella Mar and reviewed by Receiver's counsel. Also during the Fifth Expense Period, Barnes & Thornburg and counsel for Diaz-Cueto entered into two consent motions to extend the time to take the Court-ordered supplemental deposition in an effort to eventually conduct the deposition in Miami when it was safe to do so. However, it was determined that it was more prudent to conduct the deposition remotely in light of the ongoing COVID-19 pandemic. I conducted the supplemental deposition remotely on October 21 and October 23, 2020. During the Fifth Expense Period, the Receiver's counsel and Diaz-Cueto's counsel also had preliminary settlement discussions. Because no resolution has been reached, the Receiver is evaluating its legal options.

11. During the Fifth Expense Period, I spent a significant amount of time reviewing and suggesting revisions to multiple drafts of the FTC's claims allowance and redress plan. I participated in numerous telephonic communications with the Receiver and the FTC to discuss and revise the proposed redress plan.

12. During the Fifth Expense Period, Barnes & Thornburg prepared and filed the successful fourth fee motion. It prepared an opposition to a series of letters filed by investors in the project in Costa Rica known as Rancho Del Mar, seeking an untimely return of funds from a bank account held by Receivership Entity Newport Land Group. A ruling on the letters filed by these investors has not yet been issued. The Receiver also prepared a reply to the oppositions filed separately by Chadwick and Baker to the FTC's motion for default judgment, in which various allegations were leveled against the Receiver. Throughout the Fifth Expense Period, Barnes & Thornburg has continued to monitor and review voluminous pleadings filed by the parties and orders issued by the Court. Counsel also analyzed in detail this Court's Memorandum Opinion and three proposed orders which were issued in late August 2020. As a result of the Memorandum Opinion and proposed orders, I discussed with the FTC suggested modifications to the proposed judgments relevant to the Receiver.

13. Finally, counsel for the Receiver continues to take a primary role in negotiating the Receiver's insurance claims surrounding water damage and slope repairs affecting the Kings Place Property. 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.

14. Barnes & Thornburg, utilizing its Washington, D.C. office, continues to act 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.

15. 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.

16. 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.

17. 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 Fifth Expense Period 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 November 3, 2020 at Solvang, California.


GARY OWEN CARIS