

Attachment A

JOINT MOTION FOR ENTRY OF PROPOSED STIPULATED ORDER
In re Sanctuary Belize Litigation, No. 18-3309 (D. Md.)

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MARYLAND
SOUTHERN DIVISION**

In re SANCTUARY BELIZE LITIGATION

No: 18-cv-3309-PJM

**STIPULATED ORDER FOR PERMANENT INJUNCTION
AND MONETARY JUDGMENT AGAINST DEFENDANT ATLANTIC
INTERNATIONAL BANK LIMITED**

Plaintiff the Federal Trade Commission (“Commission” or “FTC”) filed its Complaint for Permanent Injunction and Other Equitable Relief (“Complaint”), pursuant to Section 13(b) of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. § 53(b), and the Telemarketing and Consumer Fraud and Abuse Prevention Act (“Telemarketing Act”), 15 U.S.C. §§ 6101-6108. On January 11, 2019, the Court granted the FTC’s motion to amend, substituting the Amended Complaint for Permanent Injunction and Other Equitable Relief (“Amended Complaint”) for the Complaint. Defendant Atlantic International Bank Limited (“AIBL”) was served with the Complaint and summons, and subsequently with the Amended Complaint. The Commission and AIBL, by and through the Liquidator, stipulate to the entry of this Stipulated Order for Permanent Injunction and Monetary Judgment Against AIBL.

IT IS THEREFORE ORDERED:

FINDINGS

1. This Court has jurisdiction over this matter.
2. The Amended Complaint charges that AIBL, along with the other named Defendants, participated in deceptive acts or practices in violation of Section 5 of the FTC Act, 15 U.S.C. § 45, as well as violations of the Telemarketing Sales Rule, 16 C.F.R. Part 310, in connection with the sale of lots in a development in Belize known variously as Sanctuary Bay, Sanctuary Belize, and The Reserve.

3. Following litigation, the Court froze assets (the “Asset Freeze”) including Assets comprised of cash and certain marketable securities and investments held by AIBL in certain bank accounts maintained with Wells Fargo, N.A. (“Wells Fargo”), Activo International Bank (Puerto Rico) (“Activo”) and Bancrédito International Bank Corporation (Puerto Rico) (“Bancrédito”).

4. On April 12, 2019, the Central Bank of Belize (the “Central Bank”), the Belizean government regulator of AIBL, appointed Julian Murillo as liquidator of AIBL (in such capacity, the “Liquidator”) and the Central Bank formally revoked AIBL’s license to operate.

5. AIBL neither admits nor denies any of the allegations in the Complaint, except as specifically stated in this Order. AIBL admits the facts necessary to establish jurisdiction.

6. This Order resolves all of the FTC’s allegations related to Sanctuary Belize, including all allegations against AIBL, except it reserves allegations against all Reserved Defendants, and the subordinates, agents, affiliates or subsidiaries of any Reserved Defendant, and any other entity any Reserved Defendants directly or indirectly control or controlled. This Order does not resolve any allegation regarding persons or entities not in Belize, or any allegation not related to Sanctuary Belize.

7. AIBL waives any claims it may have under the Equal Access to Justice Act, 28 U.S.C. § 2412, concerning the prosecution of this action through the date of this Order, and agrees to bear their own costs and attorney fees.

8. AIBL waives all rights to appeal or otherwise challenge or contest the validity of this Order.

9. The Liquidator has authority to enter into this Stipulated Order on behalf of AIBL, and has exercised that authority to enter into this Stipulated Order.

DEFINITIONS

A. **“AIBL”** means Defendant Atlantic International Bank Limited and its subordinates, agents, affiliates or subsidiaries, except that in Sections III-X, AIBL means,

collectively, Defendant Atlantic International Bank Limited and its subordinates, agents, affiliates or subsidiaries, and the Liquidator.

B. **“AIBL Asset”** means any Asset of AIBL regardless of whether controlled by the Liquidator.

C. **“Asset”** means any legal or equitable interest in, right to, or claim to, any property, wherever located and by whomever held, whether tangible, intangible, digital, or otherwise, including, but not limited to, digital currencies, virtual currencies, digital tokens, and cryptocurrencies.

D. **“Belizean Liquidation Proceeding”** means the proceedings to wind-up and liquidate AIBL for which the Central Bank formally nominated the Liquidator, and any related litigation, administrative activity, or other related proceedings in Belize.

E. **“Chapter 15 Proceeding”** means the matter bearing the caption *In re Atlantic International Bank Limited*, No. 19-16286 (Bankr. S.D. Fla.) currently pending before the United States Bankruptcy Court for the Southern District of Florida.

F. **“Corporate Defendant(s)”** means Global Property Alliance, Inc., Sittee River Wildlife Reserve, Buy Belize, LLC, Buy International, Inc., Foundation Development Management, Inc., Eco-Futures Development, Eco-Futures Belize Limited, Power Haus Marketing, Sanctuary Belize Property Owners’ Association, Prodigy Management Group LLC, Foundation Partners, BG Marketing, LLC, Ecological Fox, LLC, Belize Real Estate Affiliates LLC, Exotic Investor LLC, Southern Belize Realty LLC, Newport Land Group LLC, and their respective subsidiaries, affiliates, successors, and assigns.

G. **“Defendant(s)”** means the Corporate Defendants, Individual Defendants, and Relief Defendants, individually, collectively, or in any combination.

H. **“Individual Defendant(s)”** means Andris Pukke, Peter Baker, Luke Chadwick, John Usher, Rod Kazazi, Brandi Greenfield, Frank Costanzo, and Michael Santos, individually, collectively, or in any combination.

I. **“Liquidator”** means Julian Murillo, or any successor the Central Bank or other relevant Belizean authority having the power to do so appoints, to serve as liquidator for AIBL pursuant to Belizean law.

J. **“Lot Purchaser”** means any consumer who purchased a lot: (i) in Sanctuary Belize; (ii) located elsewhere, but that was transferred to Sanctuary Belize (with or without their consent); or (iii) within any area the Court determines to be part of the Receivership. Notwithstanding the foregoing, a consumer is not a “lot purchaser” if the consumer received a full refund, or payment from defendants or their agents for help selling lots.

K. **“Mandate”** means the Liquidator’s instructions and authority from the Central Bank of Belize to liquidate AIBL pursuant to Part XI of the Domestic Banks and Financial Institutions Act, 2012.

L. **“Receiver”** means the Receiver appointed in Section IV of this Order and any deputy receivers who shall be named by the Receiver.

M. **“Receivership”** means the receivership in this action.

N. **“Receivership Asset”** means any and all Assets ordered to be turned over to the Receiver pursuant to this Order.

O. **“Receivership Entities”** means the Corporate Defendants, 2729 Bristol LLC, and 3905 Marcus LLC, as well as any other entity that: (1) is located at, registered to, or operated from 3333 Michelson Drive, Suite 500, Irvine, California, and assists, facilitates, or otherwise conducts business related to the sale of real estate in Belize; (2) assists, facilitates, or otherwise conducts business related to the acts identified in the Findings of Fact in this Order, and is owned or controlled by any Defendant; or (3) Receivership Assets that are corporations or other legal entities.

P. **“Relief Defendant(s)”** means Angela Chittenden, Beach Bunny Holdings LLC, the Estate of John Pukke, John Vipulis, and Deborah Connelly.

Q. **“Reserved Defendants”** include any Defendant other than AIBL.

R. “**Sanctuary Belize**” means the development area in Belize known as “Sanctuary Belize,” “Sanctuary Bay,” “The Reserve,” and “Sanctuary Bay Wildlife Reserve” and any other area in Belize the Court determines to be part of the Receivership.

ORDER

I. PERMANENT CESSATION OF BUSINESS ACTIVITIES

IT IS ORDERED that AIBL shall not engage in any business activity other than for the purposes of the liquidation of AIBL, and upon completion of the Belizean Liquidation Proceeding, AIBL shall not engage in any business activity at all, and neither the Liquidator nor any other person or entity shall seek to re-license and operate the business of AIBL, whether pursuant to Section 109(17) of the Domestic Banks and Financial Institutions Act, 2012, § 109(17) or otherwise.

II. MONETARY JUDGMENT

IT IS FURTHER ORDERED that a judgment in the amount of twenty-three million dollars (\$23,000,000) is entered against AIBL and in the Commission’s favor, and AIBL and the Liquidator are ordered to immediately effect the transfers in Section IV(A)-(B) and to execute the Assignment pursuant to Section IV(C).

III. ADDITIONAL MONETARY PROVISIONS

IT IS FURTHER ORDERED that:

A. AIBL shall relinquish dominion and all legal and equitable right, title, and interest in all AIBL Assets paid, transferred, assigned, or relinquished pursuant to this Order and may not seek the return of any such Assets.

B. Subject to the limitations set forth in subsection A of Section IV hereof, all money paid to the Commission pursuant to this Order may be deposited into a fund administered by the Commission or its designee to be used for equitable relief, including consumer redress and any attendant expenses for the administration of any redress fund. If a representative of the Commission decides that direct redress to consumers is wholly or partially impracticable or

money remains after redress is completed, the Commission may apply any remaining money for such other equitable relief (including consumer information remedies) as it determines to be reasonably related to Defendants' practices alleged in the Complaint. Any money not used for such equitable relief is to be deposited to the U.S. Treasury as disgorgement. AIBL has no right to challenge any actions the Commission or its representatives may take pursuant to this Subsection.

C. The Asset Freeze is modified to permit the transfers identified in this Order. Upon the payments, transfers, assignments, and relinquishments required under this Order, the Asset Freeze is dissolved as to AIBL (and the Receiver shall cooperate with any reasonable request by the Liquidator to confirm such dissolution), but otherwise remains in full force and effect. However, after AIBL completes the payments, transfers, assignments, and relinquishments required under this Order, AIBL may request, in writing, that the Commission file a notice in the above-captioned action stating that the Asset Freeze is dissolved as to AIBL. If AIBL has satisfied terms of the payments, transfers, assignments, and relinquishments required under this Order, the Commission will file such notice within five business days of the request.

D. The Commission will not oppose the recognition of the Belizean Liquidation Proceeding in the Chapter 15 Proceeding as a foreign main proceeding under the United States Bankruptcy Code, or the recognition of the Liquidator as AIBL's duly appointed foreign representative under the United States Bankruptcy Code. After AIBL delivers the executed Assignment to the Receiver, the Commission will withdraw its opposition to the Liquidator's petition for recognition in the Chapter 15 Proceeding.

E. The Commission will have a \$6 million allowed, unsecured claim in the Belizean Liquidation Proceeding, entitled to the payment priority provided under Section 116(2)(j) of the Domestic Banks and Financial Institutions Act, 2012, § 116(2)(j). Service of this Order on the Liquidator suffices for the purposes of claim submission, and the Commission is not otherwise

required to file a claim in the Belizean Liquidation Proceeding. Regardless of when the Court enters this Order, the Commission's allowed, unsecured claim in the Belizean Liquidation Proceeding is timely.

IV. TRANSFERS TO RECEIVER

IT IS FURTHER ORDERED that Robb Evans & Associates LLC is appointed as Receiver for all Assets ordered to be turned over to the Receiver pursuant to this Order. The Receiver shall have full powers of an equity receiver under 28 U.S.C. § 959. The Receiver shall be solely the agent of this Court in acting as Receiver under this Order.

A. At the time this Order is entered, all AIBL Assets subject to the Asset Freeze up to the maximum amount of \$23,000,000 become Receivership Assets immediately, subject to the limitations on transfers detailed below. Notwithstanding anything else herein to the contrary, the Receiver is not permitted to use or spend the \$23,000,000 obtained through this Order; any future expenditures from that amount will be subject to further order by this Court.

B. Within fifteen calendar days of entry of this Order, and to satisfy the judgment in Section II, AIBL will transfer the following AIBL Assets to the Receiver in the following order up to a maximum amount of \$23,000,000:

- (1) all cash held in AIBL's account at Wells Fargo bank (the "Wells Fargo Account"), including account number 7272-2077, less \$100,000, which amount shall remain in the Wells Fargo Account;
- (2) all cash held in AIBL's accounts at Activo (the "Activo Account"), including account numbers 110007527 and 400003232; and
- (3) all cash held in AIBL's account at Bancrédito (the "Bancrédito account"), including account number 1101003224.

The sum of the cash transferred pursuant to (1) through (3) above is the "Cash Total." If the sum of the Cash Total is less than \$23,000,000, AIBL will, within seven calendar days, transfer to the Receiver additional funds sufficient to equal a total transfer of \$23,000,000.00 in cash.

C. Within seven calendar days of this Order's entry, the Liquidator on behalf of AIBL will execute an assignment (the "Assignment") that assigns to the Receiver (on the Commission's behalf) all rights, title or interest of any sort that AIBL holds in loans by AIBL to Kanantik International Ltd., Mango Springs Development LLC and Southern Belize Holdings LLC (collectively, the "Chadwick Property") and any other Asset that any Reserved Defendant directly or indirectly holds or controls including Assets nominees hold or control on behalf of Reserved Defendants. AIBL will not take any action in Belize, the United States, or elsewhere to defeat, subvert or limit the Assignment, and it will provide such reasonable assistance necessary to support any effort to enforce it. Notwithstanding the foregoing, once AIBL executes the Assignment, nothing herein prevents AIBL or the Liquidator from taking any action to sell or otherwise liquidate AIBL's rights, title or interest of any sort in any Asset if AIBL or the Liquidator has no reason to believe any Reserved Defendant directly or indirectly holds or controls such Asset.

V. DUTIES AND AUTHORITY OF RECEIVER

IT IS FURTHER ORDERED that the Receiver is directed and authorized to take exclusive control, custody, and possession of all AIBL Assets that become Receivership Assets. The Receiver will have the same powers, rights and duties with respect to AIBL Assets that become Receivership Assets as it has with respect to other Assets it holds as an equity receiver pursuant to other orders of this Court in this matter.

VI. COMPENSATION OF RECEIVER

IT IS FURTHER ORDERED that the Receiver and all personnel hired by the Receiver as herein authorized, including counsel to the Receiver and accountants, are entitled to reasonable compensation for the performance of duties pursuant to this Order and for the cost of actual out-of-pocket expenses incurred by them, from the Receivership Assets and Assets now held by, in the possession or control of, or which may be received by, the Receivership Estate. The Receiver shall file with the Court and serve on the parties periodic requests for the payment of

such reasonable compensation, with the first such request filed no more than sixty days after the date of entry of this Order. The Receiver shall not increase the hourly rates used as the basis for such fee applications without prior approval of the Court.

VII. COOPERATION

IT IS FURTHER ORDERED that, with respect to Subsections (A)-(D) below, for as long as the Belizean Liquidation Proceeding shall continue, as long as the Liquidator's Mandate continues, or August 1, 2020, whichever comes later:

A. The Liquidator must cooperate with representatives of the Commission in this case and in any investigation related to or associated with the transactions or the occurrences concerning Reserved Defendants that are the subject of the Amended Complaint.

B. Regarding the transactions or the occurrences concerning Reserved Defendants that are the subject of the Amended Complaint, to the extent that requested information or individuals are under the control of the Liquidator, AIBL must appear for interviews, discovery, hearings, trials, and any other proceedings that a Commission representative may reasonably request upon thirty calendar days written notice, or other reasonable notice, at such places and times in the United States as a Commission representative may designate, without the service of a subpoena. Any information, evidence or testimony provided by the Liquidator must be truthful and complete.

C. Subject to its authority under the Domestic Banks and Financial Institutions Act, § 118, and Section 25(1)(f) of the International Banking Act, Cap. 267 § 25(1)(f) (Rev. Ed. 2011), the Liquidator will take any reasonable action the Commission or Receiver requests to assist any Lot Purchaser's effort to obtain title to his or her lot, to facilitate the development of uniform and expedited procedures for Lot Purchasers to obtain title to their lots, or to facilitate development at Sanctuary Belize.

D. AIBL will take any reasonable position that the Commission requests in any litigation, hearing or proceeding, in this forum or any other forum (in the United States, Belize or

elsewhere), or any reasonable action the Commission requests that is necessary to preserve the rights this Order provides.

E. AIBL may not take any position in any litigation, hearing or proceeding, in this forum or any other forum (in the United States, Belize, or elsewhere), or take or fail to take any reasonable action, that interferes with, attempts to invalidate, or otherwise attempts to contest or limit any obligation this Order creates, or that interferes with, attempts to invalidate, or otherwise attempts to contest or limit this Order itself, the Commission's rights under this Order, or the Receiver's rights under this Order.

F. The Liquidator shall provide the Commission with thirty calendar days advance written notice of (a) the conclusion of the Belizean Liquidation Proceeding, (b) the termination of the Liquidator's Mandate, and (c) the potential disposal or destruction of any books and records of AIBL. Upon the Commission's written request, AIBL will transfer such books, records, and electronically stored information to the Commission prior to destruction.

VIII. ORDER ACKNOWLEDGMENT

IT IS FURTHER ORDERED that AIBL must obtain acknowledgments of receipt of this Order from the Liquidator and any other agent or employee of AIBL, and submit such acknowledgments of receipt of this Order sworn under penalty of perjury within ten calendar days of the entry of this order, or ten calendar days of when the employment or agency begins, whichever comes first.

IX. RETENTION OF EXCLUSIVE JURISDICTION

IT IS FURTHER ORDERED that this Court retains exclusive jurisdiction of this matter for purposes of construction, modification, and enforcement of this Order. Notwithstanding any other provision herein, AIBL may not object to, assert the invalidity of, or otherwise contest or dispute any obligation this Order creates on jurisdictional grounds in this Court or any other forum in the United States, Belize, or otherwise.

SO ORDERED, this ____ day of _____, 2019.

UNITED STATES DISTRICT JUDGE

**SO STIPULATED AND AGREED:
FOR THE FEDERAL TRADE COMMISSION:**




Jonathan Cohen (jcohen2@ftc.gov)
Benjamin Theisman (btheisman@ftc.gov)
Khouryanna DiPrima (kdiprima@ftc.gov)
Federal Trade Commission
600 Pennsylvania Ave., N.W., CC-9528
Washington, DC 20580
202-326-2551 (Cohen); -2223 (Theisman);
-2880 (Kostner); -2029 (DiPrima);
-3197 (facsimile)

9/15/19

Date

FOR DEFENDANT:

Atlantic International Bank Limited



Julian Murillo, as Liquidator of
of Atlantic International Bank Limited

9 July, 2019

Date