

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

In re SANCTUARY BELIZE LITIGATION

No: 18-cv-3309-PJM

[PROPOSED] FINAL ORDER CONCERNING KANANTIK

The Federal Trade Commission (“FTC” or “Commission”) has moved the Court to confirm that Kanantik remains within the Receivership. Based on the evidence presented, the Court finds:

(1) “Kanantik” is a collection of intertwined entities that collectively compromise a development parcel near Sanctuary Belize. As used herein, “Kanantik” includes Mango Springs Development Ltd. (“Mango Belize”), G&R Development Company of Belize, Ltd. (“G&R”), Palmaya Development, Ltd. (“Palmaya”), Kanantik International Limited (“Kanantik Limited”), and Mango Springs Development, LLC (“Mango Nevada”).

(2) Five parties have interests in Kanantik: Defendant Luke Chadwick, non-party CVM Corporation (“CVM”), Defendant John Usher, Defendant Andris Pukke, and Defendant Atlantic International Bank Limited (“AIBL”).

(3) Pursuant to the Preliminary Injunction, ECF No. 615 at 31-33, the Court placed Defendant Luke Chadwick’s assets in the Receivership pending further order. The Court subsequently entered a Final Order against Chadwick permanently transferring his assets to the Receiver in partial satisfaction of his obligations.

(4) Pursuant to the Preliminary Injunction, ECF No. 615 at 31-33, the Court placed Defendant Andris Pukke’s assets in the Receivership pending further order. The Court subsequently entered a Final Order against Pukke permanently transferring his assets to the Receiver in partial satisfaction of his obligations.

(5) Pursuant to the Preliminary Injunction, ECF No. 615 at 12-15, the Court froze Defendant John Usher's assets. The Court subsequently entered a Final Order against Usher permanently transferring his assets to the Receiver in partial satisfaction of his obligations.

(6) Pursuant to a Court-approved settlement between CVM and the Receiver, CVM transferred its interests in Kanantik to the Receiver. ECF No. 895-2 at 41-42.

(7) Pursuant to a Court-approved settlement between AIBL and the FTC, AIBL transferred its interests in Kanantik to the Receiver. ECF No. 607 at 8.

(8) Mango Belize is the primary Kanantik entity and directly or indirectly controls the other Kanantik entities.¹ Importantly, before judgment in this matter, the current Mango Belize board of directors asked the Court to confirm its status within Receivership, ECF No. 1026, withdrawing its earlier opposition, ECF No. 938.

(9) The owners of Mango Belize include Chadwick (39%), CVM (33%), and Usher (28%).² Therefore, prior to judgment, the Receiver controlled 72% of Mango Belize, and the balance was frozen. The Final Orders against Chadwick and Usher bring the Receiver's interest to 100%, confirming the Receiver's control and ownership. AIBL also has a secured interest in Mango Belize, but it is unnecessary to address that because the Receiver also controls AIBL's interest.³

¹ PXA4 at 160:23-161:1; PXA3 at 52:15-18.

² PXA1, PXA5 (reflecting current proportions). Chadwick controls his interest through a Nevis entity, Exotic Investor ("EI"), which he wholly owns. PXA1; Tr. 48:3-8 (Jan. 30, 2020 am). EI is a Defendant that the Court found liable. *See In re Sanctuary Belize Litig.*, No. 18-cv-3309, 2020 WL 5095531, *37 (D. Md. Aug. 28, 2020).

³ PXA6 (AIBL made a \$385,000 secured loan to Mango Belize)

(10) The owners of Kanantik International include Chadwick (50%), and CVM (50%).⁴ Therefore, prior to judgment, the Receiver controlled 100% of Kanantik International. The Final Orders in this matter confirm the Receiver's 100% interest and ownership. AIBL also has a secured interest in Kanantik International, but it is unnecessary to address that because the Receiver also controls AIBL's interest.⁵

(11) The owners of Palmaya include Chadwick (50%) and Usher (50%).⁶ Therefore, prior to judgment, the Receiver controlled all of Palmaya as a practical matter because half was within the Receivership, and the other half was frozen. The Final Orders in this matter confirm the Receiver's 100% interest and ownership. Pukke also has a disputed interest in Palmaya, but it is unnecessary to address that because, under the Final Order against Pukke, his interest, if any, transferred to the Receiver.⁷

(12) The owners of G&R include Palmaya (70%) and CVM (30%).⁸ Therefore, prior to judgment, because the Receiver controlled Palmaya, and CVM transferred its interests in G&R to the Receiver, the Receiver controlled all of G&R. The Final Orders in this matter confirm the Receiver's 100% control and ownership.

(13) The owners of Mango Nevada include Palmaya (50%) and CVM (50%).⁹ Therefore, prior to judgment, because the Receiver controlled Palmaya, and CVM transferred its

⁴ PXA8 at 2.

⁵ PXA7 (Kanantik International Limited borrowed approximately \$1 million through a secured loan from AIBL).

⁶ PXA1 at 2; Chadwick owns his interest through EI. PXA1 at 2; Tr. 48:3-8 (Jan. 30, 2020 am).

⁷ Pukke controls his option through Chloris Holdings, LLC. PXA11 at 4; PXA10.

⁸ PXA1.

⁹ PXA9 ¶¶ 5, 7.

interests in Mango Nevada and G&R to the Receiver, the Receiver controlled all of Mango Nevada. The Final Orders confirm the Receiver's 100% control and ownership.

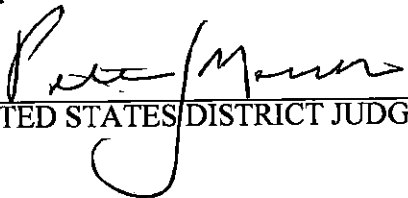
Therefore, for good cause shown,

IT IS HEREBY ORDERED:

A. The entities comprising the Kanantik development in Belize are receivership assets, including Mango Springs Development Ltd., G&R Development Company of Belize, Ltd., Kanantik International Limited, Palmaya Development, Ltd., and Mango Springs Development, LLC.

B. Kanantik lots purchased by consumers are not receivership assets.

SO ORDERED, this 24 day of March, 2021.


UNITED STATES DISTRICT JUDGE