



December 4, 2018

Benjamin Theisman, Esq.  
Federal Trade Commission  
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Dear Mr. Theisman:

In connection with the issues concerning the funds held in the account of Newport Land Group LLC, my office and the office of Jodi Newberry have had several conversations with your office over the last 10 days. The Armenta Law Firm (Credence Sol and I) represent Michael Santos, the largest Class A investor in a development in Costa Rica that was intended to be held through member units in Rancho Del Mar LLC. Jodi Newberry represents the balance of the proposed Class A investors. For reasons unknown to us or to our clients, the Class A investors' funds were held temporarily in the account of Newport Land Group pending the close of the acquisition of 1600 acres of land in Costa Rica.

Over the last 10 days, it has become clear that the FTC has come to a foreordained conclusion (and admits that it has done so regardless of what the evidence shows) about the investor funds that are being held hostage in the account of Newport Land Group. The Temporary Restraining Order in Federal Trade Commission v. Ecological Fox, LLC, et al. does not mention, reference or identify Newport Land Group or Rancho Del Mar as "Corporate Defendants." The Ex Parte Temporary Restraining Order was entered on November 5, 2018. Thereafter, on November 7, 2018, the Receiver entered the premises of the named defendants and allegedly "found new evidence" supporting the FTC's allegations. After having reviewed the documents and items seized, the FTC then obtained an Extension of the TRO on November 20, 2018. The FTC has known about the existence of Newport Land Group, Rancho Del Mar, and the funds held by the innocent investors therein since at least November 7, 2018. Revealingly, the FTC never acted to expand the Order to include the funds held in the account at Bank of America in the account of Newport Land Group.

In almost every one of my conversations with FTC counsel over the last few weeks, highly inappropriate remarks have been made about my client Michael Santos' past criminal record and the fact that he met Andris Pukke while incarcerated. As the FTC well knows, Mr. Santos has successfully concluded his sentence that was handed down after his narcotics offense nearly three decades ago. The FTC also knows or should know that Mr. Santos has become one of America's leading advocates for criminal justice reform. A distinguished speaker and writer, Mr. Santos has been absolutely transparent

about his path from prison to a life of integrity and hard work; he is motivated at all times by his desire to become a role model for others.

Mr. Santos is the single largest investor in the Costa Rica project. He has invested \$1.4M of his personal funds. Each and every dollar of his investment can be traced to his hard work, his legitimate investments and the real estate holdings that he has worked very hard to accumulate. Mr. Santos hoped that the Costa Rica project would be a long-term investment. He conducted his own due diligence into the project and served as a liaison with the other investors, all of whom are extremely dissatisfied with the FTC's position that its allegations related to properties in Belize somehow implicate the Costa Rica development in which they invested.

The FTC's mission is to protect consumers: "As the nation's consumer protection agency, the FTC takes complaints about businesses that don't make good on their promises or cheat people out of money. We share these complaints with our law enforcement partners and use them to investigate fraud and eliminate unfair business practices. Each year, the FTC also releases a report that provides information about the number and type of complaints we receive." [www.ftc.gov](http://www.ftc.gov).

In this case, the FTC's attempt to grab the hard-earned monies of the Class A investors in the Costa Rica project is antithetical to its claimed purpose. The investors demand that the FTC release its hold over the Newport Land Group funds that represent deposits made by them, the consumers that the FTC is charged with protecting. The Class A investors are entitled to and demand an immediate return of their funds.

The positions that the FTC has taken in this matter are quite unfortunate both for the investors and for the FTC. The FTC claims that a TRO whose subject is Belize implicates, for some unspecified reason, a project in Costa Rica and the funds deposited with Newport Land Group for that project. For several reasons, this position is misguided at best. The TRO identifies specific Individual Defendants and specific Corporate Defendants. Neither Newport Land Group nor Rancho Del Mar are among those named defendants. The term "Receivership Entities" is defined as related directly only to the sale of real estate in *Belize*. Indeed, the FTC's own press release makes clear that its mission was to halt the "Sanctuary Belize" investment matter. Nowhere did the FTC mention Costa Rica, which, the FTC apparently needs to be reminded, is actually a different country. The sad reality seems to be that it is the FTC that has falsely advertised its mission in the Ecological Fox case, duping the public into believing that only Belize was implicated while simultaneously grabbing innocent investors' monies deposited for the express purpose of funding a project in Costa Rica. This entire course of conduct turns the FTC's mission on its head.

In any event, be informed that Mr. Santos is firmly committed to seeing that the Class A investors' funds are returned. To that end, Mr. Santos and I are prepared to come to Washington immediately so that he may sit for a deposition under oath. If the FTC is not interested in taking advantage of this opportunity to educate itself on the true facts, be advised that Mr. Santos will promptly request an evidentiary hearing before the District Court of Maryland, the Orange Court Superior Court, or both. Be assured that Mr. Santos will be joined by a host of other investors who are outraged at the FTC's role in hijacking funds that rightfully belong to them.

We urge you to consider the documents that we have provided with honest discernment and release the funds that belong to the investors. We will allow the FTC one week to consider the documents provided and to arrive at a reasoned official position. Absent release of the funds, we will take whatever actions are necessary to inform the Court of the FTC's overbroad actions, which we view as contrary to the Court's order, the FTC's public statements and the FTC's own purported mission.

Sincerely,

*/s/ M. Cris Armenta*

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