

## PROMESA LAWSUITS AND EFFECTS ON PR GOVERNMENT PROVIDERS

The Oversight Board (OB) pursuant to PROMESA has filed close to three hundred (300) lawsuits against entities where the PR government has paid at least \$2.5 Million dollars over four years prior to the filing of the bankruptcy petition on May 3, 2017. Since April 30, 2019 and through May 2, 2019 late into the day the OB has filed hundreds of lawsuits against PR government providers of goods and services.

THE ADVERSARY COMPLAINTS ARE TO AVOID AND RECOVER CONSTRUCTIVE FRAUDULENT TRANSFERS AND TO DISALLOW CLAIMS PURSUANT TO 11 U.S.C. §§ 502, 544, 548, AND 550 AND PUERTO RICO LAW

Pursuant to Federal Rule of Bankruptcy Procedure 7001(1) made applicable to these Title III cases by section 310 of the Puerto Rico Oversight, Management, and Economic Stability Act (48 U.S.C. § 2170) ("PROMESA"),

The defendants range from retailers, to fast food companies, insurance brokers, tech service providers, advertising agencies, financial services providers, temporary employment agencies, health providers, hospitals, educational service providers and bond holders as well as many entities that filed proof of claims for monies owned them by the PR government. Some of the defendants sued are as follows:

Wal-Mart Puerto Rico Inc., Intervice Communication of Puerto Rico Inc., America Aponte & Assoc. Corp., Arcos Dorados Puerto Rico LLC., J. Jaramillo Insurance, Inc., Bianca Conventon Center, Inc., Campofresco, Corp., Arieta & Son Assurance Corporation. Jose Santiago, Inc., Armada Productions Corp. , Asociacion Azucarera Cooperativa Lafayette, Caribbean Data System, Inc., Avanti Technologies Inc., Avanzatec LLC., Management, Consultants & Computer Services, Incorporated. Comprehensive Health Service, Inc., Badillo Saatchi & Saatchi, Inc., Empresas Arr Inc., Barreras, Inc., Empresas Loyola, Inc., Beanstalk Innovation Puerto Rico LLC., Manpower, BI Incorporated, Estrada Bus Line, Inc., Bio-Nuclear of Puerto Rico, Inc., Facsimile Paper Connection Corp., First Hospital Panamericano, Inc., Cabrera & Ramos Transporte, Inc., MMM Healthcare, Inc., Forcelink Corp., Caribbean City Builders, Inc., Caribbean Educational Services, Inc., Fridma Corporation, Caribbean Restaurant Inc., N. Harris Computer Corporation, Educational Development Group, Inc., Girard Manufacturing, Inc., Caribbean Temporary Services, Inc., Caribe Tecno, Inc., Johnjavi Corporation, Abbvie Corp., Carnegie Learning, Inc., Kelly Services Puerto Rico, Carvajal Educacion, Inc., Educree: Consultores Educativos Inc., Oracle

Caribbean, Inc., Kelly Services, Inc., Total Petroleum Puerto Rico Corp., Case Solutions, LLC., CCHPR Hospitality, Inc., Pearson Pem P.R., Inc., Centro Avanzado Patologia & Terapia del Habla, Inc., Printech, Inc., Kid's Therapy Services, Inc., Centro de Patologia del Habla Y Audicion LLC., L.L.A.C., Inc., Learning Alliance, LLC., Luz M. Carrasquillo Flores, Nelson D. Rosario Garcia, Elias E Hijos, Inc., Puerto Rico Telephone Company, Inc., Next Level Learning, Inc., Ricoh Puerto Rico, Inc., Badillo, Sattchi & Sattchi, Inc., Grainger Caribe, Inc., Bank of NY Mellon, Eje Puerto Rico, Inc., Mangual's Office Cleaning Service Inc., Eastern America Insurance Agency, Inc.,

Adversary Complaint regarding GO Bonds against: BARCLAYS CAPITAL, BofA SECURITIES, MERRILL LYNCH CAPITAL SERVICES, INC., CITIGROUP INC., GOLDMAN SACHS & CO., J.P. MORGAN CHASE & CO., JEFFERIES GROUP LLC, MESIROW FINANCIAL, INC., MORGAN STANLEY, RAMIREZ & CO., INC., RBC CAPITAL MARKETS, SANTANDER SECURITIES, UBS FINANCIAL SERVICES, INC. OF PUERTO RICO, VAB FINANCIAL, BMO CAPITAL MARKETS, RAYMOND JAMES, SCOTIA MSD, TCM CAPITAL, SIDLEY AUSTIN LLP.  
Jefferies LLC, ANB Bank, Northern Trust Company/OCH-ZIFF Capital Management, UBS Securities, LLC.

Although the OB is suing to recover monies on behalf of the PR Government, the PR government politicians have been disassociating themselves from these lawsuits. They have indicated that the lawsuits will hurt the PR businesses with expensive litigation and thus the PR economy. They complain that it will be detriment to the credibility of the PR Government since no entity will want to provide goods or services to the PR Government or Public Corporations such as PRASA or PREPA.

According to reports in the local newspapers, there are approximately Sixty (60) defendants that have voluntarily waived the statute of limitations in an effort to be able to bide time to analyze the allegations and explore resolution before being thrown into full fledged and costly litigation.

