GOVERNMENT OF PUERTO RICO
OFFICE OF THE COMMISSIONER OF FINANCIAL INSTITUTIONS
SAN JUAN, PUERTO RICO

OCIF-Secretaria'26SEP22PM3:07

In the matter of: **BANEX INTERNATIONAL BANK, INC.**	**CASE NO. C26-D-002** **RE: Violations of Act No. 273-2012, as amended, known as the "International Financial Center Regulatory Act," of Regulation No. 5653, and of the Consent Order issued on October 16, 2025 in Case No. OCFI-2025-D-IFE-37-3082-03.**

ORDER APPOINTING RECEIVER

I. INTRODUCTION

The Order Appointing Receiver (the "Order") captioned above is issued pursuant to Articles 3(f) and 18(e) and (f) of Act No. 273-2012, concurrently with the Summary Cease and Desist Order, Revocation of License and Administrative Complaint issued by OCIF on this same date in Case No. C26-D-003 (the "Cease and Desist Order"), and constitutes an emergency measure intended to avert an imminent danger to the safety of the international financial entity industry operating from the jurisdiction of Puerto Rico and to protect the public interest in guaranteeing full and strict compliance with all laws and regulations applicable to the licenses issued by the Office of the Commissioner of Financial Institutions ("**OCIF**").

Banex International Bank, Inc. ("**Banex**" or the "**EFI**"), formerly known as Euro Exchange International Bank, Inc., is an international financial entity ("**IFE**") holding license number IFE-37, issued by OCIF to operate from the jurisdiction of Puerto Rico under Act No. 273-2012, as amended, known as the "International Financial Center Regulatory Act" ("**Act No. 273-2012**"), 7 L.P.R.A. § 3081 et seq., among other applicable statutes. The governing statute imposes clear and specific mandates regarding the minimum capital required for an IFE to guarantee its financial safety and operational soundness before OCIF, which holds broad delegated powers to oversee, supervise, monitor and examine these entities so that they comply with the applicable laws and regulations.

Since the inception of its banking operation in Puerto Rico, OCIF has guaranteed Banex due process of law in the course of every administrative proceeding before the regulator. Banex was examined, was afforded the opportunity to respond to the Report of Examination, voluntarily consented to a corrective action plan, was granted repeated extensions and repeated audiences, and was finally placed under the supervision of an independent Compliance Monitor paid for by the institution itself. Each of those opportunities was wasted. The documentation and information available in Banex's administrative record before OCIF — including the audited financial statements, the regulatory reports submitted by the institution, the trial balances produced at OCIF's request, and the Monitorship Report submitted by the Compliance Monitor on September 14, 2026 (the "**Monitor's Report**") — establish with clarity that Banex faces a scenario of **insolvency**, as that term is defined in Act No. 273-2012. Consequently, there presently exists an imminent danger: (i) to the safety and operational soundness of Banex, including but not limited to the deposits in its possession; and (ii) to the public interest OCIF must protect, consisting of ensuring that IFEs comply with the parameters and legal requirements applicable to a sound, responsible and viable operation. The foregoing extraordinary circumstances, standing alone and analyzed together, justify that OCIF issue this Order without a prior hearing, so that what is provided herein takes effect immediately, as Article 18(e) and (f) of Act No. 273-2012 expressly provides. The immediate operational restrictions imposed upon Banex, the revocation of its license, and the administrative fines proposed against it are set forth in the Cease and Desist Order, which initiates a separate adjudicative proceeding under Regulation No. 9551; the appointment made herein does not depend upon that revocation or upon the outcome of that proceeding.

Additionally, the independent verification performed by the Monitor established that the very capital Banex reported to OCIF as evidence of its compliance was funded with **depositors' money**; that in excess of twenty-four million dollars ($24,000,000.00) carried on Banex's books as an "In Transit Account" cannot be located, traced or confirmed; that assets were manufactured on the balance sheet by reclassifying entries out of that same account; and that more than eighteen million dollars ($18,000,000.00) of the institution's receivables are owed by its sole shareholder and by entities he controls, with no repayment date, no repayment plan, minimal evidence of repayment and, as to a substantial portion, no reasonable expectation of recovery whatsoever. Banex is not an institution that fell short of a capital target. It is an insolvent institution whose remaining liquid assets have been and continue to be consumed by the very persons who control it.

OCIF expressly reserves the right and the authority to issue any provisional remedies and orders that may be necessary and convenient to enforce the provisions of Act No. 273-2012 and OCIF's Organic Act in light of the scenario of insolvency presented by Banex.

II. JURISDICTION

Act No. 4 of October 11, 1985, as amended, known as the "Office of the Commissioner of Financial Institutions Act" ("**Act No. 4-1985**"), imposes upon OCIF the responsibility of overseeing and supervising the financial institutions that operate or do business in Puerto Rico. As provided by Act No. 4-1985, OCIF has the ministerial duty to administer and implement Act No. 273-2012. Pursuant thereto, OCIF supervises and oversees the international financial entities organized thereunder.

Act No. 4-1985, Act No. 273-2012 and Act No. 38-2017, as amended, known as the "Uniform Administrative Procedure Act of the Government of Puerto Rico" ("**Act No. 38-2017**"), as well as Regulation No. 9551 of April 11, 2024, known as the "OCIF Adjudicative Procedures Regulation" ("**Regulation No. 9551**"), empower the Commissioner to issue any order that is necessary, appropriate and convenient to enforce the laws and regulations under her jurisdiction.

As of the date of issuance of this document, OCIF has sufficient evidence to establish that Banex incurred in serious violations of Act No. 273-2012, of Regulation No. 5653 of July 23, 1997, known as the "International Banking Center Regulation" ("**Regulation No. 5653**"), adopted by OCIF under Act No. 52-1989, as amended, known as the "International Banking Center Regulatory Act," and whose provisions are applicable to international financial entities to the extent not inconsistent with Act No. 273-2012, pursuant to Articles 28 and 30 thereof, and of the Consent Order issued on October 16, 2025 in Case No. OCFI-2025-D-IFE-37-3082-03 (the "**Consent Order**"), which Banex executed voluntarily.

As a consequence of the foregoing, and in accordance with the applicable legal provisions, OCIF issues this Order. It is further provided that, pursuant to Articles 3(a)(11) and 21 of Act No. 273-2012, the confidential documents referenced in this Order, including the Monitor's Report, shall be kept in a sealed confidential envelope for the sole benefit of Banex and its legal representation, subject to the disclosure exceptions in Article 21(a) and (b) of Act No. 273-2012.

III. INFORMATION OF THE PARTY AGAINST WHOM THIS ORDER IS ISSUED

Name: Banex International Bank, Inc.
Physical address: 654 Ave. Luis Muñoz Rivera, Suite 1720
San Juan, Puerto Rico 00918
Mailing address: 654 Ave. Luis Muñoz Rivera, Suite 1720
San Juan, Puerto Rico 00918
License number: IFE-37
Contact person: Luis A. Gasparini, Chairman of the Board of Directors and sole shareholder
Contact person's e-mail addresses:
lgasparini@euroexchangebank.com
lgasparini@banex.com

IV. FINDINGS OF FACT

A. The International Financial Entity

1. Banex is an international financial entity organized under Act No. 273-2012. Banex operates under a license issued by OCIF effective February 9, 2017, and maintains its principal office at 654 Ave. Luis Muñoz Rivera, Suite 1720, San Juan, Puerto Rico 00918.

2. Banex was originally organized on June 30, 2016 under the name Vigan Banco International, Inc. It changed its name to Presto Bank International, Inc. in October 2017, to Euro Exchange International Bank, Inc. on October 8, 2019, and subsequently to Banex International Bank, Inc. At all times relevant to the facts set forth herein, Banex is the same juridical entity licensed by OCIF as an IFE under license number IFE-37.

3. According to the corporate documents in OCIF's record, Banex is owned one hundred percent (100%) by Mr. Luis A. Gasparini ("**Mr. Gasparini**"), who also serves as Chairman of the Board of Directors. Mr. Gasparini and Luis Gasparini Jr. acted as authorized representatives of Banex at the time the Consent Order was executed. The Board of Directors presently consists of Mr. Gasparini; Luis Gasparini Jr., as Special Consultant for the U.S.A.; Mr. Sasha Ramjiawan, President and Chief Executive Officer; and Mr. Ariel Acosta, as Independent Director.

4. Banex's business model consists primarily of providing correspondent banking services to foreign financial institutions, including international banking entities and other IFEs. Under that model, Banex operates as a correspondent bank offering payment processing services, correspondent account openings and other financial facilities to foreign entities that lack direct access to the United States banking system.

B. Regular Examination and Consent Order

5. On August 21, 2023, OCIF commenced a safety and soundness examination of the operations of Banex, then known as Euro Exchange International Bank, Inc. That examination included an evaluation of capital adequacy, asset quality, management performance, the level and trend of earnings, operations, and Banex's compliance program under the Bank Secrecy Act ("**BSA**"), the anti-money laundering statutes ("**AML**") and the compliance standards of the Office of Foreign Assets Control ("**OFAC**"). The examination concluded on December 12, 2023.

6. The examination findings were discussed with Banex's Management and Board of Directors at a meeting held on February 2, 2024 at the EFI's facilities. The Report of Examination was separately transmitted to Banex, which responded on April 29, 2024.

7. As a result of the examination findings, on October 16, 2025 OCIF issued the Consent Order, imposing upon Banex a corrective action plan to remedy the deficiencies and violations identified in the Report of Examination. The Consent Order was voluntarily consented to by Banex through its authorized representatives, Messrs. Luis A. Gasparini and Luis Gasparini Jr.

8. Among the material obligations imposed upon Banex by the Consent Order are, without limitation, the following:

    a. Strengthen the Board of Directors' oversight of Banex's compliance risk management program.
    b. Submit an updated organizational chart with the name, position and place of residence of each employee, within thirty (30) days of the effective date of the Consent Order.
    c. Implement a reliable accounting system adequate for the complexity and size of Banex, within ninety (90) days of the effective date of the Consent Order.
    d. Develop and implement a comprehensive Strategic Plan with a minimum term of three (3) years and a Capital Plan to reach paid-in capital of not less than ten million dollars ($10,000,000.00), within sixty (60) days of the effective date of the Consent Order.
    e. Develop and implement effective internal controls and policies and procedures that guarantee the correct functioning of Banex, the safeguarding of its assets and the production of reliable and accurate financial records.

f. Adopt and execute a plan to reduce, within one hundred eighty (180) days, the concentration of bank accounts or loans to related parties to no more than twenty-five percent (25%) of Banex's total capital and reserves.
g. Develop and implement a revised and comprehensive BSA/AML/OFAC compliance program within ninety (90) days of the effective date of the Consent Order, including enhanced due diligence programs for foreign financial institution correspondent accounts and strengthened transaction monitoring controls and suspicious activity reporting procedures.
h. Retain an independent third party to perform a Look-Back Review of all of Banex's accounts and transaction and wire transfer activity, including internal transfers and negative SAR investigations, from January 1, 2020 through March 31, 2023, to identify and report any suspicious activity. The independent third party, the procedures and the Look-Back Review timetable required OCIF's prior non-objection.
i. Establish a BSA Directors' Committee within sixty (60) days of the effective date of the Consent Order, which was required to include at least one independent member residing in Puerto Rico, and to hold monthly meetings, keeping minutes available for OCIF's review.
j. Submit quarterly progress reports to OCIF, within thirty (30) days following the close of each quarter, detailing the status of all required corrective actions.
k. Notify OCIF of any criminal, civil, administrative or regulatory investigation related to Banex's operations or to its directors, officers, employees or agents in connection with compliance with anti-money laundering and sanctions laws.

9. Additionally, as a precautionary measure resulting from the findings of the Report of Examination, by communication dated October 27, 2025, OCIF imposed upon Banex a restriction on the incorporation of new correspondent banking account relationships (the "**Correspondent Restriction**"), until such time as Banex demonstrated, through independent certification, substantial compliance with the corrective measures required by the Consent Order.

C. Potential Violations and Deficiencies Identified After the Consent Order

10. On February 11, 2026, OCIF and representatives of Banex held an in-person meeting. During that meeting, OCIF raised the differences presented in the Easy Call Report as of December 31, 2025 as compared with the prior year's Easy Call Report. Banex reiterated its commitment to comply with the Consent Order and verbally requested that the Correspondent Restriction be lifted. The following day, February 12, 2026, President and CEO Sasha Ramjiawan transmitted a formal letter to OCIF requesting that the restriction be lifted and describing Banex's due diligence framework for new correspondent accounts.

11. On March 18, 2026, OCIF issued a written communication to Banex denying the lifting of the Correspondent Restriction and requiring additional information to evaluate the progress of the remediation. On March 25, 2026, Mr. Carlos Monserrate, Banex's Head of Finance, responded with supporting documentation as to the additional information requested, together with information regarding two (2) new prospective clients for correspondent banking services.

12. In the course of evaluating the information provided by Banex, OCIF identified the following additional deficiencies and irregularities:

a. The absence of permanent information technology (IT) personnel remained unresolved: Banex had omitted those employees from the updated organizational chart as employees of the institution, notwithstanding that the requirement had been imposed by the Consent Order since October 16, 2025.
b. Significant unexplained discrepancies between the figures reported in the Easy Call Report for the fourth quarter of fiscal year 2025 (as of the close of December 31, 2025) and the prior year's figures. The EFI admitted that the Easy Call Report as of December 31, 2025 initially submitted did not include all of the information for the month of December "due to an error on our part," requiring the filing of amendments to that same report. The justification offered by the Head of Finance was unsatisfactory from a supervisory standpoint.
c. The irregularities in the financial reports generated serious doubts as to the reliability of Banex's internal controls, the integrity of its accounting records following the purported change of accounting system, and the accuracy of the daily reconciliations Banex represented it maintained current.

13. From a review of the audited financial statements as of the close of December 31, 2024 and of the subsequent accounting information, OCIF identified related-party transactions presenting significant indicia of concern from a supervisory, fiduciary and regulatory compliance perspective, namely:

   a. Mr. Luis A. Gasparini, Chairman of the Board of Directors, executed in his personal capacity a purchase offer contract for real property under construction, dated October 12, 2023 and accepted by the seller on October 16, 2023 (Unit 1504, 1428 Brickell Condominium, Miami, Florida), in the amount of two million three hundred fifty thousand dollars ($2,350,000.00). Under that personal contract, Mr. Gasparini made three (3) payments of two hundred thirty-five thousand dollars ($235,000.00) each, for a total of seven hundred five thousand dollars ($705,000.00), which were recorded in the EFI's accounting books as "Other Real Estate Owned" (OREO) as of March 31, 2024.
   b. Likewise, Mr. Giancarlo Gasparini, then a member of the Board of Directors, made in his personal capacity an investment in the acquisition of a hospital (through the purchase of shares), under a Membership Interest Purchase Agreement effective March 24, 2022 for the acquisition of the membership interests of Southern Plains Medical Center of Garvin County, LLC, in which Mr. Giancarlo Gasparini appears as a buyer together with two other purchasers and which states a purchase price of one million seventy-nine thousand one hundred nineteen dollars ($1,079,119.00) in addition to a non-refundable deposit of five hundred thousand dollars ($500,000.00). That investment was recorded in the EFI's accounting books, as of March 31, 2024, in the amount of two million dollars ($2,000,000.00).
   c. In the audited financial statements as of the close of December 31, 2024, both transactions were reclassified under the line item "Due from related parties." From a supervisory perspective, that information raises substantial concerns regarding the possible use of institutional funds to finance the personal investments of directors, as well as compliance with the EFI's fiduciary responsibility to its clients and with the applicable provisions of Act No. 273-2012 governing related-party transactions.
   d. As of May 31, 2026, Banex's Trial Balance reflects that accounts receivable from directors, officers and affiliates amount to eleven million four hundred six thousand two hundred fifty-seven dollars and forty-eight cents ($11,406,257.48), including two million one hundred forty-one thousand seven hundred twenty dollars and nineteen cents ($2,141,720.19) owed specifically by directors and officers of the EFI. The Trial Balance also identifies an entity named "Forsecure" as an affiliated debtor, as to which OCIF has no sufficient information in its administrative record.

D. <u>Look-Back Review</u>

14. Section K(i)(h) of the Consent Order required Banex to retain an independent third party to perform the Look-Back Review. On March 18, 2026, Banex requested OCIF's non-objection to retain the firm Kaufman Rossin to perform it, extending the review period through December 31, 2025. The relevant period proposed by Banex ran from January 1, 2020 through December 31, 2025.

15. On April 10, 2026, OCIF communicated to Banex its observations regarding the proposed methodology for the Look-Back Review. On May 11, 2026, Banex responded to those observations, by letter dated May 4, 2026, and submitted its analysis and supporting documentation, including the revised methodology required by the Consent Order.

16. On May 19, 2026, OCIF issued its non-objection to the retention of Kaufman Rossin to perform the Look-Back Review under the proposed methodology. Banex acknowledged receipt that same day. Notwithstanding the issuance of that non-objection, OCIF has received no status or progress report on the Look-Back Review, as required and authorized, and as of the date of this Order the review remains without demonstrated progress.

E. <u>Requests to Lift the Correspondent Restriction</u>

17. On various occasions between February and May 2026, Banex reiterated to OCIF its request that the Correspondent Restriction be lifted. In response, OCIF noted on each occasion that the review of Banex's Easy Call Report had revealed significant discrepancies that had not been satisfactorily

addressed from a supervisory and regulatory compliance standpoint, and that OCIF was therefore not in a position to authorize the lifting of the restriction.

18. On May 21, 2026, Mr. Gasparini transmitted to the Commissioner an open letter ("Open Letter to OCIF: BANEX International Bank Progress Update"), in which he claimed that Banex had achieved significant progress in its remediation and improvement initiatives in the areas of compliance, governance and internal oversight, and implicitly requested a favorable review of Banex's situation.

19. On May 29, 2026, the Commissioner responded to Mr. Gasparini's letter, expressly noting that: (i) the remediation efforts described by Banex had not been independently verified or certified by an external service provider or by OCIF itself; (ii) the review of the Easy Call Report had identified significant discrepancies that had not been satisfactorily addressed; (iii) OCIF was not in a position to lift the Correspondent Restriction; and (iv) the Office would not hold meetings with Banex absent the prior submission of an independent third-party certification evidencing compliance with all of the requirements of the Consent Order.

F. <u>Collapse of Euro Exchange Securities UK Ltd. and Banex's Financial Exposure</u>

20. Euro Exchange Securities UK Ltd. ("**EES UK**") is a financial entity organized in the United Kingdom, related to Banex and controlled by the Gasparini family. According to the information in OCIF's record, Banex was EES UK's most significant client, and Banex maintained significant deposits and funds at that institution, reflected in its legal reserve reports.

21. During the first week of June 2026, the United Kingdom's Financial Conduct Authority ("**FCA**") intervened EES UK as a consequence of serious money laundering concerns, having determined that the entity's assets could be linked to criminal activity. The FCA proceeded to place the entity into special administration under United Kingdom law.

22. On June 4, 2026, foreign representatives of EES UK appointed in the special administration proceedings in England filed in the United States Bankruptcy Court for the Eastern District of New York a petition under Chapter 15 of the United States Bankruptcy Code, seeking judicial recognition of the insolvency proceedings pending in the United Kingdom. A hearing on that petition was set for June 11, 2026.

23. On June 11, 2026, Joint Special Administrators ("**JSAs**") were appointed for the management of EES UK. Following their appointment, the JSAs assumed responsibility for managing the affairs, business and property of EES UK, and the management powers previously held by EES UK's officers, directors and members no longer apply.

24. The FCA's intervention of EES UK and the ensuing insolvency proceedings resulted in the effective immobilization of EES UK's assets, including the funds Banex held on deposit or in transit at that institution.

25. In Banex's legal reserve report as of the close of December 31, 2025 (as amended), as of March 31, 2026 and as of May 31, 2026, Banex reflected an account denominated "In Transit Account" (Account No. 10043) with the following balances: (i) as of December 31, 2025, twenty-nine million two hundred fifty-seven thousand dollars ($29,257,000.00); (ii) as of March 31, 2026, twenty-seven million eight hundred fifty-nine thousand twenty-one dollars ($27,859,021.00); and (iii) as of May 31, 2026, twenty-four million fifty-three thousand seven hundred eighty-six dollars and forty-six cents ($24,053,786.46).

26. The funds recorded in the In Transit Account (No. 10043) appear to be amounts that should have been transferred from EES UK to Banex and that, as a consequence of the FCA's intervention and the insolvency proceedings, remain effectively immobilized and inaccessible to Banex. OCIF identified that account as a matter of grave concern with respect to Banex's liquidity position and the integrity of its financial statements. **As of the date of this Order, OCIF has no evidence of the location or actual availability of the funds recorded in that account since December 31, 2025**, notwithstanding the requirements made to Banex.

27. Given the magnitude of the event, OCIF requested urgent information from Banex, including: (i) a Trial Balance as of June 5, 2026; (ii) a list of its correspondent banks and the cash balances

maintained at each; (iii) the names of the IBEs and IFEs with which it has agreements in effect; and (iv) an explanation of the nature of the In Transit Account (No. 10043). OCIF likewise required Banex to refrain from communicating to its clients any information regarding the EES UK situation without prior coordination with OCIF.

G. Banex's Liquidity Deficiency

28. Prior to the Trial Balance of June 5, 2026, Banex had reported in its Legal Reserve report as of May 31, 2026 total deposits of fifty million nine hundred thirty-five thousand two hundred seventy dollars and forty-eight cents ($50,935,270.48), against apparently available cash of eighteen million seven hundred twenty thousand eight hundred fifty dollars and eighty-seven cents ($18,720,850.87), distributed among six (6) correspondent institutions. In addition, the EFI reflected thirty-seven million six hundred fourteen thousand eight hundred forty-five dollars and sixty-three cents ($37,614,845.63) in assets whose availability was uncertain or suspended, broken down as follows: (i) funds at EES UK, an affiliated entity, in the amount of two million one hundred fifty-four thousand eight hundred one dollars and seventy cents ($2,154,801.70); (ii) funds in In Transit Account No. 10043 in the amount of twenty-four million fifty-three thousand seven hundred eighty-six dollars and forty-six cents ($24,053,786.46), whose location has not been determined since December 2025; and (iii) accounts receivable from directors, officers and affiliates in the amount of eleven million four hundred six thousand two hundred fifty-seven dollars and forty-eight cents ($11,406,257.48), of which two million one hundred forty-one thousand seven hundred twenty dollars and nineteen cents ($2,141,720.19) correspond specifically to directors and officers of the EFI.

29. Thereafter, Banex's Trial Balance as of June 5, 2026, submitted to OCIF by Banex, reflected the following financial condition: (i) Total Cash of thirty million two hundred ninety-two thousand five hundred ninety-seven dollars and forty-two cents ($30,292,597.42), distributed among various accounts at correspondent institutions, including twenty-six million three hundred twenty-five thousand three hundred eighteen dollars and forty cents ($26,325,318.40) at Commerce One Bank and two hundred fifty-one thousand nine hundred eighty dollars and nineteen cents ($251,980.19) at EES UK; (ii) Total investments in money market instruments of two million eight hundred thirty-four thousand thirty-seven dollars and fifty-six cents ($2,834,037.56); (iii) Total Deposit Accounts of sixty-one million one hundred eighty-two thousand two hundred forty-eight dollars ($61,182,248.00); (iv) a **Liquidity Deficiency of twenty-eight million fifty-five thousand six hundred thirteen dollars and two cents ($28,055,613.02)**; and (v) Total Capital of seven million five hundred five thousand seven hundred seventy-five dollars and forty-four cents ($7,505,775.44).

30. The foregoing data reveal that Banex faces a liquidity deficiency of approximately twenty-eight million dollars ($28,055,613.02), inasmuch as its available liquid assets are insufficient to cover the total of its clients' deposits. That deficiency is attributable in substantial part to the immobilization of the funds Banex presents as in-transit accounts, whose whereabouts are unknown to OCIF. That situation presents a material and immediate risk to Banex's ability to satisfy its obligations to its depositors and correspondent clients.

31. As of the date of the information evaluated by OCIF, Banex had submitted, on December 11, 2025, a Liquidity Policy, a Contingency Funding Plan and an Internal Control Plan. However, the administrative record contains no evidence sufficient to permit OCIF to determine that those documents are adequate for the nature, size, complexity, risk profile and current financial condition of Banex, or that they have been effectively implemented. In particular, OCIF has no sufficient evidence that Banex has in place policies, procedures, controls, liquidity sources or effective operational strategies to identify, manage and address a liquidity crisis of the magnitude reflected in the financial information submitted by the EFI.

32. Prior to the issuance of the Monitoring Order, OCIF learned that Banex had received a federal subpoena during the month of May 2026. The law firm Holland & Knight, through attorney Andrés Fernández, represents Banex in Miami in connection with that matter. **Banex did not notify OCIF of that subpoena**, in violation of Section O of the Consent Order, which requires notice to OCIF of any criminal, civil, administrative or regulatory investigation, inquiry or action concerning the EFI or its current directors, officers, employees, consultants, representatives and agents related to the

EFI's compliance with sanctions and anti-money laundering laws, to the extent permitted by the investigating agency and applicable law.

H. Appointment of the Compliance Monitor

33. On June 24, 2026, and acting pursuant to the powers conferred by Article 10(a)(5) of Act No. 4-1985 and Article 3(a)(11) of Act No. 273-2012, OCIF issued an Order Appointing Compliance Monitor (the "**Monitoring Order**"), designating **Driven, P.S.C.** ("**Driven**" or the "**Monitor**") as Compliance Monitor of Banex. The Monitoring Order was notified to Banex on June 26, 2026, and the Monitor's functions commenced upon notification.

34. Under the Monitoring Order, the Monitor operates with full independence, reports directly and exclusively to the Commissioner or her designee, and is not subordinate to Banex's board of directors, management, officers, shareholders or affiliates. The Monitoring Order granted the Monitor full, unrestricted, immediate and continuous access to Banex's books, records, systems, personnel and facilities, required Banex and its directors, officers, employees, advisors and agents to cooperate fully and actively with the Monitor, and provided that all of the Monitor's reasonable fees and expenses would be borne by Banex pursuant to Article 3(a)(11) of Act No. 273-2012, 7 L.P.R.A. § 3082(a)(11).

35. The Monitoring Order further required the Monitor to submit, within sixty (60) days of the commencement of its functions, an initial report describing Banex's status of compliance with each section of the Consent Order, identifying the areas of deficient, incomplete or merely formal compliance, and evaluating the impact of the events relating to the European affiliated entity and the freeze of related funds upon the Capital Plan, capital adequacy and overall financial condition of the EFI.

36. The Monitoring Order expressly provided that, upon notification by the Monitor that Banex lacks a sound economic and financial condition, is being operated or managed in a manner such that the public or the persons holding funds or securities in its custody are in danger of being defrauded, has materially breached one or more terms of the Consent Order, or has experienced a significant deterioration of its capital position, **OCIF reserved the right to assume the direction and administration of Banex and to appoint a receiver** pursuant to Article 10(b) of Act No. 4-1985 and Articles 17 and 18 of Act No. 273-2012, with or without a prior hearing, as permitted by law and as required by the urgency of the situation. That contingency has now materialized.

I. The Monitor's Report of September 14, 2026

37. On September 14, 2026, Driven issued its Monitorship Report to OCIF. The general findings were discussed with OCIF at a meeting held on September 11, 2026, and the final Report was transmitted to OCIF on September 15, 2026. The Monitor's Report is confidential and has not been shared with Banex. Its findings, which OCIF adopts as findings of fact for purposes of this Order, are summarized below.

(i) Capital Adequacy and Liquidity

38. On August 30, 2024, Banex submitted a capital increase plan to OCIF in response to Circular Letter No. CIF-CC-2024-002, which established a minimum capital requirement of ten million dollars ($10,000,000.00) for the entity. In its letter, Banex confirmed that it had already made two (2) capital contributions during 2024: (i) two million dollars ($2,000,000.00) on March 28, 2024, fulfilling a commitment made following that year's examination; and (ii) one million dollars ($1,000,000.00) on August 21, 2024, reported within the ten-day notification period required by law.

39. To reach the full ten-million-dollar requirement, Banex proposed a schedule of five (5) additional annual contributions of one million dollars ($1,000,000.00) each, to be made no later than June 30 of 2025, 2026, 2027, 2028 and 2029, respectively. The letter was signed by Mr. Gasparini, then Chairman of the Board of Directors and current shareholder, who reaffirmed Banex's commitment to regulatory compliance and characterized the capitalization plan as consistent with its broader goal of expanding operations while maintaining service quality.

40. Banex's balance sheet reflects an additional paid-in capital amount of four million dollars ($4,000,000.00) as of June 30, 2026. The Monitor inspected the movement of the equity accounts and the bank statements in order to conclude whether the funds came from an account owned by Mr. Gasparini, and identified the following: (i) **lack of appropriate source of funds evidence** — the Monitor could not obtain evidence showing that the funds identified as "capitalizations" were transferred from an account owned by Mr. Gasparini; and (ii) **transfer from Commerce One Bank** — during 2026 the Commerce One Bank account was closed and the funds held in that account were used to open the TuCoop Capital account, and, as confirmed by Banex's Head of Finance, the funds held in the Commerce One account were **depositor-related funds**.

41. Based on the foregoing, the Monitor concluded that **the capitalization was performed using depositors' funds**, subject to additional investigation.

42. The Monitor further found that Banex is currently experiencing a **severe lack of liquidity**, evidenced by a significant mismatch between available cash and outstanding obligations. As of June 30, 2026, Banex's balance sheet reflects cash and cash equivalents of ten million two hundred thousand dollars ($10,200,000.00), of which two million nine hundred thousand dollars ($2,900,000.00) are currently frozen and the remaining seven million three hundred thousand dollars ($7,300,000.00) were confirmed available — and even that figure includes funds currently restricted by OCIF. In addition, Banex holds an obligation of forty-six million nine hundred thousand dollars ($46,900,000.00), including "In Transit" balances, payable to depositors. **The current liquid assets are therefore entirely insufficient to meet total customer deposit liabilities**, and the liquidity position is further constrained by the fact that most of Banex's receivables are not expected to be repaid in the near term.

43. The Monitor concluded that **the Capital Plan presented by Banex is neither executable nor feasible** without a significant improvement in the institution's operating results or a repayment of the balances due from related parties or entities.

(ii) Impact of the EES UK Intervention

44. Due to Mr. Gasparini's sole ownership of both institutions, the Monitor analyzed the effect of the EES UK intervention on Banex's operations. To assess the impact on client deposits, the Monitor calculated an average monthly balance for each demand deposit account ("**DDA**") line item for the seventeen months preceding the June 2026 regulatory intervention (January 2025 to May 2026), and compared actual June, July and August 2026 balances against that pre-intervention average and against the immediately preceding month.

45. Against a seventeen-month average of sixty-one million six hundred eleven thousand two hundred six dollars ($61,611,206.00) in total DDA accounts, actual balances were forty-three million four hundred thirty-one thousand eight hundred eighty-nine dollars ($43,431,889.00) in June 2026, a variance of ($18,179,317.00) or 29.5%; fifty-three million two hundred thirty-one thousand nine hundred thirty-four dollars ($53,231,934.00) in July 2026, a variance of ($8,379,272.00) or 13.6%; and fifty million eight hundred six thousand five hundred thirteen dollars ($50,806,513.00) in August 2026, a variance of ($10,804,693.00) or 17.5%. Measured against the May 2026 baseline of sixty-four million seven hundred seventy-six thousand eight hundred forty-nine dollars ($64,776,849.00), the June 2026 decline was ($21,344,960.00), or 33.0%.

46. The Monitor analyzed the monthly income statements from May through August 2026 and found a marked and sustained deterioration beginning immediately after May 2026. **Customer Payment Fees declined from $132,176.31 in May to $72,712.98 in June, $21,026.45 in July and $17,221.79 in August, representing baseline-relative decreases of 45.0%, 84.1% and 87.0%, respectively.** That revenue reduction coincided with a shift from profit to sustained losses, with Net Income falling from a positive $18,050.60 in May to ($84,591.68) in June and ($212,919.84) in July, before partially recovering to ($25,943.55) in August. The consistency and magnitude of the decline are consistent with the timing of the United Kingdom regulatory intervention and indicate a direct operational impact on Banex's payment-related revenue stream.

47. As of June 30, 2026, Banex had a balance, converted to U.S. dollars, of approximately two hundred fifty thousand dollars ($250,000.00) in its account at EES UK. Due to the intervention and the regulatory process the United Kingdom institution is facing, those funds and access to them have

been frozen and restricted. **The Monitor concluded that the probability of recovering those funds is uncertain.**

48. In addition, Banex's board of directors informed the Monitor that the JSA had requested an immediate payment on June 16, 2026 in the total amount of six hundred thirty-three thousand one hundred seventy-nine dollars and twenty-four cents ($633,179.24).

(iii) Accuracy of the Quarterly Compliance Reports Submitted to OCIF

49. With respect to the OCIF Call Report as of March 31, 2026, the Monitor identified a journal entry recorded as of that date which caused a full reduction of the accounts receivable balance between Banex and Forsecure, a related entity. That accounts receivable balance was neither considered nor presented as part of the receivables filed in the March 31, 2026 Call Report; the balance was later reestablished as of April 1, 2026 to reflect the previous balance outstanding during FY2026.

50. The "Cash and due from depository institutions" balance reported in the Call Report (which includes the In Transit account) and the Receivables balances were **overstated and understated, respectively, by four million dollars ($4,000,000.00)** when compared to the source report extracted from Banex's enterprise resource planning system, NetSuite.

51. The Deposits reported in the Call Report reflect an approximate difference of three hundred seventy-six thousand dollars ($376,000.00) when compared to the balances per source information. The Net Income of approximately one hundred thirty-seven thousand dollars ($137,000.00) reported in the Call Report reflects a difference of approximately one hundred fifty thousand dollars ($150,000.00) when compared to the Net Loss of ($12,000.00) included within the support provided by the Banex accounting team.

52. The Head of Finance stated that an amended Call Report as of March 31, 2026 was subsequently filed, and that Call Reports are submitted in order to comply with due dates, with changes later made after year-end audits are submitted. **The issues identified affect both the Call Report as of March 31, 2026 and the Call Report as of June 30, 2026.**

53. With respect to the balance sheet, the Monitor identified an asset account denominated "Currency Valuation," used to reflect the differences between U.S. dollars and Mexican pesos, UAE dirhams and Swedish kronor. Any other foreign currency — including euros, pounds sterling, Canadian dollars and Swiss francs — is neither considered within that account nor converted into U.S. dollars for financial statement presentation. The resulting journal entries decrease cash balances in the foreign currency, recognize the expense in U.S. dollars, and increase asset balances for the difference; consequently, **the asset side of the balance sheet does not reflect the effect of the transaction accurately,** because Banex is merely executing a reclassification of cash balances to the currency valuation account without performing any foreign exchange conversion to dollarize the amounts presented in the financial reports.

54. The Monitor identified inconsistencies in the reconciliation process for the demand deposit accounts, including their presentation and disclosure in the balance sheets and the foreign exchange rates used in Macrobank. The rates used to execute currency conversions within Macrobank are extracted from the websites www.tradingview.com and www.netdania.com; the conversion to U.S. dollars reflected in the report used by the accounting department to present deposit balances is not completely accurate in terms of the spot rate used; and **no periodic reviews of the currency conversion rates are performed to confirm accuracy**. While deposit balances on the liability side are reported in U.S. dollars, a valuation discrepancy exists on the asset side, where cash account balances are not accurately presented in the institution's base currency.

55. As to the reconciliations between the core banking system (Macrobank) and the accounting ERP (NetSuite), the Monitor confirmed that one of the month-end adjustments performed by the accounting department to reconcile both systems is to record manually, as a debit or credit to the **"In Transit" account,** any existing difference between the DDA accounts in NetSuite and the month-end balances reported in Macrobank. The Head of Finance further confirmed that **there is an outstanding balance of unidentified transactions carried over several prior periods which has not been reconciled,** and whose amount has not been confirmed by the Banex accounting department.

56. The Monitor confirmed that recurring journal entries — such as depreciation, amortization, accrued payables and accrued income — **are not performed during the year**. Those balances are adjusted at year-end during the financial statement audit, and the journal entries performed are suggested by the auditors as part of the audit adjustments. The Banex accounting team is not involved in the calculation of such carrying balances, nor does it perform any analysis for the confirmation of the book balances.

57. Upon inspecting petty cash at Banex headquarters, the Monitor found that **only twenty dollars ($20.00) of the two-hundred-dollar ($200.00) balance reported on the balance sheet as of June 30, 2026 was in the storage bag, and no supporting receipts were found**. The petty cash process is deficient from a management and reconciliation perspective.

58. The Head of Finance confirmed that there was uncertainty regarding the specific information required to complete certain fields within the quarterly Call Report submitted to OCIF. That confirmation indicates a lack of sufficient understanding of the applicable reporting requirements and the absence of formalized guidance to support accurate preparation of the report, increasing the risk that inaccurate, incomplete or inconsistent information may be submitted to the regulator.

59. Finally, the Monitor noted that several expenses paid by Banex were **personal expenses incurred by the institution's owner and other Directors**. The Head of Finance represented that on some occasions the evidence to confirm whether such expenses are personal or Bank-related is not submitted for evaluation by the Directors or the owner. The Monitor concluded that the lack of a formal reimbursement policy, or the failure to adhere to any existing policy, **increases the risk of misappropriation**.

(iv) The "In Transit" Account

60. The In Transit account is reported under the Assets section of Banex's balance sheet. However, due to the nature of the balances included within that account — customer deposits or incoming transactions — those balances **should be re-classified to the liabilities section**, because those deposits or incoming transfers are owned by the customers and payable if requested by Banex's clients. The Head of Finance further confirmed that certain transactions included within the In Transit account balance are not related to customer deposits at all, including accounts receivable, month-end adjustments and currency exchange effects.

61. The Monitor found that the In Transit account operates as a **repository of month-end adjustments and other transactions**: several adjustments for month-end closing procedures are performed using the In Transit account, including the identification of differences between Macrobank and NetSuite, which are adjusted in the NetSuite balances using the In Transit account as the offsetting account in the journal entry.

62. More seriously, the Monitor identified transactions relating to the **reclassification, or creation, of certain assets that were not part of the balance sheet** upon the Monitor's arrival, but were created by reclassifying balances from the In Transit account to the "Other Assets" account. Those assets were: (i) a BMAD Certificate of Deposit; (ii) Dominican Republic properties; and (iii) Cash Funds – France. **In total, these newly created assets totaled approximately ten million three hundred thousand dollars ($10,300,000.00).**

63. The Monitor also confirmed that modifications are performed to original journal entries. When an incoming transfer is received and the customer has not yet been identified, the transfer is recorded as a debit to cash and a credit to the in-transit account; however, if the client is identified during the same month and the balance is deposited into the customer's account before month-end, the original entry is adjusted to change the credit to the in-transit account, and it is recorded directly in the customer's DDA — with the result that the accounting records do not reflect the complete transaction history or the clearing of such transactions from the In Transit account to the corresponding customer's account.

(v) Related-Party Transactions

64. The Monitor developed an organizational chart, effective as of July 2, 2026, identifying the entities related to Banex by reason of Mr. Gasparini's ownership, together with the jurisdiction in which

each operates: Euro Exchange Corp. (Miami, United States); Euro Exchange Securities UK and Forsecure (United Kingdom); Euro Exchange Securities (Madrid) and Universal Madrid (Spain); Euro Exchange Latvia (Latvia); and Banex (Puerto Rico). The chart was created with information provided by Mr. Luis Gasparini, Jr., Director; Mr. Sasha Ramjiawan, Chief Executive Officer; and Mr. Carlos Monserrate, Head of Finance, at a meeting held with the Monitor in Miami, Florida. **Euro Exchange Latvia's stated purpose is IT and technology, and it is the third-party technology provider to the group.**

65. As of June 30, 2026, the total Accounts Receivable balance within Banex's financial statements totaled twenty-five million seven hundred six thousand fifty-eight dollars and eighty-five cents ($25,706,058.85), distributed as follows: (i) A/R – Forsecure, $3,037,633.45 (12%); (ii) A/R – Directors & Officers, $3,991,400.00 (16%); (iii) **A/R – Luis Gasparini, Sr., $13,779,753.36 (54%)**; (iv) A/R – EE Corp., $4,766,000.00 (19%); and (v) Accrued Interest Receivable, $131,272.04 (1%).

66. **The amounts reported under Accounts Receivable for Mr. Luis Gasparini, for Directors and Officers, and for Euro Exchange Corp. do not have an estimated date of repayment, nor is there any plan agreed with Banex with respect to such debt.**

67. The Monitor identified a transaction for twenty thousand dollars ($20,000.00) paid to Mr. Sasha Ramjiawan, Banex's Chief Executive Officer, as an incentive for his performance during the previous year. That expense should have been recorded as a payroll-related or professional services expense and should not have been considered or presented as an Account Receivable.

68. The Monitor identified several transactions during 2026 recorded in Accounts Receivable which appeared to be expenses not incurred by Banex but paid on behalf of Banex's owner or a related third party, namely: (i) **Farnese Building Enterprise** — six (6) transactions totaling two hundred fifty-five thousand dollars ($255,000.00) for the period from January 1 through August 31, 2026, as to which Banex's representatives confirmed that the property in which the fixtures and improvements are being carried **is personally owned by Mr. Luis Gasparini**; (ii) **Club Hemingway** — four (4) transactions totaling five thousand two hundred eighty-nine dollars and forty-two cents ($5,289.42) paid on behalf of Mr. Luis Gasparini; (iii) **AMEX credit card payments** — five (5) transactions totaling fourteen thousand five hundred thirty-five dollars and thirty-eight cents ($14,535.38), for which no supporting documentation was provided upon request; (iv) **Porsche Financial** — one (1) transaction totaling three thousand one hundred fifty-nine dollars and fifty-six cents ($3,159.56), notwithstanding that Banex has no vehicles registered under its property and its employees have neither allowances nor company cars; and (v) **Barclay credit card** — one (1) transaction totaling five hundred dollars ($500.00), for which no supporting documentation was provided upon request.

69. The Monitor identified several journal entries performed throughout the periods that adjust balances with the description "**to correct data entry error.**" One of them, recorded as of June 30, 2026, was explained by the Head of Finance as having been recorded to present only three specific items in that account: (i) a two-million-dollar ($2,000,000.00) balance due from Mr. Giancarlo Gasparini used for purchasing shares of a hospital in the United States; (ii) one million two hundred thousand dollars ($1,200,000.00) used for **family home renovations**; and (iii) seven hundred five thousand dollars ($705,000.00) used as an upfront payment to purchase an apartment in Miami valued at $2.3 million, with $1.6 million remaining to be paid. The net effect of all of the previous transactions recorded in that account, amounting to approximately four million dollars ($4,000,000.00), was reclassified to the In-Transit account while the accounting department investigates further. **In consequence, the amounts presented as Accounts Receivable as of June 30, 2026 are understated.**

70. Mr. Gasparini's accounts receivable balance as of June 30, 2026 was thirteen million eight hundred thousand dollars ($13,800,000.00), with an opening balance for FY2026 of sixteen million one hundred thousand dollars ($16,100,000.00). That reduction of two million three hundred thousand dollars ($2,300,000.00) was recorded in March 2026, when the Head of Finance recorded a journal entry against the receivables account with the description "to correct data entry error." **Minimum evidence of repayment made during 2026 was available during the Monitor's review.** Of the detail of repayments from Mr. Gasparini maintained by the Head of Finance, totaling $1.3 million, the only repayments reflected in Banex's bank statements were for a total of $308,000.00 during March and April 2025, as to which the source of funds has not been validated, together with additional

claimed repayments of $1,000,000.00 during 2024 which are **not reflected in Banex's bank statements at all.**

71. The Monitor further identified a **potential management override**. Mr. Gasparini's accounts receivable is mostly related to two (2) transactions of approximately $7.6 million each executed in previous periods. The Monitor observed an e-mail received by the Head of Finance on May 22, 2024, sent by Mr. Enrique Becerra, then Euro Exchange Group Operations Manager, stating that a transfer (ID #813793) totaling **$7,570,937.85** was created within the operations system as "instructed and approved by the Board of Directors with the purpose of the repayment of Mr. Gasparini's A/R account that he holds with EES." That e-mail refers to a previous transfer made in September 2023 (ID #776267) which, per Banex's financial records, totaled **$7,557,269.36**. As represented by the Head of Finance, **it was never clarified or explained whether the purpose of such transactions was related to Banex's operations**; the transactions were recorded in the A/R account as instructed by the EES Group representative.

72. There were additional journal entries recorded in that account during FY2026, for a total of approximately one million dollars ($1,000,000.00), which relate to another payable to Euro Exchange Securities arising from an agreement purportedly made in November 2023, **a copy of which has never been produced.**

73. With respect to **Forsecure**, a Simple Intercompany Services Acceptance Form dated December 10, 2020 records an intercompany agreement between Banex (then Euro Exchange International Bank) and Forsecure, under which the parties agreed to support each other in internal operations related to FOREX and other operations, and under which Banex provides "Overdraft Account Services." The agreement has a five-year term, was signed by Mr. German de La Torre on behalf of Forsecure, and is governed by conditions that include (i) consistent repayments to keep the overdraft account in good standing, (ii) reduction of the overdraft balance to zero by the end of each calendar year, (iii) a fee applied to each debit transaction, (iv) Banex's right to require full payment when necessary, (v) designation of the funds for internal operational purposes such as FOREX trading, (vi) Banex's right to cancel at any time, and (vii) an overdraft limit ranging from $5,000,000 to $10,000,000. **As of June 30, 2026, the related entity's accounts receivable balance totaled $3 million, and no payments were received from January 1 through June 30, 2026**, in direct contravention of the agreement's own terms. The Monitor confirmed receipt of one (1) payment of $370,607.93 traced to the corresponding July bank statement, and Management reported two (2) additional payments totaling $184,000.00 during August 2026 which have not been confirmed against bank statements. Banex Director Luigi Gasparini stated that, due to legal matters, the amount expected to be collected from the Forsecure receivable is **close to $1 million.**

74. With respect to **Euro Exchange Corp.**, a Simple Intercompany Services Acceptance Form dated December 4, 2020 records a materially identical intercompany agreement, signed by Mrs. Elisa Valdez on behalf of Euro Exchange Corp., with the same overdraft conditions and the same $5,000,000 to $10,000,000 limit. As of June 30, 2026, the related entity's accounts receivable balance totaled approximately four million seven hundred thousand dollars ($4,700,000.00), and **there is no reasonable expectation of recoverability of this balance due to the company's financial position.**

75. Finally, the Monitor reviewed the operational expenses recorded in Banex's financial records during FY2026 to identify expenses that could have been paid by Banex on behalf of any related or third party. Those expenses include automatic credit card payments without proper evaluation of each expense, transfers to Mr. Luis Gasparini Sr. to potentially cover other credit card account expenses without proper evaluation, reimbursements to certain directors for credit card expenses, and personal car payments. **For FY2026, these expenses sum a total of approximately two hundred ten thousand dollars ($210,000.00)** and are currently under evaluation, which could lead to a further reclassification and increase to the accounts receivable balances.

<u>(vi) Consent Order Compliance and Look-Back Review Implementation</u>

76. As to the areas of Consent Order compliance and Look-Back Review implementation, the Monitor reported that the requirements covered under the Monitoring Order were revised, resulting in the deferral of their implementation, **given that many of the requirements outlined are in non-**

compliance. Those items were accordingly treated as not applicable during the current period, subject to further guidance or direction from OCIF.

(vii) Cooperation

77. The Monitor reported that, throughout the course of the engagement, the institution and its representatives cooperated with the requests made, and that the following three (3) individuals were available to the Monitor at all times: Mr. Luis Gasparini Jr., Director; Mr. Sasha Ramjiawan, President and Chief Executive Officer; and Mr. Carlos Monserrate, Head of Finance.

V. CONCLUSIONS OF LAW

A. Duty to Maintain Adequate Capital and OCIF's Authority to Liquidate an International Financial Entity

1. The Statement of Motives of OCIF's Organic Act provides that "[i]t is the inescapable responsibility of the State to ensure that the interests of those who are connected to these industries as depositors ... are protected," among others. Act No. 4-1985, Statement of Motives. (Translation ours.)

2. Article 4(b)(3) and (4) of Act No. 273-2012 provides, in pertinent part, as follows:

> (b) The articles of incorporation or bylaws in the case of a corporation, the articles of organization or the limited liability company agreement in the case of a limited liability company, the partnership agreement in the case of a partnership, or any other document by which an international financial entity is organized shall specify:
> ...
> (3) The initial paid-in capital. In the case of a corporation or a person other than a corporation, the amount of its paid-in capital shall not be less than ten million dollars ($10,000,000). Said amount shall be deemed the initial paid-in capital for all purposes of this Act and shall be fully paid at the time the license is issued. ... Notwithstanding the foregoing, in no case shall the amount of paid-in capital be less than ten percent (10%) of the deposits accepted by the IFE, unless such deposits are insured. ...
> (4) IFEs holding a license in effect as of the effective date of this Act shall increase their paid-in capital on a staggered basis until reaching a paid-in capital amount of at least ten million dollars ($10,000,000) in accordance with a capitalization plan prepared by each IFE and filed with the Commissioner for evaluation ...
> [...] (Translation ours.)

3. Article 2(m) of Act No. 273-2012 defines **insolvency** as follows:

> (m) Insolvency or Insolvent. — Refers to the financial situation in which an international financial entity, or the person of which an international financial entity is a unit, may find itself when **its liabilities exceed its assets, or it is unable to pay its debts as they mature, or when its paid-in capital has been reduced to less than one-third (1/3).**
> 7 L.P.R.A. § 3081. (Translation ours; emphasis supplied.)

4. Banex satisfies not one but **all three** statutory prongs of insolvency, and the administrative record admits of no other conclusion.

5. **First,** Banex's liabilities exceed its assets. Banex reported total customer deposit accounts of $61,182,248.00 against total cash of $30,292,597.42 as of June 5, 2026, and itself computed a Liquidity Deficiency of $28,055,613.02. That figure, damning as it is, materially understates the extent of the deficiency, because the asset side of Banex's balance sheet is populated with items that are neither collectible nor, in several instances, locatable: (i) $24,053,786.46 carried in an "In Transit Account" whose whereabouts OCIF has been unable to determine since December 2025 and which the Monitor was likewise unable to verify; (ii) $13,779,753.36 receivable from Mr. Gasparini personally, with no repayment date, no repayment plan, no evidence of repayment during 2026 and $1,000,000.00 of claimed prior repayments that appear nowhere in Banex's bank

statements; (iii) $4,766,000.00 receivable from Euro Exchange Corp., as to which the Monitor found **no reasonable expectation of recoverability**; (iv) $3,037,633.45 receivable from Forsecure, of which Banex's own Director expects to collect approximately one million dollars; and (v) approximately $10,300,000.00 of "Other Assets" — a BMAD certificate of deposit, Dominican Republic properties and French cash funds — that did not exist on the balance sheet until they were **manufactured by reclassification out of the same In Transit account**. Strip from Banex's assets that which cannot be found and that which will not be paid, and the institution's liabilities exceed its assets by a margin that is not arguable.

6. **Second**, Banex is unable to pay its debts as they mature. The Monitor found that, as of June 30, 2026, Banex held cash and cash equivalents of $10.2 million, of which $2.9 million are frozen and the remaining $7.3 million include funds restricted by OCIF, against an obligation of **$46.9 million payable to depositors.** The Monitor expressly concluded that "the current liquid assets are entirely insufficient to meet total customer deposit liabilities" and that Banex's liquidity position "is further constrained by the fact that most of its receivables are not expected to be repaid in the near term." The JSA of EES UK has already demanded immediate payment of $633,179.24. An institution that holds seven million dollars against forty-seven million dollars of demand liabilities is not illiquid; it is insolvent.

7. **Third**, Banex's paid-in capital has been reduced below the statutory threshold, and what remains of it is illusory. Banex committed to OCIF, in writing and over the signature of its Chairman and sole shareholder, to reach the $10,000,000.00 minimum required by Circular Letter No. CIF-CC-2024-002 through staggered annual contributions. Its balance sheet reflects $4,000,000.00 of additional paid-in capital as of June 30, 2026. The Monitor, however, could obtain **no evidence whatsoever** that those funds came from any account owned by Mr. Gasparini, and confirmed — through Banex's own Head of Finance — that the funds used were **depositor-related funds**. Capital contributed with depositors' money is not capital. It is a circular entry that leaves the institution exactly as undercapitalized as it was before, while converting the depositors' own money into the purported cushion that is supposed to protect them. Total Capital of $7,505,775.44 reported on the June 5, 2026 Trial Balance is therefore overstated to the extent of the funds so misapplied, and the Capital Plan on which Banex asked OCIF to rely is, in the Monitor's words, **"not executable nor feasible."**

8. Banex will no doubt urge that the EES UK intervention is an external event beyond its control. That argument fails on its own terms. EES UK is not an unrelated counterparty; it is an entity controlled by the same family that owns Banex, to which Banex — its "most important client" — exposed tens of millions of dollars of depositor funds without any of the diversification, documentation or independent verification that elementary prudence, let alone the Consent Order, required. Moreover, the deficiencies catalogued in the Monitor's Report — receivables to the owner, personal expenses charged to the institution, unreconciled systems, manufactured assets, unperformed recurring entries, a petty cash fund missing ninety percent of its balance, and Call Reports that the Head of Finance concedes are filed to meet deadlines and corrected later — predate the FCA's intervention entirely and have nothing to do with it.

B. OCIF's Authority to Order Dissolution and to Appoint a Receiver

9. Article 18 of Act No. 273-2012, provides as follows:

> (a) The Commissioner may, among other alternatives, appoint a receiver and order the dissolution of an international financial entity (i) if the license of such entity, or of the person of which such entity is a unit, is revoked pursuant to an administrative proceeding or is surrendered, in accordance with Article 17 of this Act, or (ii) if any shareholder, member, partner, director or executive officer is convicted of any felony or any other crime involving fraud, money laundering, tax evasion or moral turpitude.
> (b) The receiver appointed shall be a person of recognized moral integrity, with vast experience in the field of banking or finance, and his or her performance in the international financial entity shall be secured by an adequate bond to be paid by the international financial entity itself.
> (c) The receiver shall administer the international financial entity in accordance with the provisions of this Act for the purpose of liquidating it and, in addition, shall: (1)

take possession of the assets and liabilities, books, records, documents and files belonging to the international financial entity; (2) collect all loans, charges, claims, rights and fees owed to the international financial entity; (3) pay the obligations and debts of the international financial entity, after having paid the necessary expenses of the receivership; and (4) supervise the dissolution and liquidation of the international financial entity, for which purpose it may sell the personal and real property and other assets, and such receiver shall continue to perform its functions in the manner indicated until the final liquidation of the international financial entity.

> (d) Such receivership shall terminate upon the total liquidation of the international financial entity, if that were necessary, or when its operations, as certified by the receiver, permit, in the judgment of the Commissioner, returning the administration of the international financial entity to its officials and officers, duly elected and appointed under such circumstances as the Commissioner may stipulate. **The Commissioner may fix reasonable compensation for the services of the receiver and its employees, which shall be paid by the international financial entity.**

> (e) **If, as a consequence of an examination or of a report rendered by an examiner, the Commissioner has evidence that an international financial entity is not in sound economic condition to continue in business, or that it is administered in such a manner that the public or the persons and entities having funds or securities in its custody are in danger of being defrauded, the Commissioner shall promptly appoint a receiver pursuant to subsection (b) above.** The receiver so appointed shall administer the international financial entity in accordance with subsection (c) above.

> (f) If an international financial entity refuses to submit its books, papers and affairs to the inspection of any examiner duly appointed by the Commissioner, **or if it appears that it has violated its license or any law, order or memorandum of understanding under this Act, the Commissioner shall proceed to decree the liquidation and dissolution of such international financial entity and shall appoint a receiver** pursuant to subsection (b) above. The receiver so appointed shall administer the international financial entity in accordance with subsection (c) above, the provisions of this Act, and the Regulations of the Commissioner, circular letters or guidance documents applicable to IFEs. The Commissioner's determination to assume the administration and direction of the international financial entity or to appoint a receiver may be reviewed by the Court of First Instance, San Juan Superior Part, by means of a petition filed within ten (10) days from the date of the determination. The Court of First Instance, San Juan Superior Part, may, if there is legitimate cause therefor, order the Commissioner to refrain from further proceedings and to return the international financial entity to its directors without imposing expenses, damages, costs or fees on the Commissioner. Act No. 273-2012, Article 18, 7 L.P.R.A. § 3096. (Translation ours; emphasis supplied.)

10. Two independent statutory predicates for the appointment of a receiver are present here, either of which alone would suffice, and Article 3(f) of the same Act supplies a third and independent source of authority.

11. The first is Article 18(f). Where it appears that an IFE "has violated its license or any law, order or memorandum of understanding under this Act," the Commissioner "shall proceed to decree the liquidation and dissolution of such international financial entity and shall appoint a receiver." (Translation ours.) Banex has violated its license, the Act, OCIF's regulations and a consented order, repeatedly and materially: it failed to maintain the minimum capital required by Article 4(b)(3) and (4); it submitted to OCIF Call Reports and Easy Call Reports containing errors of four million dollars, three hundred seventy-six thousand dollars and one hundred fifty thousand dollars, in violation of Articles 13(a)(1)–(2) and (b) and 15(a) and (b); it failed to notify OCIF of a federal subpoena in direct violation of Section O of the Consent Order; it failed to reduce related-party concentrations to twenty-five percent of capital and reserves as the Consent Order required, and instead **increased** them; it extended credit to its own shareholder, directors and officers without the prior written authorization of the Commissioner, in direct violation of Article 11(6) of the Act; it failed to implement the reliable accounting system required by the Consent Order; it failed to advance the Look-Back Review after receiving OCIF's non-objection; and it permitted the

institution's funds to be applied to the personal obligations of its owner and directors. The predicate of Article 18(f) is not merely satisfied; it is overwhelmed.

12. The second is Article 18(e). Where, as a consequence of an examination or of a report rendered by an examiner, the Commissioner has evidence that an IFE is not in sound economic condition to continue in business, or that it is administered in such a manner that the persons having funds in its custody are in danger of being defrauded, the statute does not say that the Commissioner may appoint a receiver; it says that she **shall promptly** do so. That predicate is established here on three independent bases. First, OCIF's own examination record: the safety and soundness examination of Banex commenced on August 21, 2023 and the Report of Examination that resulted from it, and the analyses performed by OCIF's examiners during 2026 of Banex's Call Reports, Easy Call Reports, Legal Reserve reports and Trial Balances described in Section IV, each constitute an "examination" within the meaning of Article 18(e), and each disclosed the capital deficiency, the reporting discrepancies and the related-party exposures found herein. Second, the Order Appointing Compliance Monitor of June 24, 2026 was itself a supervisory instrument of OCIF, issued under Article 3(a)(11) of Act No. 273-2012 and Article 10(a)(5) of Act No. 4-1985, by which OCIF extended its examination of Banex through an independent professional acting on its behalf and reporting to it. Third, the Monitor's Report is precisely a "report rendered by an examiner." Driven was retained by OCIF, under Article 10(a)(5) and (18) of Act No. 4-1985 and Article 3(a)(11) of Act No. 273-2012, to examine, verify and report upon Banex's condition and compliance, and its Report establishes — on the basis of the institution's own books, bank statements and personnel — a shortfall of nearly forty million dollars between available cash and depositor obligations, capital funded with depositors' own money, assets manufactured by reclassification, and receivables to insiders that will not be repaid. There is no more direct evidence that an institution is not in sound economic condition to continue in business, nor that the persons holding funds in its custody are in danger of being defrauded. Article 18(e) is not merely satisfied; it commands the appointment made in Section VII of this Order.
13. OCIF does not rest the appointment made herein on Article 18(a)(i). License IFE-37 has been revoked, effective immediately, by the Cease and Desist Order, summarily and subject to the hearing scheduled therein in accordance with Articles 17(a) and 20 of Act No. 273-2012 and Regulation No. 9551. The validity of the appointment made herein is independent of, and does not depend upon, that revocation or the outcome of that proceeding. Article 3 of the same Act, 7 L.P.R.A. § 3082, further provides as follows:

> (d) In addition to all the powers and authority conferred upon it by this Act, as supervisor of the international financial entities, the Commissioner shall have all the powers that are conferred upon it by Act No. 4 for the supervision and oversight of financial institutions, including, but not limited to, the power of investigation, examination, voluntary or involuntary liquidation proceedings and the prosecution of various actions to enforce compliance with this Act or penalize its violation. Among such actions, and upon a prior determination that a person or international financial entity has incurred in a violation of this Act or of a Regulation of the Commissioner, as well as of an order or administrative resolution issued by OCIF, the Commissioner may issue against it such orders as it deems convenient and necessary to safeguard the public interest, such as cease and desist orders, orders to show cause, agreements or memoranda of understanding, and may initiate proceedings in accordance with the provisions of the LPAU; **however, when in the judgment of the Commissioner such violation causes or could cause grave immediate harm to the industry, the citizenry or particular persons, the Commissioner may issue such order summarily, dispensing with the requirement of notice and hearing, until any proceeding instituted pursuant to this Article is finally disposed of.**
> (e) The Commissioner may, in addition, impose fines, restitution and administrative sanctions for violations of this Act, the Regulations of the Commissioner and its orders.
> (f) **The Commissioner may, when it deems it pertinent, in the process of cease and desist or of involuntary liquidation of the international financial entity, retain and appoint a receiver to take charge of the involuntary liquidation process.**
> 7 L.P.R.A. § 3082. (Translation ours; emphasis supplied.)

14. Article 3(d) thus authorizes, in the text of the statute itself, the summary measures adopted without a prior hearing in the Cease and Desist Order, including the revocation of license IFE-37 subject to the hearing scheduled therein: where the violation causes or could cause grave immediate harm to particular persons — and no persons stand in graver or more immediate peril than the depositors of an insolvent institution — the Commissioner may act summarily and afford the hearing afterward, "until any proceeding instituted pursuant to this Article is finally disposed of." Article 3(f), for its part, supplies an independent source of authority for the appointment made in Section VII of this Order, in the very context of a cease-and-desist proceeding.

15. Article 10(b) of Act No. 4-1985, 7 L.P.R.A. § 2010(b), points in the same direction. That provision operates, by its own terms, "in the absence of a specific provision in the law governing the financial institution in question that similarly empowers" the Commissioner — and Articles 18(e) and (f) of Act No. 273-2012 are precisely such specific provisions, so that the receivership ordered herein rests on them directly. But Article 10(b) confirms the legislative policy that animates both statutes, providing that where an audit, examination, inspection or a report rendered by an examiner demonstrates that a financial institution "lacks a sound economic and financial condition or that it is operated or managed in such a manner that the public or the persons and entities having funds or securities under its custody are in danger of being defrauded," the Commissioner may assume the direction and administration of the institution and promptly appoint a receiver, and further that the Commissioner **"may issue a provisional order appointing a receiver-administrator without the need to hold a hearing when, in his or her judgment, the situation of the financial institution is of such a nature that irreparable harm is being caused or may be caused to the interests thereof, or of the persons and entities with funds or securities in the institution." (Translation ours.) That is precisely this case, and the Legislature has twice — once generally in Act No. 4-1985 and once specifically for IFEs in Act No. 273-2012 — determined that in such circumstances the appointment of a receiver does not await a hearing. Article 10(b) is cited solely as confirmation of that legislative policy. The appointment made herein is not issued under Article 10(b), and neither the provisional-order mechanics nor the review provision of that subsection applies to it; the appointment is definitive upon notification of this Order and its review is governed exclusively by Article 18(f) of Act No. 273-2012, as set forth in Section X.** Every day that Banex remains under the direction of the person(s) who caused this condition is another day in which the depositors' remaining seven million dollars may follow the twenty-four million that can no longer be found.

16. Article 10(a)(10)(i) of Act No. 4-1985 likewise authorizes the Commissioner to issue cease and desist orders and, where the violation causes or may cause grave immediate harm to the industry, to the citizenry or to particular persons, **to issue such order summarily, dispensing with the requirement of prior notice and hearing,** until the matter is finally disposed of in a proceeding instituted under that section. Section 3.17 of Act No. 38-2017 likewise authorizes an agency to employ emergency adjudicative procedures where there exists an imminent danger to the public health, safety or welfare, and the depositors of an insolvent institution whose funds are being applied to the private purposes of its owner are squarely within that description. Banex will be afforded a hearing in the adjudicative proceeding initiated by the Cease-and-Desist Order, on the date set therein; what it will not be afforded is the opportunity to continue administering an insolvent institution while that hearing is held. The appointment made in Section VII of this Order is not the subject of that hearing.

C. <u>Reports and Financial Statements Required by Law</u>

17. Article 13(a)(1)–(2) and (b) of Act No. 273-2012 provides that international financial entities shall be obligated to "[s]ubmit accurate and timely reports of their operations, as requested by the Commissioner," and to "[k]eep available those documents determined by the Commissioner through the Commissioner's Regulations, circular letters or guidance documents applicable to IFEs," and that every IFE operating in Puerto Rico shall submit to OCIF the reports required of it in the form and with the content established by the Commissioner. (Translation ours.)

18. Article 15(a) and (b) of Act No. 273-2012 further requires every IFE to submit all reports required by the Commissioner's Regulations, circular letters or guidance documents, and to remit to the Commissioner an annual report of its financial condition and results of operations within ninety (90) days following the close of each fiscal year, including audited annual financial statements accompanied by a certification that the entity is in compliance with the terms of the Act and the

Commissioner's Regulations. Article 11(2)(a) of Regulation No. 5653 imposes the parallel obligation to remit a report of condition and results of operations as of the last day of each quarter, within thirty (30) days of the close of each quarter, in the form prescribed by the Commissioner.

19. The obligation to report is not discharged by filing something on time. It is discharged by filing something **accurate**. Banex's Head of Finance has conceded that Call Reports are submitted "to comply with due dates" and corrected afterward; that he was uncertain what information certain fields of the report even required; that the December 31, 2025 Easy Call Report omitted an entire month "due to an error on our part"; and that recurring accruals are simply not performed during the year and are left to the external auditors. The Monitor independently verified that cash and receivables were misstated by four million dollars against the institution's own ERP, that deposits differ by approximately $376,000.00 from source data, and that a reported net income of $137,000.00 was in truth a net loss. Reports of that character do not merely fail the statute; they deprive the regulator of the single instrument by which the safety of depositors is monitored. Banex violated Articles 13(a)(1)–(2) and (b) and 15(a) and (b) of Act No. 273-2012 and Article 11(2) of Regulation No. 5653.

D. <u>Related-Party Transactions, Fiduciary Duty and Criminal Exposure</u>

20. Fifty-four percent of Banex's entire accounts receivable portfolio is owed by its sole shareholder. Another nineteen percent is owed by a company he controls, and which cannot pay. Another sixteen percent is owed by directors and officers. In the aggregate, **approximately eighty-nine percent of the institution's receivables are owed by insiders**, none of it subject to a repayment date or a repayment plan, and a substantial portion of it representing renovations to a family home, shares in a hospital, an apartment in Miami, country club dues, credit card balances and payments to Porsche Financial made by an institution that owns no vehicles. The Consent Order gave Banex one hundred eighty days to reduce related-party concentrations to twenty-five percent of total capital and reserves. Banex did the opposite.

21. More fundamentally, Article 11 of Act No. 273-2012, 7 L.P.R.A. § 3090, provides that an international financial entity shall not:

> (6) **Grant any type of financing or credit to any of its directors, officers, employees, shareholders, members or partners, except when previously authorized in writing by the Commissioner;**
> (Translation ours; emphasis supplied.)

22. No such authorization was ever requested, and none was ever granted. Every dollar of the $13,779,753.36 receivable from Mr. Gasparini, of the $3,991,400.00 receivable from directors and officers, and of the advances that paid for a family home, a hospital investment, an apartment in Miami, club dues, credit card balances and a vehicle is an extension of credit to an insider made in violation of an express statutory prohibition.

23. These are not accounting irregularities. They are the application of depositors' money to the private purposes of the persons entrusted with it, papered over by journal entries bearing the description "to correct data entry error" and by reclassifications into an account whose contents no one at the institution can identify. The Monitor's own conclusion is that the absence of a reimbursement policy "increases the risk [of] misappropriation," and that the $7.6 million transfers executed on the instruction of a Euro Exchange Group operations manager, for the stated purpose of repaying the shareholder's personal receivable, constitute a **potential management override.** Banex thereby violated its fiduciary duty to its depositors and the provisions of Act No. 273-2012 and of the Consent Order governing related-party transactions and internal controls.

24. It bears emphasis that the capital deficiencies that place Banex in non-compliance are matters of the first order. So much so that Article 19(b) of Act No. 273-2012 makes it a felony for an officer or employee of an international financial entity, or of a person of which it is a unit, to receive on behalf of the entity any deposit or contract for a loan knowing that the entity or such person is insolvent. Article 19(d) separately makes it a felony for a director, officer or employee to willfully misrepresent the entity's financial condition or a transaction, or to refuse to provide information lawfully required by the Commissioner. Article 19(c) makes it a felony for any director, officer or employee to unlawfully appropriate, embezzle, withdraw or willfully misuse the entity's money,

funds, credits or securities. In other words, faced with a scenario of insolvency, Act No. 273-2012 does not contemplate that the international financial entity may continue its ordinary course of operations. Nothing in this Order shall be construed to limit any referral OCIF may make to the appropriate prosecutorial authorities.

E. The Extraordinary Circumstances Warrant Immediate and Summary Action

25. As appears from the administrative record of the captioned proceeding, Banex has failed to comply with the Consent Order it voluntarily executed, has failed to maintain the capital required by law, and has placed in jeopardy the deposits of the institution's clients — with the aggravating circumstance that **those deposits are not insured**. The operational problems Banex faces, which have resulted in recurring and continuing operating losses, have the adverse effect of impairing the interests of the institution's depositors in recovering the funds entrusted to Banex. Operational and financial uncertainty of this magnitude is irreconcilable with the parameters of a depository institution and with the fiduciary relationship such an entity bears toward its clients. Given that Banex's financial insolvency continues to worsen with the passage of time, and that the entity has proven incapable of remedying that condition even under the supervision of an independent Monitor paid for out of its own funds, OCIF, in the discharge of its broad powers, is compelled to take extraordinary measures to address this situation with the urgency it requires.

26. Moreover, permitting an international financial entity presenting a capital profile such as Banex's to continue operating — without having designed and successfully implemented a capitalization plan for its operations, in violation of Act No. 273-2012 — calls into question and undermines public confidence in the jurisdiction of Puerto Rico as a banking system of law and order that ensures strict compliance with the applicable regulatory framework. To fail to act decisively and promptly would be the equivalent of taking a step backward in Puerto Rico's financial recovery and could impair the Island's reputation as an international financial destination in which to do business.

27. Accordingly, the Commissioner has ample ground in law to conclude that Banex's situation has become so precarious and of such a nature that it is causing and has caused irreparable harm to the interests of the institution itself and of the people and entities holding funds or securities in it. Banex has failed to comply with the minimum capital requirements, has concealed from OCIF a federal subpoena it was contractually and statutorily bound to disclose, has reported to OCIF financial information that its own personnel concede is inaccurate, has allowed twenty-four million dollars of depositor funds to become untraceable, and has permitted its controlling shareholder to become its largest single debtor. There is more than sufficient legal basis to determine that this entity must cease operating as an international financial entity and be placed, immediately, in the hands of a receiver.

VI. DECREE OF LIQUIDATION AND DISSOLUTION AND ORDERS TO BANEX

Pursuant to Article 18(f) of Act No. 273-2012, the LIQUIDATION AND DISSOLUTION of Banex International Bank, Inc. is hereby DECREED, to be conducted by the Receiver appointed in Section VII of this Order. The prohibitions upon the conduct of business by Banex, effective immediately, are set forth in the Cease-and-Desist Order. In furtherance of the liquidation so decreed, and pursuant to the powers and authority conferred upon the Commissioner by Act No. 4-1985, Act No. 273-2012, and the regulations issued thereunder, this ORDER is hereby issued to Banex so that it:

(A) Submit to a process of dissolution and liquidation securing its clients' deposits, under the direction of the Receiver appointed in Section VII of this Order.

(B) Deliver to the Receiver, immediately upon notification of this Order, any certificate of deposit, bond, guarantee or other security posted or maintained pursuant to Act No. 273-2012, Regulation No. 5653 or any circular letter or order of OCIF, and the original certificate of license IFE-37, which shall be held in custody by the Receiver.

(C) Immediately notify, including by electronic means, every bank with which it maintains correspondent arrangements, as well as every client of correspondent services, of the issuance of this Order, and deliver a copy of the same.

(D) License IFE-37 has been REVOKED, effective immediately upon notification, by the Cease-and-Desist Order, subject to the hearing scheduled therein. Without prejudice to that revocation, and in order that the license may not be used by any person other than the Receiver should the revocation for any reason be stayed, set aside or not yet be final, it is further ORDERED that Banex refrain, and cause its shareholder, directors, officers, employees and agents to refrain, from filing with OCIF any application for the renewal of license IFE-37 or any other application, notice or communication concerning that license. As of notification of this Order, every power of Banex with respect to license IFE-37 — including the powers to maintain, renew, modify, cease to renew or surrender it — is vested exclusively in the Receiver, and any such application, notice or communication filed by any other person shall be void and of no effect. The Receiver is authorized, as a measure of the liquidation decreed herein and subject to the prior written approval of OCIF, to surrender the license pursuant to Article 17(b) of Act No. 273-2012 and Article 7(b) of Regulation No. 5653, or to allow it to lapse without renewal pursuant to Article 6(d)(3) of Act No. 273-2012, should the license for any reason subsist at the time the Receiver determines that it is no longer required for the orderly liquidation of the EFI. Pursuant to Article 17(c) of Act No. 273-2012, no revocation, surrender, lapse or suspension of the license shall diminish or affect the obligations arising from any valid contract between Banex and other persons. Nothing in this paragraph limits or conditions the revocation ordered in the Cease-and-Desist Order or OCIF's authority under Articles 17(a) and 20 of Act No. 273-2012.

It is further ORDERED that Banex, under the strictest warning of severe sanctions, shall: (i) take the strictest security measures to secure, guarantee, preserve and keep intact, in a safe place, the entirety of the assets identified in Banex's consolidated and audited financial statements (including cash and accounts receivable, among others), documents, reports, books, records, registries, accounting records, papers and any other documents and evidence relating to its operation, so that OCIF and the Receiver may inspect them; and (ii) refrain from communicating with its clients regarding this Order or the condition of the institution except through, and with the prior written approval of, the Receiver.

The Receiver appointed in Section VII of this Order is authorized and empowered, on behalf of Banex, to demand from Mr. Luis A. Gasparini, Sr. the conveyance to Banex of the two (2) real properties identified in the Monitor's Report as held of record in his name but acquired, improved, paid for or carried with funds of Banex, including the property in respect of which the transactions with Farnese Building Enterprise were recorded and the apartment in Miami against which Banex recorded payments totaling seven hundred five thousand dollars ($705,000.00) as "Other Real Estate Owned." The Receiver is further authorized and empowered to execute and record, on behalf of Banex, all documents necessary to perfect any such conveyance; to record, in the corresponding property registries and where permitted by applicable law, notices of the claims of Banex over such properties; and to pursue, in Puerto Rico or in any other jurisdiction, any judicial or extrajudicial remedy available to obtain title to or the value of such properties, including provisional remedies for their preservation. The restrictions upon the transfer, encumbrance or disposition of those properties pending adjudication, and the conveyance thereof, are the subject of the Summary Order and Administrative Complaint issued by OCIF on this same date against Mr. Gasparini individually in Case No. C26-D-004, which affords him notice and the opportunity to be heard thereon.

The Receiver is likewise authorized and empowered, on behalf of Banex, to demand from Mr. Giancarlo Gasparini — a member of the Board of Directors of Banex at the time of the transaction — and from any person or entity holding them for his benefit, the transfer to Banex of the shares, membership interests or other equity interests in Southern Plains Medical Center of Garvin County, LLC (the hospital in the United States) acquired under the Membership Interest Purchase Agreement effective March 24, 2022, to the extent of the interest held by or for Mr. Giancarlo Gasparini, which were paid with funds of Banex and recorded in its books as of March 31, 2024 in the amount of two million dollars ($2,000,000.00) and thereafter reclassified as "Due from related parties," together with any dividends, distributions, proceeds or other benefits derived therefrom; to execute and record, on behalf of Banex, all documents necessary to perfect any such transfer; to notify the issuer of such interests and any transfer agent of the claims of Banex thereon; and to pursue, in Puerto Rico or in any other jurisdiction, any judicial or extrajudicial remedy available to obtain title to or the value of such interests, including provisional remedies for their preservation. Nothing herein adjudicates the rights of Mr. Giancarlo Gasparini or of any third party, who shall be afforded notice and the opportunity to be heard in any proceeding brought for that purpose.

VII. ORDER APPOINTING RECEIVER

In view of the scenario of insolvency faced by Banex, which creates a risk of irreparable harm to the public interest, as described above, and to the operational safety and financial soundness of the EFI, and pursuant to the broad powers and authority conferred upon the Commissioner by Act No. 273-2012, including Articles 3(f) and 18(e) and (f) thereof, and Act No. 4-1985, and the regulations issued to enforce those statutes, this ORDER is issued and the Commissioner hereby appoints **DRIVEN, P.S.C.** as receiver (the "**Receiver**") of Banex, and orders Banex, on the day this Order is issued, to receive the Receiver appointed by OCIF at its offices, or to place the Receiver in a position to discharge its responsibilities, so that the Receiver may proceed, immediately and without further delay, to administer the institution pursuant to the laws and regulations governing the operations of such institutions, receiverships and emergency measures. The appointment of the Receiver is effective and definitive upon notification of this Order, is not provisional, and does not depend upon the outcome of the adjudicative proceeding initiated by the Cease and Desist Order.

The Commissioner finds that Driven, P.S.C. is a person of recognized moral integrity and of vast experience in the field of banking and finance, as required by Article 18(b) of Act No. 273-2012, and further finds that Driven, P.S.C.'s service as Compliance Monitor of Banex since June 26, 2026 has provided it with a detailed, independently verified command of the institution's books, systems, personnel and financial condition that no successor could replicate without a delay the depositors of Banex cannot afford. **The appointment of the Monitor as Receiver is therefore not merely convenient; it is the measure best calculated to preserve the remaining assets of the institution.**

The Receiver shall administer the international financial entity following the parameters established in Act No. 273-2012, in Circular Letter CIF-CC-2024-001, and in accordance with what is set forth herein, without any of the foregoing being construed as a waiver or limitation of OCIF's power to impose additional requirements. Specifically, the Receiver shall:

(1) take immediate possession of the bank accounts, assets and liabilities, investments, books, records, documents and files, and electronic systems (including cloud databases) belonging to Banex, including the assets and funds presently located abroad, and identify and secure any funds, accounts, securities or other assets of Banex held at UBS, TuCoop and Caixa or at any other financial institution, in Puerto Rico or elsewhere, whether titled in the name of Banex or held in the name of a third party in which Banex has a beneficial or ownership interest;
(2) simultaneously collect all loans, charges, claims, rights and fees owed to the EFI, and shall be empowered to execute all documents that may be necessary before financial institutions or third parties in order to perform these functions;
(3) pay the obligations and debts of the EFI, after having paid the necessary expenses directly related to the receivership;
(4) supervise the dissolution and liquidation of the EFI;
(5) perform or commission the audits of accounts and the investigations of complaints filed against Banex and those requested by OCIF in its sole discretion, including, without limitation, a forensic investigation of the "In Transit Account," the related-party transactions and the accounts receivable described in Section IV of this Order, the tracing of the funds recorded in In Transit Account No. 10043, the source of the funds presented as capital contributions, the transfers identified as ID #813793 and ID #776267, and the assets created by reclassification out of the In Transit account, and present the results of the matter investigated to OCIF upon conclusion of the investigation;
(6) as part of the efforts to liquidate the assets of the entity, conduct its efforts and acts so as to: (i) maximize the value to be obtained from the sale or disposition of such assets; (ii) minimize the amount of loss realized in the resolution of the matters under its consideration; and (iii) ensure fair and consistent treatment of any entity or person interested in acquiring such assets;
(7) **take immediate control of the core banking system (Macrobank) and of the accounting system (NetSuite)**, including all administrative credentials, servers, databases, backups and cloud environments. To that end, OCIF hereby **ORDERS the immediate transfer of control of both the core banking system and the accounting system from Euro Exchange Latvia** — or from any other affiliate, related entity, vendor or third party that administers, hosts or controls them — to the Receiver, within forty-eight (48) hours of notification of this Order. Banex, its directors, officers, employees and agents shall procure that transfer and shall deliver to the Receiver every credential, key, license, contract and access necessary for that purpose.

In addition to the foregoing duties, and without limiting the generality of the powers conferred herein, the Receiver **is authorized, in its sole discretion and without need of further order of OCIF**, to: (i) retain, appoint, engage, suspend, remove or dispense with the services of any director, officer, employee, advisor, agent or service provider of Banex, and designate acting officers, including an acting chief compliance officer and an acting chief financial officer, on such terms as the Receiver deems appropriate; (ii) reconstruct, complete or correct the accounting records of Banex for any period, and prepare and file any amended or outstanding regulatory report required by OCIF; (iii) revise the operating budget of Banex to eliminate any spending that would work against its existing liquidity, and prohibit any disbursement outside the budget so approved; (iv) determine the accounts and sources from which the expenses of the monitorship and of the receivership shall be paid; and (v) take any other measure that the Receiver deems necessary or convenient to preserve the assets of Banex and to conduct its orderly liquidation; **provided**, that no payment, distribution, advance, reimbursement, loan or transfer of any kind to or for the benefit of any shareholder, director, officer, affiliate or related party of Banex shall be made under any circumstance without the prior written authorization of OCIF. **The powers of the Board of Directors, the Chairman, the officers and the management of Banex cease immediately upon notification of this Order and are vested in the Receiver.**

The powers granted herein to the Receiver shall be the broadest possible in order to conclude all pending matters for the liquidation of Banex. See, by way of illustration, *CFTC v. Weintraub*, 471 U.S. 343, 358 (1985) (holding that a trustee of a corporation in bankruptcy may waive the corporation's attorney-client privilege with respect to prebankruptcy communications); *C.W. Mining Co. v. Aquila, Inc. (In re C.W. Mining Co.)*, 636 F.3d 1257, 1263–65 (10th Cir. 2011) (holding that, after appointment of a Chapter 7 trustee, former management lacks authority to appeal on behalf of the corporate debtor, and explaining the resulting change in management and corporate purpose); *Badii ex rel. Badii v. Metropolitan Hospice, Inc.*, 2012 WL 764961 (Del. Ch. Mar. 12, 2012) (appointing a receiver to attempt to resolve the corporation's federal tax liability through a settlement with the Internal Revenue Service and to negotiate or recommend the disposition of its remaining assets).

As part of that charge, the Receiver shall owe a fiduciary duty both to the creditors of Banex and to the depositors of Banex, following the order of priority established in Section VII(C) of this Order, which expressly provides that the interests of the shareholder of Banex and of other related entities shall be subordinated to the satisfaction of payments to depositors and other persons of preferred rank. See *CFTC v. Weintraub*, 471 U.S. 343, 355 (1985) ("Perhaps most importantly, respondents' position ignores the fact that bankruptcy causes fundamental changes in the nature of corporate relationships. One of the painful facts of bankruptcy is that the interests of shareholders become subordinated to the interests of creditors."). Among the creditors of Banex are the depositors, who stand in first rank, and other creditors, such as regulators or service providers.

A. <u>Procedure to Establish an Inventory of Assets and Protect Their Value</u>

The Receiver, designated as representative of the EFI, shall:

a) cause this Order to be published on the EFI's Internet page as soon as it receives the same;
b) create a contact e-mail address, which it shall publish on the EFI's Internet page;
c) obtain, within ten (10) days of the issuance of this Order, an adequate bond, in an amount of not less than five hundred thousand dollars ($500,000.00), to be paid by Banex. The term provided herein may be extended for good cause;
d) conduct an inventory of the assets of the EFI under receivership within a reasonable term not to exceed thirty (30) days. Such inventory shall be published on the Internet pages of the EFI and of OCIF, and shall be updated every thirty (30) days;
e) investigate all of the financial affairs of the EFI and conduct the due diligence necessary to protect and preserve its assets;
f) during the first forty-eight (48) hours following its designation, issue a written notice to every entity or individual in possession of assets of the EFI (including UBS and any other financial institution holding funds, accounts, securities or other assets of the EFI, or assets in which the EFI has a beneficial or ownership interest), including a copy of this Order so designating it, and order such entity or individual to deliver all assets of the EFI within a term not to exceed thirty (30) days from the notice;
g) submit to OCIF, within thirty (30) days, automatically extendable for thirty (30) additional days, up to a maximum of one hundred eighty (180) days, a notice regarding the availability of the funds of the EFI. Where applicable, the notice regarding the availability of funds shall be updated each time the copy of the asset inventory is updated;
h) conduct and report to OCIF an evaluation of possible claims of the EFI, both extrajudicial and judicial, to recover assets or funds for the benefit of creditors, including but not limited to: (i)

collecting any receivable of the EFI, having the power to file any claim, complaint or proceeding in favor of such entity, and at the same time having the power to defend it; (ii) reaching settlements in any claim, complaint or proceeding against the EFI; and (iii) disposing of, assigning or converting assets of the EFI into cash;

i) may, with OCIF's consent and subject to and in accordance with applicable law, conduct sales of assets of the EFI outside the ordinary course of business of the entity under receivership, whether by private sale or public auction, exercising as its guiding criterion its best business judgment, in harmony with its fiduciary duty to the depositors and creditors of the EFI. In the case of sales of real property outside the jurisdiction of Puerto Rico, the Receiver shall be empowered, in accordance with the applicable law of Puerto Rico and of the jurisdiction concerned, to carry out all acts and to sign the documents necessary to consummate the sale; and

j) unless OCIF or a court of competent jurisdiction expressly orders otherwise, provide general information regarding the administration of the EFI under receivership, such as the name of the personnel employed by the Receiver to execute the liquidation, the persons designated as contacts regarding liquidation matters, the e-mail address and telephone number of the designated Receiver, and any other information the Receiver deems pertinent for the parties in interest in the EFI and in the receivership process.

B. <u>Procedure for Notice to Creditors and Depositors, Filing of Proof of Claims, Acceptance, Denial and Subordination of Claims, and Intervention in Pending Litigation</u>

1. Within thirty (30) days after the issuance of this Order designating the Receiver, the Receiver shall notify all creditors and depositors of the EFI of its designation. Such notice may be effected (i) through the same medium by which the EFI issued notices to creditors and depositors in the ordinary course of its business, and/or (ii) by certified mail to the last address known to the EFI for such creditors and depositors.
   a) The notice shall contain (i) a copy of the Order designating the Receiver; (ii) the e-mail address and mailing address of the designated Receiver; (iii) a notice of the ninety (90) day term within which the creditor must file a claim for the amounts it understands were owed as of the date of the designation of the Receiver, with evidence thereof; and (iv) a copy of Form A for IBEs and IFEs (OCIF IBE and IFE Claim Form A), as required by Circular Letter CIF-CC-2024-001 of March 26, 2024 issued by OCIF;
   b) The Receiver shall issue the same notice on two (2) additional occasions, one at thirty (30) days and another at sixty (60) days from the initial notice.
2. The creditors of the EFI shall have a term of ninety (90) days from the date of the Receiver's initial notice to file, under oath, their respective claims with the Receiver, using Form A for IBEs and IFEs (OCIF IBE and IFE Claim Form A), as required by Circular Letter CIF-CC-2024-001 of March 26, 2024 issued by OCIF.
3. The Receiver may, in its discretion, extend the term for creditors to file their claims.
4. The Receiver may retain such professionals or services directed to receiving and processing these claims as may, in its discretion, assist it in the preparation of the final liquidation report.
5. Once the ninety (90) day period to file claims has concluded, within a reasonable term not to exceed thirty (30) days from the expiration of the term to file claims, the list of claims filed shall be published on the Internet pages of the EFI and of OCIF, including those in the process of evaluation for acceptance or denial. The list of claims shall include: (i) a succinct description of the claim; (ii) the amount thereof; and (iii) a detail of accounts payable and debts, as reflected in the books and records of the EFI, as to which no claim was filed. Neither the name of the claimant nor confidential information regarding the claimant shall be published.
6. The Receiver shall also provide a copy of the list of claims to OCIF. The list of claims shall be updated every thirty (30) days, reporting the status of any claim under evaluation and the result thereof.
7. The acceptance, denial or subordination of claims shall be governed by the following rules:
   a) The Receiver shall remain in direct contact with claimants and shall promptly attend to communications and claims received at OCIF;
   b) Claims timely filed shall be deemed accepted where the Receiver understands that they are duly supported;
   c) The Receiver shall have the authority to evaluate all claims timely filed and may, after stating its reasons to OCIF, (i) deny a claim on the ground that it is unsupported or that the EFI is not legally responsible for it, and (ii) subordinate the payment of claims related to improper conduct, fraud or acts that are or have been prejudicial to the EFI;

d) The Receiver shall deny any contractual claim against the EFI whose purported agreement is not reflected in the accounts, books or records of the EFI, unless the creditor provides documentary evidence of such agreement;
e) If a claim is filed after the expiration of the ninety (90) day term provided to file it, the claim shall be denied, except (i) where the claimant did not receive the notice of the Receiver's designation with reasonable time to timely file its claim, and (ii) where the claim is filed with sufficient time to be paid;
f) Any claimant aggrieved by the denial or subordination of its claim may exercise the remedies available to it at law.

C. Procedure to Establish Priority in Distributions Within the Liquidation Process

The Receiver shall prepare an operating budget consistent with the financial condition of Banex while reviewing the expenses of the EFI directed at completing the liquidation without further delay. The intent of this Order, pursuant to the powers conferred upon OCIF in its organic act, is to give preference and legal certainty to the payment of the deposits of the clients of Banex. To that end, and on the basis of its broad powers directed at achieving the purposes of the laws under its jurisdiction, including Act No. 273-2012, OCIF adopts, on a suppletory basis and to the extent necessary for the orderly conduct of the receivership imposed herein, the priority parameters set forth in Section IV(C) of OCIF Circular Letter No. CIF-CC-2024-001 of March 26, 2024, pursuant to Article 18(c)(3) of Act No. 273-2012. The compensation provided for in the receivership shall be incorporated into the liquidation expense budget and shall be defrayed by Banex as part of its operating expenses.

Unless OCIF expressly provides otherwise, the distribution of the assets of the EFI that the Receiver may recover shall be made in accordance with the following order of priority for the payment of amounts owed as of the date of the designation of the Receiver, provided that current and ordinary expenses to execute the liquidation shall continue to be made during the process:

1. **First — Administrative Expenses of the Receivership and of the Monitorship.** This first rank comprises, in the following order: (i) the administrative expenses of the Receiver, including those provided in an established budget, and the compensation and reasonable expenses incurred by professionals retained by the Receiver; (ii) **the fees and expenses of the Compliance Monitor accrued under the Order Appointing Compliance Monitor of June 24, 2026, including those invoiced or accrued prior to the date of this Order and remaining unpaid**, which are chargeable to Banex pursuant to Article 3(a)(11) of Act No. 273-2012, 7 L.P.R.A. § 3082(a)(11), and which shall be paid in the same rank and on the same terms as the administrative expenses of the receivership; and (iii) amounts owed to OCIF in respect of the administrative fines that may be imposed by final order in the adjudicative proceeding initiated by the Cease and Desist Order, examination fees and rights, and the expenses OCIF incurs in connection with the liquidation.
2. **Second — Secured Debts** (those whose repayment is guaranteed by collateral), if any, owed as of the date of the designation of the Receiver, to be paid out of the proceeds of their respective collateral;
3. **Third — Debts to Depositors**, owed as of the date of the designation of the Receiver, excluding those arising from allegations of damages;
4. **Fourth — Debts**, as of the date of the designation of the Receiver, for (i) taxes, contributions, fines and penalties of federal and state agencies, and (ii) payments owed to employees for wages and commissions earned within the one hundred eighty (180) days preceding the date of the designation of the Receiver;
5. **Fifth — General Unsecured Claims** owed as of the date of the designation of the Receiver, including but not limited to claims for damages, whether contractual or extracontractual; and
6. **Sixth — Any obligation to the shareholder or members of the EFI** arising as a result of their status as shareholders or members, to entities affiliated with or subsidiaries of the EFI, or to the ultimate beneficial owners of Banex. **For the avoidance of doubt, the accounts receivable, advances, transfers and other amounts described in Section IV of this Order as owing to Banex by Mr. Luis A. Gasparini, Sr., by directors and officers, by Euro Exchange Corp., by Forsecure and by any other related entity shall be pursued and collected as assets of the receivership, and no claim asserted by any such person or entity against Banex shall be paid ahead of the ranks established above.**

D. Procedure to Bring Causes of Action and Maximize Recovery of Assets in Liquidation

1. The Receiver, as successor to the directors, the management and the board of directors of the EFI, shall have the power and authority to pursue all claims, judicial and extrajudicial, that the EFI had as of the date of its designation, for the purpose of recovering assets of such entity for the repayment of its obligations. Such power and authority shall include, but shall not be limited to, the authority to claim against any insurance company, where applicable, for the proceeds of policies against prior directors and officers of the EFI.
2. The Receiver shall have the power to defend Banex and to reach settlements in any claim, complaint or proceeding against Banex. The Receiver may further designate agents to carry out these charges and to perform any other act that Banex could have performed and that is necessary and proper.
3. The Receiver shall have the authority and power to exercise, where supported by the facts and applicable law, and upon written notice to OCIF, any recovery action or claim against any entity or individual related to the EFI that received money from — or participated in — a transaction that is void or voidable under applicable law, or a transaction not authorized by OCIF under Act No. 4-1985 or Act No. 273-2012, or by the Receiver, provided that the proceeds of such recovery action shall be applied to the payment of claims against the EFI in accordance with the order of priority described in subsection (C) above. Such actions shall include, without limitation, recovery actions in respect of the transfers identified in the Monitor's Report as ID #813793 and ID #776267, the amounts applied to the personal obligations, investments, renovations, credit cards, club memberships and vehicle financing of the shareholder, directors and officers, and the funds applied to the purported capital contributions, as well as recovery actions in respect of the shares, membership interests or other equity interests in the hospital in the United States acquired with funds of Banex under the contract dated March 24, 2022, and of the real properties held of record in the name of Mr. Luis A. Gasparini, Sr. that were acquired, improved, paid for or carried with funds of Banex.

E. Additional Matters

Should the Receiver require an additional term to comply with any provision of this Section VII, it shall file a request before OCIF showing good cause therefor.

F. Required Publications and Reports

The requirements of subsections VII(A)(a) and (d) and VII(B)(5) (namely, the Order, the inventory of assets and the list of claims), as well as the availability of funds and general information regarding the administration of the EFI under receivership, shall be published on the Internet page of the EFI under receivership.

The Receiver shall render quarterly reports during the first ten (10) days of the month following the quarter in question. Such reports shall be filed with OCIF under oath, and a digital copy shall be sent to each current client of the entity that so requests within the ordinary course of its business with the institution. Once it has completed its work, the Receiver shall file with OCIF a Final Report of Liquidation and Distribution (the "**Final Report**").

The Final Report must be signed by the Receiver under penalty of perjury and must certify that all of the assets of Banex have been liquidated or adequately accounted for and that the liquidation funds are available for distribution. The Final Report must be prepared as soon as all monies have been collected, all claims have been reviewed or determined, and after the date for the filing of claims by clients and creditors has expired. The Final Report must be filed with OCIF prior to any distribution of funds to creditors or clients, and any claim filed before OCIF completes its review of the Final Report shall be deemed premature.

OCIF shall review the Final Report to evaluate whether the Receiver has adequately and reasonably administered the property of Banex. Should material deficiencies in the Receiver's administration or other problems or errors exist, the same shall be noted to the Receiver so that it may take corrective measures. Once this review is completed, the Final Report, as well as the proposed liquidation distribution, shall be notified to all parties in interest in the liquidation process. If there is a dispute between the Receiver and any party in interest regarding the proposed distribution, OCIF shall resolve the matter with respect to the report and the distribution. Parties in interest may file, within a jurisdictional term of thirty (30) days after notice of the Final Report, a writing before OCIF detailing their position as to the distributions and payments contemplated in the Final Report and the reasons why they understand the same are not correct. These claims shall be processed in accordance with OCIF Regulation No. 9551, which governs administrative adjudication proceedings in effect. The Receiver shall approve any document that may be necessary to implement what is set forth herein.

G. Compensation of the Receiver

Pursuant to Article 10(b) of Act No. 4-1985, "[t]he Commissioner may fix reasonable compensation for the services of the receiver and his or her employees," and Article 18(d) of Act No. 273-2012 provides that such compensation "shall be defrayed by the international financial entity." To those ends, the following guidelines of reasonableness are provided with respect to the services of the Receiver and its employees:

1. The reasonable fees and expenses of the Receiver shall be paid by the EFI subject to the receivership.
2. The Receiver's rates shall be consistent with the regular rates in the Puerto Rico market, comparable to those of a receiver or trustee of the United States Bankruptcy Court for the District of Puerto Rico.
3. The Receiver shall file with OCIF, on a quarterly basis, a copy of the monthly invoices submitted to the EFI, identifying and including the itemized detail for each task. Upon the lapse of fifteen (15) days from the date on which each quarter ends without OCIF having stated objections to the invoices, the same shall be deemed reasonable and the EFI shall proceed with payment thereof.
4. Invoices must be duly certified by an authorized representative of the Receiver.
5. Every invoice for reimbursement of expenses must be duly certified by the Receiver and accompanied by copies of the receipts for the expenses for which reimbursement is requested. The EFI shall not make payments corresponding to expenses for which receipts have not been provided.
6. The Receiver may not collect fees or expenses without having filed a copy of its invoices with OCIF on a quarterly basis.
7. The Receiver may retain such professionals expert in their particular discipline as may, in its discretion and in accordance with criteria of reasonableness, assist it in the performance of its functions, such as attorneys, accountants and forensic investigators, as well as any other professional necessary to carry out the functions of Receiver, in light of the totality of the particular circumstances of the EFI.
8. **The fees and expenses accrued by Driven, P.S.C. in its capacity as Compliance Monitor under the Order Appointing Compliance Monitor of June 24, 2026, and remaining unpaid as of the date of this Order, shall be submitted to OCIF in a single certified statement within thirty (30) days of this Order, shall be subject to the same review and objection procedure set forth in paragraph 3 above, and, once deemed reasonable, shall be paid by Banex as an administrative expense of the first rank under Section VII(C)(1) of this Order.** Nothing herein shall be construed to permit duplicate billing for the same services, nor to relieve the Receiver of the obligation to account separately for time and expenses incurred in its capacity as Monitor and in its capacity as Receiver.

H. Other Powers of the Receiver

The Receiver is not authorized to act as an international financial entity, and its function is limited to the process of dissolution and liquidation provided in this Order.

The Receiver shall be authorized to request directly from the Court of First Instance of competent jurisdiction contempt orders against any party that fails to comply with the administrative orders issued and that are within its legal mandate to issue and enforce.

Controversies relating to the Receiver's performance in the handling of the affairs of the dissolution and liquidation of the international financial entity may be brought to OCIF's attention solely within an administrative adjudication proceeding pursuant to Regulation No. 9551. Any claim or controversy filed before the jurisdictional term of thirty (30) days provided in the denial of a claim begins to run shall be deemed premature. Interested parties must exhaust these administrative remedies before bringing their claims to the courts of justice of Puerto Rico. The foregoing applies to controversies concerning the Receiver's performance and does not apply to, and shall not be construed to limit, condition or extend the term for, the judicial review of the Commissioner's determination to appoint the Receiver, which is governed exclusively by Article 18(f) of Act No. 273-2012 as set forth in Section X of this Order.

VIII. PRESERVATION ORDER

It is hereby ORDERED that Banex, under the strictest warning of severe sanctions: (i) cooperate with — and assist — the Receiver in taking the measures necessary, including performing any digital forensic work, to preserve and obtain access to all information of Banex, whether in physical or digital format, located at the facilities of Banex or on any electronic platform or electronic equipment used by its officers, directors, employees, advisors or agents, including any system, server, database or cloud environment administered by Euro Exchange Latvia or by any other affiliate, related entity or third-party provider; (ii) provide any information required by the Receiver in order to complete the liquidation of Banex, including, without limitation, any information leading to the discovery of assets of Banex, wherever located; and (iii) take the strictest security measures to secure, guarantee, preserve and keep intact, in a safe place, the entirety of the assets identified in the consolidated and audited financial statements of Banex (including cash and accounts receivable, among others), documents, reports, books, records, registries, accounting records, papers and any other documents and evidence relating to its operation, so that OCIF may inspect them should it deem it necessary.

The alteration, destruction, concealment, unauthorized transfer, deletion, loss, manipulation or disposition of, or the failure to preserve, documents, information, assets or evidence covered by this Order may be treated by OCIF as an independent violation of this Order, without prejudice to any sanction, remedy, referral or additional measure OCIF may adopt in accordance with law.

IX. CLAIMS AND PENDING LITIGATION

As of the date of issuance of this Order, every judicial or extrajudicial claim that any individual or institution may have against Banex shall be directed to the attention of the Receiver and shall be addressed within the liquidation and dissolution process established in this Order. The continuation of pending judicial proceedings and the commencement of potential proceedings against Banex — and the possibility that the same may result in the attachment or freezing of assets of Banex — would impact and frustrate the orderly liquidation of the EFI through the appointment of a receiver, and the equitable distribution of assets to depositors and creditors. The designation of the Receiver, justified and necessary for all of the reasons set forth herein, must result in the stay of pending proceedings, in order to permit OCIF to exercise its powers and authority as regulator under Act No. 4-1985 and Act No. 273-2012. The Receiver shall be empowered to appear in any pending proceeding against Banex to request such stay.

X. GENERAL NOTICES AND WARNINGS

Pursuant to Article 18(f) of Act No. 273-2012, Banex is hereby warned that the Commissioner's determination to appoint a receiver for the liquidation and dissolution of the EFI may be reviewed by the Court of First Instance, San Juan Superior Part, by means of a petition filed within the term of ten (10) days from the date of this determination, that is, from the date of this Order, which is notified to Banex on this same date by electronic means and by personal delivery at its principal office. The Court of First Instance, San Juan Superior Part, may, if there is legitimate cause therefor, order the Commissioner to refrain from further proceedings and to return the international financial entity to its directors without the imposition of expenses, damages, costs or fees upon the Commissioner. See Act No. 273-2012, Article 18(f), 7 L.P.R.A. § 3096(f). That is the sole and exclusive means of review of the appointment made in Section VII of this Order. The adjudicative proceeding initiated by the Cease and Desist Order concerns the operational restrictions, the revocation of license IFE-37 and the administrative fines proposed therein; neither the hearing scheduled in that proceeding, nor any answer, motion, request for hearing, motion for reconsideration or petition for judicial review filed in it, shall suspend, interrupt or extend the ten (10) day term provided in Article 18(f), nor shall any determination in that proceeding be a condition of the validity or effectiveness of this Order.

The provisions of this Order are severable. Should any provision of this Order, or of the Cease and Desist Order, be held invalid, unenforceable or stayed by a court or forum of competent jurisdiction, the remaining provisions of this Order, and in particular the appointment of the Receiver and the decree of liquidation and dissolution, shall remain in full force and effect; and the stay, modification or reversal of the revocation of license IFE-37 ordered in the Cease and Desist Order shall not affect this Order in any respect.

This Order does not relieve Banex of other violations arising as a result of this Order or of those of which OCIF becomes aware after the signature of this Order. In such case, OCIF reserves the right to amend this Order or the Cease-and-Desist Order to include additional allegations, violations, fines and remedies, subject to applicable law. Nothing in this Order shall be construed as a waiver of any civil, administrative or criminal remedy available to OCIF, or of any referral OCIF may make to federal or Commonwealth prosecutorial or regulatory authorities with respect to the matters described herein.

Banex is warned that, pursuant to Article 20(c) of Act No. 4-1985, OCIF may impose an administrative fine of not more than FIVE THOUSAND DOLLARS ($5,000.00) for each day of non-compliance with the orders issued under the provisions of law, up to a maximum of FIFTY THOUSAND DOLLARS ($50,000.00). In the event of total or partial non-compliance with this Order, OCIF, in aid of the statutory jurisdiction conferred by Act No. 4-1985, may request that the Court of First Instance, San Juan Superior Part, enforce the same, under penalty of contempt, and impose such additional fines and sanctions as OCIF understands to be appropriate, together with any other pronouncement that may lie at law.

Given in San Juan, Puerto Rico, this 22nd day of September, 2026.

REGISTER AND NOTIFY.

Lcda. Mónica Rodríguez Villa
Commissioner of Financial Institutions

NOTIFICATION

I CERTIFY that the original of the foregoing **BANEX INTERNATIONAL BANK, INC. (IFE-37) – ORDER APPOINTING RECEIVER** has been filed today in the administrative record maintained by the Office of the Commissioner of Financial Institutions. A true and exact copy has been notified by electronic mail and by certified mail to the following parties of record, at the addresses stated below:

Banex International Bank, Inc. - 654 Ave. Luis Muñoz Rivera, Suite 1720, San Juan, Puerto Rico 00918, Certified Mail No. 9589 0710 5270 0187 6453 81.

Banex International Bank, Inc. through its chairman **Luis Alberto Gasparini,** via email at: lgasparini@banex.com and lgasparini@euroexchangebank.com.

In San Juan, Puerto Rico, on September 22, 2026.

Linnette Fernández Velázquez

LINNETTE FERNÁNDEZ VELÁZQUEZ
Secretary