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

OCIF-Secretaria'26SEP22PM3:08

In the matter of: **LUIS A. GASPARINI, SR., individually and as Chairman of the Board of Directors and sole shareholder of BANEX INTERNATIONAL BANK, INC.**	**CASE NO. C26-D-004** **RE: Violations, as director, officer and shareholder of an international financial entity, 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.**

SUMMARY ORDER AND ADMINISTRATIVE COMPLAINT

I. INTRODUCTION

The Summary Order and Administrative Complaint (the "**Order**") captioned above is issued against Mr. Luis A. Gasparini, Sr. ("**Mr. Gasparini**" or the "**Respondent**"), individually and in his capacity as Chairman of the Board of Directors and sole shareholder of Banex International Bank, Inc. ("**Banex**" or the "**EFI**"), pursuant to Articles 3(a)(10), 3(d), 3(e) and 19 of Act No. 273-2012, as amended, known as the "International Financial Center Regulatory Act" ("**Act No. 273-2012**"), Articles 10(a)(10)(i), 10(a)(12) and 11 of Act No. 4 of October 11, 1985, as amended ("**Act No. 4-1985**"), Section 3.17 of Act No. 38-2017, as amended, known as the "Uniform Administrative Procedure Act of the Government of Puerto Rico" ("**Act No. 38-2017**"), and Chapter III of Regulation No. 9551 of April 11, 2024, known as the "OCIF Adjudicative Procedures Regulation" ("**Regulation No. 9551**"). It is issued concurrently with the Order Appointing Receiver issued by OCIF on this same date in Case No. C26-D-002 (the "**Receivership Order**"), by which the Commissioner of Financial Institutions (the "**Commissioner**") appointed Driven, P.S.C. as receiver of Banex (the "**Receiver**") and decreed its liquidation and dissolution, and with the Summary Cease and Desist Order, Revocation of License and Administrative Complaint issued by OCIF on this same date against Banex in Case No. C26-D-003 (the "**Cease and Desist Order**").

Banex is an international financial entity ("**IFE**") holding license number IFE-37, issued by the Office of the Commissioner of Financial Institutions ("**OCIF**") under Act No. 273-2012. Mr. Gasparini owns one hundred percent (100%) of Banex and presides over its Board of Directors. The 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**") — establishes that Banex is insolvent; that its remaining liquid assets have been and continue to be consumed by advances, transfers and payments made for the personal benefit of Mr. Gasparini and of persons and entities related to him; that Mr. Gasparini is, by a wide margin, the largest single debtor of the institution he owns and directs; and that real property held of record in his name was acquired, improved or paid for with funds of Banex. Those funds are the funds of Banex's depositors.

This Order has two operative parts. Section VI orders Mr. Gasparini, effective immediately upon notification, to refrain from transferring, encumbering or disposing of the real property and other assets acquired with funds of Banex, from receiving or directing any funds of Banex, and from interfering with the Receiver, and to preserve and disclose the records and assets relating to the transactions described herein. Section VII sets forth the administrative complaint by which OCIF charges Mr. Gasparini, in his capacity as director and officer of an IFE, with the violations described in Sections IV and V, and seeks his removal and disqualification, the restitution of the funds of Banex applied to his benefit, and the imposition of administrative fines — all for adjudication at a hearing scheduled in Section VIII, at which Mr. Gasparini shall have every guarantee of due process of law. Pursuant to Section 25.5 of Regulation No. 9551, this Order constitutes the complaint that initiates the formal adjudicative proceeding under Chapter II of that Regulation.

Nothing in this Order adjudicates, or purports to adjudicate, the criminal liability of any person, which is reserved to the courts of competent jurisdiction.

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.

OCIF's jurisdiction extends to the directors, officers, employees, agents and individuals acting in a similar capacity in an international financial entity. Article 3(a)(10) of Act No. 273-2012 empowers the Commissioner to suspend, remove or sanction any such person who violates, or willfully or negligently permits another person to violate, the Act, any regulation or order of the Commissioner, the organizational documents of the entity or its license. Article 3(d) authorizes the Commissioner to issue against "a person or international financial entity" such orders as are convenient and necessary to safeguard the public interest, including cease and desist orders and orders to show cause, and to do so summarily where the violation causes or may cause grave immediate harm. Article 3(e) authorizes the Commissioner to impose fines, restitution and administrative sanctions for violations of the Act, the Commissioner's regulations and its orders. Article 19(a) provides for the administrative hearing of charges against directors and officers. Article 11 of Act No. 4-1985 governs the suspension and removal of directors and officers of financial institutions supervised by OCIF. Article 10(a)(12) of Act No. 4-1985 authorizes the Commissioner to require any person to furnish a written statement under oath concerning the facts under investigation.

Mr. Gasparini is the sole shareholder and Chairman of the Board of Directors of an entity organized and licensed in Puerto Rico under Act No. 273-2012; he executed the Consent Order of October 16, 2025 in Case No. OCFI-2025-D-IFE-37-3082-03 (the "**Consent Order**") as an authorized representative of Banex and personally consented to its terms; he subscribed, as Chairman, the capital increase plan submitted to OCIF on August 30, 2024; and he corresponded directly with the Commissioner regarding the supervision of Banex, most recently by his open letter of May 21, 2026. He is subject to the jurisdiction of OCIF with respect to his conduct as director, officer and shareholder of Banex.

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 the Respondent and his legal representation, subject to the disclosure exceptions in Article 21(a) and (b) of Act No. 273-2012.

III. INFORMATION OF THE RESPONDENT

Name: Luis A. Gasparini, Sr.
Capacity: Chairman of the Board of Directors and sole shareholder of Banex International Bank, Inc. (License No. IFE-37)
Address for notification: 654 Ave. Luis Muñoz Rivera, Suite 1720, San Juan, Puerto Rico 00918
Personal address: 550 Melaleuca, Miami FL 33137

E-mail addresses: lgasparini@euroexchangebank.com; lgasparini@banex.com

IV. FINDINGS OF FACT

The findings of fact set forth in Section IV of the Receivership Order and of the Cease and Desist Order, copies of which are notified to Mr. Gasparini together with this Order, are incorporated herein by reference. The findings that follow are drawn from that record and are those that bear directly upon the conduct of Mr. Gasparini as director, officer and shareholder of Banex. References to paragraphs (¶) are to Section IV of the Receivership Order.

A. Banex and the Respondent

1. Banex is an international financial entity organized on June 30, 2016 under Act No. 273-2012 (as Vigan Banco International, Inc., later Presto Bank International, Inc.), formerly known as Euro Exchange International Bank, Inc., which operates under license number IFE-37 issued by OCIF effective February 9, 2017, with its principal office at 654 Ave. Luis Muñoz Rivera, Suite 1720, San Juan, Puerto Rico 00918. Its business consists primarily of providing correspondent banking services to foreign financial institutions, and its liabilities consist primarily of the deposits of those institutions and of their clients. (¶¶ 1–2, 4.)

2. Mr. Gasparini owns one hundred percent (100%) of Banex and presides over its Board of Directors, which presently consists of Mr. Gasparini; Luis Gasparini Jr.; Mr. Sasha Ramjiawan, President and Chief Executive Officer; and Mr. Ariel Acosta. Mr. Gasparini also controls, directly or through members of his family, the entities related to Banex identified in the Monitor's organizational chart of July 2, 2026: Euro Exchange Securities UK Ltd. ("**EES UK**"), Euro Exchange Corp., Forsecure, Euro Exchange Securities (Madrid), Universal Madrid and Euro Exchange Latvia, the latter being the third-party technology provider that hosts Banex's core banking and accounting systems. (¶¶ 3, 20, 64.)

B. The Consent Order

3. Following a safety and soundness examination commenced on August 21, 2023, OCIF issued on October 16, 2025 the Consent Order in Case No. OCFI-2025-D-IFE-37-3082-03, which Mr. Gasparini and Luis Gasparini Jr. executed as authorized representatives of Banex. The Consent Order required Banex, among other things, to implement within ninety (90) days a reliable accounting system adequate for its complexity and size (Section B); 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 its total capital and reserves (Section F); to submit quarterly progress reports (Section M); and to notify OCIF of any criminal, civil, administrative or regulatory investigation, inquiry or action concerning the EFI or its directors, officers, employees and agents (Section O). (¶¶ 5–8.)

C. Capitalization of Banex with Depositors' Funds

4. On August 30, 2024, Banex submitted to OCIF, over the signature of Mr. Gasparini as Chairman of the Board of Directors, a capital increase plan in response to Circular Letter No. CIF-CC-2024-002, representing that Banex had made capital contributions of $2,000,000.00 on March 28, 2024 and $1,000,000.00 on August 21, 2024, and committing to five (5) additional annual contributions of $1,000,000.00 each through June 30, 2029. (¶¶ 38–39.)

5. Banex's balance sheet reflects additional paid-in capital of $4,000,000.00 as of June 30, 2026. The Monitor inspected the movement of the equity accounts and the bank statements and could obtain no evidence that any of those funds were transferred from an account owned by Mr. Gasparini; the funds held in the Commerce One Bank account that were used for that purpose were, as confirmed by Banex's Head of Finance, depositor-related funds. The Monitor concluded that the capitalization was performed using depositors' funds. (¶¶ 40–41.)

D. Funds of Banex Applied to the Benefit of Mr. Gasparini

6. As of June 30, 2026, Banex carried on its books an account receivable from Mr. Gasparini personally of thirteen million seven hundred seventy-nine thousand seven hundred fifty-three dollars and thirty-six cents ($13,779,753.36), representing fifty-four percent (54%) of the institution's total accounts receivable of $25,706,058.85, with no estimated date of repayment and no repayment plan agreed with Banex. Together with the receivables from directors and officers ($3,991,400.00) and from Euro Exchange Corp. ($4,766,000.00), approximately eighty-nine percent (89%) of Banex's receivables are owed by Mr. Gasparini or by persons and entities related to him. (¶¶ 65–66.)

7. That receivable is composed principally of two (2) transfers of approximately $7,600,000.00 each: a transfer of September 2023 (ID #776267) in the amount of $7,557,269.36, and a transfer of May 2024 (ID #813793) in the amount of $7,570,937.85, the latter created in Banex's operations system, on the instruction of the Operations Manager of the Euro Exchange Group, 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." Banex's Head of Finance was never able to explain whether either transfer was related to the operations of Banex. The Monitor identified those transactions as a potential management override. (¶ 71.)

8. Mr. Gasparini's receivable balance was reduced from an opening balance of $16,100,000.00 for fiscal year 2026 to $13,800,000.00 by a journal entry of March 2026 bearing the description "to correct data entry error." No evidence of any repayment during 2026 was available to the Monitor. Of the $1,300,000.00 of repayments attributed to Mr. Gasparini in the records maintained by the Head of Finance, only $308,000.00 (March and April 2025) appears in Banex's bank statements, and the source of those funds has not been validated; claimed repayments of $1,000,000.00 during 2024 do not appear in Banex's bank statements at all. (¶ 70.)

9. On October 12, 2023 (contract accepted by the seller on October 16, 2023), Mr. Gasparini executed in his personal capacity a purchase offer contract for real property under construction (Unit 1504, 1428 Brickell Condominium, Miami, Florida) in the amount of $2,350,000.00. Under that personal contract, Banex made three (3) payments of $235,000.00 each, totaling $705,000.00, which were recorded in Banex's books as "Other Real Estate Owned" as of March 31, 2024 and reclassified in the audited financial statements as of December 31, 2024 as "Due from related parties." Banex's Head of Finance described those payments as an upfront payment to purchase an apartment in Miami valued at $2,300,000.00, with $1,600,000.00 remaining to be paid. (¶¶ 13(a), 13(c), 69.)

10. During the period from January 1 through August 31, 2026, Banex paid $255,000.00 in six (6) transactions to Farnese Building Enterprise for fixtures and improvements to a property that Banex's own representatives confirmed is personally owned by Mr. Gasparini. During the same period Banex paid, on behalf of Mr. Gasparini or for his benefit, four (4) payments of club dues to Club Hemingway totaling $5,289.42, five (5) American Express credit card payments totaling $14,535.38, one (1) payment to Porsche Financial of $3,159.56 notwithstanding that Banex owns no vehicles and provides no vehicle allowances, and one (1) Barclay credit card payment of $500.00, all without supporting documentation. (¶ 68.)

11. Banex's Head of Finance explained a further journal entry of June 30, 2026, also described as "to correct data entry error," as having been recorded to present in the related-party account $1,200,000.00 used for family home renovations, the $705,000.00 applied to the Miami apartment, and $2,000,000.00 due from Mr. Giancarlo Gasparini, the net effect of the previous transactions in that account, approximately $4,000,000.00, having been reclassified to the In Transit account. The Monitor further identified approximately $210,000.00 of fiscal year 2026 operating expenses paid on behalf of related parties, including transfers to Mr. Gasparini to cover credit card expenses. (¶¶ 69, 75.)

12. No authorization of the Commissioner was ever requested or granted for any extension of financing or credit by Banex to Mr. Gasparini, to any other director or officer, or to any entity related to him. Under Mr. Gasparini's direction, and notwithstanding Section F of the Consent Order, the concentration of related-party credit increased rather than decreased. (¶¶ 13, 65–66; Section V.D of the Receivership Order.)

E. **Reports Submitted to OCIF, the In Transit Account and the Concealed Subpoena**

13. Under Mr. Gasparini's direction, Banex submitted to OCIF an Easy Call Report as of December 31, 2025 that omitted the entire month of December, which Banex attributed to "an error on our part"; an amended Easy Call Report reflecting variances of two hundred fifty-six percent (256%) against the prior year; and a Legal Reserve report as of December 31, 2025 that differed from the amended Easy Call Report by $27,000,000.00 in cash and $34,000,000.00 in deposits and had to be amended. The Monitor independently verified that cash and receivables reported to OCIF as of June 30, 2026 were misstated by $4,000,000.00 against Banex's own systems, that deposits differed by approximately $376,000.00 from source data, and that a reported net income of $137,000.00 was in truth a net loss. Banex's Head of Finance conceded that Call Reports are submitted "to comply with due dates" and corrected afterward. (¶¶ 10, 12, 49–59.)

14. Banex carries on its books an "In Transit Account" (Account No. 10043) in the amount of $24,053,786.46 as of May 31, 2026, whose location has not been determined since December 2025 and which the Monitor was unable to verify; approximately $10,300,000.00 of "Other Assets" were created on the balance sheet by reclassification out of that same account. (¶¶ 25–26, 60–63.)

15. Banex received a federal subpoena during May 2026 and retained counsel in Miami in connection with it, but did not notify OCIF, in violation of Section O of the Consent Order. On May 21, 2026, Mr. Gasparini transmitted to the Commissioner an open letter representing that Banex had achieved significant remediation progress; the Commissioner replied on May 29, 2026 that no remediation had been independently verified. (¶¶ 18–19, 32.)

F. <u>Insolvency of Banex and the Danger to Its Depositors</u>

16. Banex's Trial Balance as of June 5, 2026 reflected total customer deposit accounts of $61,182,248.00 against total cash of $30,292,597.42, and Banex itself computed a liquidity deficiency of $28,055,613.02. The Monitor found that, as of June 30, 2026, Banex held cash and cash equivalents of $10,200,000.00, of which $2,900,000.00 are frozen, against an obligation of $46,900,000.00 payable to depositors, and concluded that "the current liquid assets are entirely insufficient to meet total customer deposit liabilities." The deposits of Banex are not insured. (¶¶ 29–30, 42.)

G. <u>The Monitor's Report, the Receivership and the Continuing Risk</u>

17. By order of June 24, 2026 issued under Article 3(a)(11) of Act No. 273-2012 and Article 10(a)(5) of Act No. 4-1985, OCIF appointed Driven, P.S.C. as Compliance Monitor of Banex. The Monitor's Report of September 14, 2026 set forth the findings summarized above and recommended, among other things, that the two (2) real properties identified as titled in Mr. Gasparini's name be transferred to Banex. By the Receivership Order, OCIF appointed Driven, P.S.C. as Receiver of Banex, decreed its liquidation and dissolution, and authorized the Receiver to demand the conveyance of those properties and to pursue every remedy available to recover the funds of Banex applied to the benefit of Mr. Gasparini and of persons and entities related to him. (¶¶ 33–37, 77; Receivership Order, Sections VI and VII.)

18. Mr. Gasparini remains, as of the date of this Order, in a position to transfer, encumber or otherwise dispose of the real property held of record in his name that was acquired, improved or paid for with funds of Banex, and to direct or receive funds of Banex through the accounts, correspondent banks and related entities under his control, including EES UK, which is itself under special administration in the United Kingdom, and Euro Exchange Latvia, which hosts Banex's core banking and accounting systems. (¶¶ 21–24, 64.)

V. <u>CONCLUSIONS OF LAW</u>

A. <u>OCIF's Authority over Directors, Officers and Shareholders of an International Financial Entity</u>

1. Article 3(a)(10) of Act No. 273-2012, 7 L.P.R.A. § 3082(a)(10), empowers the Commissioner to:

> (10) suspend, remove or sanction any director, officer, employee, agent or individual acting in a similar capacity in an international financial entity who violates or willfully or negligently permits another person to violate this Act, any regulation

or order of the Commissioner, or the articles of incorporation, the articles of organization, the bylaws, the limited liability company agreement, the partnership agreement, or other document by which the international financial entity is organized, as the case may be, or the license issued under this Act. Any individual who is suspended, removed or sanctioned may request an administrative hearing in accordance with the regulation provided in Article 20 of this Act. (Translation ours.)

2. Article 19(a) of Act No. 273-2012, 7 L.P.R.A. § 3097(a), provides that where any director, officer or individual acting in a similar capacity in an IFE violates, or willfully or negligently permits any director, officer, agent or employee to violate, the Act, the Commissioner's regulations, circular letters or guidance documents, any order issued by the Commissioner or memorandum of understanding, or any organizational document of the entity, "the Commissioner shall set and summon the interested parties to an administrative hearing in accordance with the regulation provided in Article 20 of this Act. Once the hearing has been held and the Commissioner has determined that any provision mentioned in this subsection has been violated, the Commissioner shall take the corresponding action, including the suspension or removal of such director, officer or individual." (Translation ours.)

3. Article 11 of Act No. 4-1985, 7 L.P.R.A. § 2011, provides, in pertinent part, as follows:

   (a) When the Commissioner has well-founded reasons to believe that any member of the board of directors or officer of a financial institution supervised by the Office of the Commissioner has committed a violation or is violating any law in connection with such entity, or has followed unsound practices in the management of the business, the Commissioner shall formulate charges against such member of the board of directors or officer so that he or she appears before the Commissioner or his or her authorized representative, within a term and in a proceeding established by regulation of the Commissioner, to show cause why he or she should not be removed.
   (c) If the Commissioner determines, after affording the member of the board of directors or officer a reasonable opportunity to be heard, that he or she has violated any law related to such financial institution or has followed unsound practices in the management of the business of such institution, the Commissioner may order that such member of the board of directors or officer be removed from office.
   (f) No member of the board of directors or officer who has been removed from office as provided in this Article may subsequently participate in any manner in the administration of any financial institution without the prior authorization of the Commissioner.
   Act No. 4-1985, Article 11(a), (c) and (f), 7 L.P.R.A. § 2011. (Translation ours.)

4. Article 3(e) of Act No. 273-2012, 7 L.P.R.A. § 3082(e), provides that "[t]he Commissioner may, in addition, impose fines, restitution and administrative sanctions for violations of this Act, the Regulations of the Commissioner and its orders." (Translation ours.) Article 19(e)(1) of the same Act authorizes the Commissioner to impose and collect administrative fines of not less than five thousand dollars ($5,000.00) nor more than twenty-five thousand dollars ($25,000.00) "for each violation of the provisions of this Act or the provisions contained in the Commissioner's Regulations," without limiting the persons against whom such fines may be imposed. (Translation ours.) The fine is fixed "por cada violación" — for each violation — so that a director or officer who causes or permits several separate violations is subject to a separate fine for each of them, and Article 3(a)(10) authorizes the Commissioner to "sancionar" — sanction — such a director or officer directly. Article 19(e)(3), which provides a daily fine for the failure of an international financial entity to comply with the Commissioner's orders, is by its terms addressed to the entity and is not invoked against the Respondent in this proceeding. Article 10(a)(12)(i) and (ii) of Act No. 4-1985 authorizes the Commissioner, in the course of any investigation, to require any person to submit a written statement under oath concerning the facts and circumstances under investigation and to require the production of books, papers, correspondence and other records.

B. <u>OCIF's Authority to Issue this Order Summarily Against the Respondent</u>

5. Article 3(d) of Act No. 273-2012, 7 L.P.R.A. § 3082(d), provides that, upon a prior determination that "a person or international financial entity" has incurred in a violation of the Act, of a regulation of the Commissioner or 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 that "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." (Translation ours.) Article 10(a)(10)(i) of Act No. 4-1985, Section 3.17 of Act No. 38-2017 and Sections 25.1 through 25.5 of Regulation No. 9551 confer and regulate the same authority, require that the summary order state the date, time and place of the hearing, and provide that the summary order constitutes the complaint that initiates the formal adjudicative proceeding.

6. The measures ordered in Section VI are limited to what the circumstances require and are directed at a grave and immediate harm. The record establishes that funds of Banex — which are the funds of its depositors — were applied to the acquisition, improvement and payment of real property held of record in Mr. Gasparini's name, to his personal receivable of more than thirteen million dollars, to his credit cards, club dues and vehicle, and to the purported capitalization of the institution he owns. Those assets are, today, in his hands and subject to his disposition; the persons and entities holding funds in Banex are in danger of being defrauded of the only assets from which those funds may be recovered; and every day in which Mr. Gasparini remains free to transfer, encumber or remove those assets, or to direct funds of Banex through the accounts and related entities under his control, is a day in which that harm may become irreparable. The measures ordered in Section VI preserve the status quo; they take nothing from Mr. Gasparini, transfer no title, collect no money and impose no sanction. The sanctions sought against him are charged in Section VII for adjudication at the hearing scheduled in Section VIII.

7. The procedure so established satisfies Articles 3(a)(10) and 19(a) of Act No. 273-2012, Article 11 of Act No. 4-1985, and the requirements of due process of law under Article II, Section 7 of the Constitution of Puerto Rico. Articles 3(a)(10) and 19(a) contemplate a hearing before any suspension, removal or sanction of a director or officer becomes effective; Article 11(a) of Act No. 4-1985 contemplates that the director or officer be charged and summoned to show cause; and the Supreme Court of Puerto Rico has held that a party adversely affected by an administrative sanction is entitled, before the sanction becomes final, to adequate notice, an impartial adjudicator, the opportunity to be heard, the right to cross-examine witnesses and to examine the evidence against it, the assistance of counsel, and a decision based on the record. *Katiria's Café, Inc. v. Municipio Autónomo de San Juan*, 2025 TSPR 33. This Order charges Mr. Gasparini and summons him to the hearing scheduled in Section VIII, at which he shall have each of those guarantees; no removal, disqualification, restitution or fine is imposed by this Order.

C. Violations Attributable to the Respondent

8. 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.)

9. Every dollar of the $13,779,753.36 receivable carried in Mr. Gasparini's name, of the $705,000.00 applied to the Miami apartment under his personal contract, of the $255,000.00 applied to improvements on property he owns, and and of the club dues paid on his behalf, is financing or credit extended by Banex to its shareholder and Chairman without the prior written authorization of the Commissioner, in violation of Article 11(6). As to each of those extensions of credit Mr. Gasparini did not merely permit the violation; as the sole shareholder and Chairman of the Board, and as the beneficiary of each of them, he caused it. The transfers of September 2023 and May 2024 that make up the bulk of his receivable were, by the account of Banex's own operations records, "instructed and approved by the Board of Directors," which he presides; the payments on the Miami apartment were made under a contract he signed in his personal capacity; the

payments to Farnese Building Enterprise improved property he owns. Those violations are charged against him under the first clause of Article 3(a)(10) — as a director "que viole" the Act. The remaining extensions of credit identified in Section IV.D — the credit card balances, the vehicle payment and the family home renovations paid on behalf of Mr. Gasparini or of persons related to him — and the violations of the Consent Order and of the reporting and capital provisions of the Act described in paragraphs 10 and 11 below, were committed by the institution he owns and presides, under a Consent Order that placed the oversight of its compliance upon its Board of Directors (Section A), and with his knowledge or in circumstances in which he could not have failed to know of them had he exercised the diligence his position required. Those violations are charged against him under the second clause of Article 3(a)(10) — as a director who "voluntaria o negligentemente permita que otra persona viole" the Act, a regulation or an order of the Commissioner — a standard that the sole shareholder and Chairman of a four-member board satisfies by definition as to every act of the institution that inures to his benefit. The two groups are pleaded separately in Section VII(C) so that each may be adjudicated on its own footing.

10. The same conduct constitutes a violation of the Consent Order, an order issued by the Commissioner within the meaning of Articles 3(a)(10) and 19(a) of Act No. 273-2012, which Mr. Gasparini personally executed. The Consent Order required Banex to reduce related-party concentrations to twenty-five percent of total capital and reserves within one hundred eighty days; under his direction Banex increased them. It required the implementation of a reliable accounting system, the adoption of internal controls and the notification to OCIF of any investigation concerning the entity; under his direction Banex filed reports it knew to be inaccurate, carried twenty-four million dollars of depositor funds in an account whose contents it cannot identify, and concealed from OCIF a federal subpoena, while its Chairman wrote to the Commissioner of remediation progress.

11. The capitalization of Banex with depositors' funds, presented to OCIF over Mr. Gasparini's signature as capital contributed by its shareholder, violates Article 4(b)(3) and (4) of Act No. 273-2012 and Circular Letter No. CIF-CC-2024-002, and constitutes the submission to OCIF of false, incorrect or misleading information within the meaning of Article 17(a)(4). The submission, under his direction, of Call Reports, Easy Call Reports and Legal Reserve reports that were inaccurate, incomplete and unreliable violates 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.

12. As a director and officer of a depository institution, Mr. Gasparini owed to Banex and to its depositors a fiduciary duty of loyalty and care. The application of depositors' funds to his personal obligations, investments and property, 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, is the antithesis of that duty. The conduct described herein constitutes, in addition, "unsound practices in the management of the business" of a financial institution within the meaning of Article 11(a) and (c) of Act No. 4-1985.

13. Article 19(c) of Act No. 273-2012 makes it a felony for any director, officer or employee of an IFE to unlawfully appropriate, embezzle, withdraw or willfully misuse the money, funds, credits or securities of the entity, and Article 19(d) makes it a felony to willfully misrepresent the entity's financial condition or to refuse to provide information lawfully required by the Commissioner. This Order does not adjudicate criminal liability. Nothing herein shall be construed to limit any referral OCIF may make to the appropriate prosecutorial authorities, and Article 10(a)(4) of Act No. 4-1985 directs the Commissioner to designate an official to support the prosecutor charged with any such proceeding.

D. <u>Restitution</u>

14. Article 3(e) of Act No. 273-2012 authorizes the Commissioner to order restitution for violations of the Act, the Commissioner's regulations and its orders. The funds of Banex applied to Mr. Gasparini's benefit in violation of Article 11(6) and of the Consent Order are subject to restitution to Banex, in receivership, for the benefit of its depositors and creditors. The amount of that restitution is charged in Section VII at the amount carried in Banex's own books as owed by Mr. Gasparini personally as of June 30, 2026, which is the minimum amount established by the record, with express reservation of the additional amounts that the forensic investigation ordered in the Receivership Order shall establish, including the $705,000.00 applied to the Miami apartment, the

$255,000.00 applied to improvements on his property, the $1,200,000.00 applied to family home renovations, the expenses paid on his behalf, and the funds of depositors applied to the purported capitalization of Banex. Restitution ordered herein and recovery obtained by the Receiver in any judicial proceeding upon the same funds shall be credited against each other, so that no amount is recovered twice.

VI. SUMMARY ORDER

Pursuant to Article 3(d) of Act No. 273-2012, Article 10(a)(10)(i) and (12) of Act No. 4-1985, Section 3.17 of Act No. 38-2017 and Section 25.1 of Regulation No. 9551, and on the basis of the findings of fact and conclusions of law set forth above, it is hereby ORDERED that Mr. Luis A. Gasparini, Sr., effective immediately upon notification of this Order and until the final order in this proceeding or further order of the Commissioner:

(A) **Refrain from selling, assigning, transferring, conveying, donating, leasing, pledging, mortgaging, encumbering or otherwise disposing of,** directly or indirectly, or through any person or entity, (i) the real property in respect of which Banex recorded the payments to Farnese Building Enterprise described in Section IV; (ii) the apartment in Miami, Florida, in respect of which Banex recorded payments totaling $705,000.00 as "Other Real Estate Owned"; and (iii) any other real or personal property, account, security or interest acquired, improved or paid for, in whole or in part, with funds of Banex, wherever located.

(B) **Refrain from receiving, withdrawing, directing, authorizing or causing** any payment, transfer, advance, reimbursement, loan, distribution, dividend, compensation or other disbursement of funds or assets of Banex, whether from Banex, from any correspondent bank or financial institution holding funds of Banex, or from Euro Exchange Securities UK Ltd., Euro Exchange Corp., Forsecure, Euro Exchange Securities (Madrid), Universal Madrid, Euro Exchange Latvia or any other entity related to him that holds funds or assets of Banex; and refrain from exercising, or purporting to exercise, any power as shareholder, director or officer of Banex, all of which are vested in the Receiver pursuant to the Receivership Order.

(C) **Refrain from accessing, altering, deleting, concealing or destroying** any book, record, document, communication, accounting entry, transaction record, system, database or backup of Banex, and **preserve** every document, communication and record in his possession, custody or control — including personal e-mail, messaging and banking records — relating to the transactions described in Section IV, to the accounts and properties described in paragraphs (A) and (B) above, and to the transfers identified as ID #776267 and ID #813793.

(D) **Submit to OCIF and to the Receiver, within fifteen (15) days of notification of this Order, a written statement under oath,** pursuant to Article 10(a)(12) of Act No. 4-1985 and Article 3(a)(11) of Act No. 273-2012, identifying: (i) every payment, transfer, advance or disbursement of funds of Banex received by him, or made for his benefit or on his instruction to any third party, from January 1, 2020 to the date of this Order, with the date, amount, recipient and purpose of each; (ii) every real or personal property, account, security or interest acquired, improved or paid for with such funds, its location, its current title holder and any lien or encumbrance upon it; (iii) every repayment made by him to Banex, with the date, amount and source of funds; and (iv) the present location and holder of the funds recorded in Banex's In Transit Account No. 10043, to the extent known to him; together with copies of the documents supporting each item.

(E) **Cooperate with and assist the Receiver** in taking possession of the assets, books, records and systems of Banex, including by delivering every credential, key, license, contract and access under his control, and by procuring the transfer of control of the core banking and accounting systems from Euro Exchange Latvia to the Receiver as ordered in the Receivership Order.

(F) **Refrain from communicating** with the clients, depositors, correspondent banks or counterparties of Banex, or with any regulator or authority, on behalf of or in the name of Banex, and from holding himself out as authorized to act for Banex, except through and with the prior written approval of the Receiver.

The measures ordered in this Section are effective upon issuance and shall continue in force until modified or set aside by the Commissioner, pursuant to Section 25.3 of Regulation No. 9551. They do not transfer title to any property, do not adjudicate any claim of Banex or of the Receiver against Mr. Gasparini, and are without prejudice to the judicial and extrajudicial remedies that the Receiver is authorized to pursue under the Receivership Order, including provisional remedies before the courts of Puerto Rico or of any other jurisdiction in which property of Banex or property acquired with its funds is located.

VII. ADMINISTRATIVE COMPLAINT

Pursuant to Articles 3(a)(10), 3(e) and 19(a) and (e) of Act No. 273-2012, Article 11(a) of Act No. 4-1985, and Sections 2.4 and 25.5 of Regulation No. 9551, OCIF hereby charges Mr. Luis A. Gasparini, Sr. with the violations set forth in Sections IV and V of this Order, summons him to show cause at the hearing scheduled in Section VIII why the following relief should not be granted, and seeks:

(A) **Removal and disqualification.** That Mr. Gasparini be **removed** from his position as Chairman and member of the Board of Directors of Banex and from any office or position in the entity, pursuant to Article 3(a)(10) of Act No. 273-2012 and Article 11(c) of Act No. 4-1985, for having violated, and willfully or negligently permitted the violation of, Act No. 273-2012, Regulation No. 5653 and the Consent Order, and for having followed unsound practices in the management of the business of Banex; and that, pursuant to Article 11(f) of Act No. 4-1985, he be **disqualified** from participating in any manner in the administration of any financial institution supervised by OCIF without the prior authorization of the Commissioner.

(B) **Restitution.** That Mr. Gasparini be ordered, pursuant to Article 3(e) of Act No. 273-2012, to make **restitution** to Banex, in receivership, of the funds of Banex applied to his benefit in violation of Article 11(6) of Act No. 273-2012 and of the Consent Order, in an amount of **not less than THIRTEEN MILLION SEVEN HUNDRED SEVENTY-NINE THOUSAND SEVEN HUNDRED FIFTY-THREE DOLLARS AND THIRTY-SIX CENTS ($13,779,753.36)**, being the balance of his personal account receivable as carried in the books of Banex as of June 30, 2026, plus such additional amounts as the forensic investigation ordered in the Receivership Order shall establish, including without limitation the amounts identified in Section V.D above, which OCIF expressly reserves the right to add by amendment of this complaint pursuant to Section 5.1 of Regulation No. 9551; and that, in partial satisfaction of such restitution, he be ordered to convey to Banex, free of liens and encumbrances, the two (2) real properties identified in paragraphs VI(A)(i) and (ii) above, or their value.

(C) **Administrative fines.** That Mr. Gasparini be ordered to pay administrative fines pursuant to Articles 3(a)(10), 3(e) and 19(e)(1) of Act No. 273-2012, at the **maximum amount of TWENTY-FIVE THOUSAND DOLLARS ($25,000.00) for each violation** authorized by Article 19(e)(1), in view of the gravity of the violations, the amounts involved, their repetition over a period of years, the position of trust from which they were committed, the fact that the funds applied were those of uninsured depositors, and the concealment of the violations from OCIF through inaccurate reports, journal entries described as corrections of data entry errors and reclassifications into an unidentified account. The violations are charged in two groups. **First group — violations committed by Mr. Gasparini and of which he was the direct beneficiary** (Article 3(a)(10), first clause): (i) **fifteen (15) violations of Article 11(6) of Act No. 273-2012**, one for each of the following extensions of financing or credit by Banex to Mr. Gasparini without the prior written authorization of the Commissioner: the transfer of September 2023 (ID #776267); the transfer of May 2024 (ID #813793); the three (3) payments of $235,000.00 each applied to the Miami apartment under his personal contract; the six (6) payments to Farnese Building Enterprise for improvements to property he owns; and the four (4) payments of club dues to Club Hemingway made on his behalf — $375,000.00; (ii) **one (1) violation of Section F of the Consent Order**, an order issued by the Commissioner which he executed, by the failure to reduce, and the increase of, related-party concentrations, of which his own receivable is the principal component — $25,000.00; and (iii) **one (1) violation of Article 4(b)(3) and (4) of Act No. 273-2012, Circular Letter No. CIF-CC-2024-002 and Article 13 of Act No. 273-2012**, by the representation to OCIF, over his signature, that the capital contributions described in the capital increase plan of August 30, 2024 had been made by Banex's shareholder, when no funds from any account of his can be identified as their source — $25,000.00. Subtotal: seventeen (17) violations, **$425,000.00. Second group — violations of the institution which Mr. Gasparini, as sole shareholder and Chairman of the Board of Directors charged with the oversight of Banex's compliance under Section A of the Consent Order, willfully or negligently permitted** (Article 3(a)(10), second clause): (i) **eight (8)**

violations of Article 11(6) of Act No. 273-2012, one for each of the following extensions of credit for the benefit of Mr. Gasparini or of persons related to him: the five (5) American Express credit card payments; the payment to Porsche Financial; the Barclay credit card payment; and the $1,200,000.00 applied to family home renovations — $200,000.00; (ii) **one (1) violation of Article 4(b)(3) and (4) of Act No. 273-2012 and Circular Letter No. CIF-CC-2024-002**, by the capitalization of Banex with depositors' funds — $25,000.00; (iii) **one (1) violation of Section B of the Consent Order**, by the failure to implement a reliable accounting system, under cover of which the transactions described herein were recorded, reclassified and concealed — $25,000.00; (iv) **four (4) violations of 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**, one for each of the following inaccurate, incomplete or unreliable reports submitted to OCIF: the Easy Call Report as of December 31, 2025 as originally filed, the amended Easy Call Report as of December 31, 2025, the Legal Reserve report as of December 31, 2025, and the Call Report as of June 30, 2026 — $100,000.00; and (v) **one (1) violation of Section O of the Consent Order**, by the failure to notify OCIF of the federal subpoena received in May 2026 — $25,000.00. Subtotal: fifteen (15) violations, **$375,000.00**. Total: thirty-two (32) violations and administrative fines of **EIGHT HUNDRED THOUSAND DOLLARS ($800,000.00)**. Each violation charged in the second group is pleaded in the alternative under the first clause of Article 3(a)(10) should the evidence establish that Mr. Gasparini directed it or was its direct beneficiary. OCIF reserves the right to charge, by amendment of this complaint pursuant to Section 5.1 of Regulation No. 9551, each additional extension of credit, transfer or payment for the benefit of Mr. Gasparini that the forensic investigation ordered in the Receivership Order shall identify, including the transactions comprised in the approximately $210,000.00 of fiscal year 2026 expenses paid on behalf of related parties, as a separate violation of Article 11(6), and to re-plead any violation from the second group in the first.

(D) **Ancillary relief.** That the measures ordered in Section VI be continued until the restitution ordered has been satisfied in full; that Mr. Gasparini be ordered to deliver to the Receiver every document and record described in Section VI(C) and (D); and that OCIF be granted such other relief as is necessary and convenient to enforce the purposes of Act No. 273-2012, pursuant to Article 19(e)(2) thereof.

No removal, disqualification, restitution or fine sought in this Section is imposed by this Order. Each shall be adjudicated at the hearing scheduled in Section VIII and imposed, if at all, by the final order entered in this proceeding. Any restitution or fine so imposed shall be payable within ten (10) days from the date of notification of the final order, shall accrue interest pursuant to Section 3.20 of Act No. 38-2017 from that date until satisfied, and may be collected by OCIF or by the Receiver, as applicable, through the Court of First Instance, San Juan Superior Part. Amounts recovered by the Receiver from Mr. Gasparini in any judicial proceeding upon the same funds shall be credited against the restitution ordered herein.

VIII. HEARING AND PROCEDURE

Pursuant to Section 25.2 of Regulation No. 9551, Article 19(a) of Act No. 273-2012 and Article 11(a) of Act No. 4-1985, Mr. Gasparini is hereby summoned to appear at the adjudicative hearing in this proceeding, which is scheduled for **October 6, 2026, at 9:00 a.m.**, at the offices of the Office of the Commissioner of Financial Institutions, 1492 Ave. Ponce de León, Suite 600, Edif. Centro Europa, San Juan, Puerto Rico 00907, to show cause why the relief sought in Section VII should not be granted. The hearing shall be held jointly with the hearing scheduled in Case No. C26-D-003 pursuant to Section 13.1 of Regulation No. 9551, without prejudice to the separate adjudication of the charges against each respondent. The hearing may be held, in whole or in part, by videoconference in accordance with Section 12 of Regulation No. 9551, upon request of the Respondent or by order of the presiding officer.

Pursuant to Section 25.5 of Regulation No. 9551, this Order constitutes the complaint that initiates the formal adjudicative proceeding under Chapter II of that Regulation. Pursuant to Section 2.16, Mr. Gasparini shall file his answer to this Order within twenty (20) days from the date of filing in the record of the notification hereof, including the defenses available to him and a copy of every document he intends to offer in evidence, and shall serve a copy of his answer upon OCIF's counsel of record. The proceeding shall be resolved within the term provided in Section 2.14 of Regulation No. 9551, and shall be presided over by the examining officer or administrative judge designated by the Commissioner pursuant to Sections 2.6 through 2.9 thereof, who shall not have participated in the investigation of the matters charged herein.

At the hearing Mr. Gasparini shall have the right: (1) to adequate notice of the charges, which this Order provides; (2) to a proceeding before an impartial adjudicator; (3) to be heard and to present evidence and argument in his defense; (4) to cross-examine the witnesses presented by OCIF and to examine the evidence presented against him, including the Monitor's Report, which shall be made available to him and his counsel under the confidentiality provisions of Article 21 of Act No. 273-2012; (5) to be assisted by counsel of his choice; and (6) to a decision based exclusively on the record of the proceeding. Discovery shall be governed by Section 6 of Regulation No. 9551. Should Mr. Gasparini fail to answer or to appear at the hearing, the presiding officer may proceed in his absence and the Commissioner may enter a final order upon the record, pursuant to Section 18 of Regulation No. 9551.

OCIF shall appear in this proceeding through its counsel of record, Heriberto López Guzmán, Esq. and Jan Carlos Bonilla Silva, Esq., upon whom all filings shall be served at the addresses stated in the certificate of notification of this Order.

IX. GENERAL NOTICES AND WARNINGS

This Order is effective upon issuance and shall continue in force until modified or set aside by the Commissioner, pursuant to Section 25.3 of Regulation No. 9551. The filing of an answer, of a request or motion of any kind, of a motion for reconsideration or of a petition for judicial review shall not have the effect of suspending, staying or limiting the validity, effectiveness or compliance with this Order, except by express order of OCIF or of a court of competent jurisdiction, pursuant to Sections 23.1 and 24.1 of Regulation No. 9551 and Section 3.17 of Act No. 38-2017.

Mr. Gasparini is advised that, once the final order in this proceeding is entered and notified, any party adversely affected may file a motion for reconsideration before the Commissioner within twenty (20) days from the date of filing in the record of the notification of the final order, pursuant to Section 23.1 of Regulation No. 9551 and Section 3.15 of Act No. 38-2017, and may file a petition for judicial review before the Court of Appeals within thirty (30) days from the date of filing in the record of the notification of the final order, or from the applicable date provided in Section 23.1 of Regulation No. 9551 where a timely motion for reconsideration has been filed, pursuant to Section 24.1 of Regulation No. 9551, Section 4.2 of Act No. 38-2017 and Article 20 of Act No. 273-2012. Nothing in this Order, and no filing made in this proceeding, shall suspend, interrupt or extend the term of ten (10) days provided in Article 18(f) of Act No. 273-2012 for the judicial review of the Receivership Order.

This Order is notified to Mr. Gasparini on the date of its issuance by personal delivery at the principal office of Banex, by electronic mail to the addresses stated in Section III, and by certified mail with return receipt to his last known address, pursuant to Sections 2.15 and 25.4 of Regulation No. 9551. Pursuant to Article 11(b) of Act No. 4-1985, a copy of the charges formulated herein is sent by certified mail with return receipt to each member of the Board of Directors of Banex, and a copy of this Order is delivered to the Receiver. Pursuant to Article 11(e) of Act No. 4-1985, any order of removal entered in this proceeding, and the findings and conclusions on which it rests, shall be disclosed only as that Article permits.

This Order does not relieve Mr. Gasparini of liability for other violations of which OCIF becomes aware after its issuance. OCIF reserves the right to amend this Order to include additional allegations, violations, respondents, restitution, fines and remedies, subject to applicable law, and to institute proceedings against any other director, officer, employee or agent of Banex. Nothing in this Order shall be construed as a waiver of any civil, administrative or criminal remedy available to OCIF or to the Receiver, or of any referral OCIF may make to federal or Commonwealth prosecutorial or regulatory authorities with respect to the matters described herein.

Mr. Gasparini is warned that non-compliance with this Order may be sanctioned pursuant to Article 19(e) of Act No. 273-2012, and that, in the event of total or partial non-compliance, 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, pursuant to Article 10(a)(11) of Act No. 4-1985, and impose such additional sanctions as may lie at law.

The provisions of this Order are severable. Should any provision of this Order be held invalid, unenforceable or stayed by a court or forum of competent jurisdiction, the remaining provisions shall remain in full force and effect, and nothing herein shall affect the Receivership Order or the Cease and Desist Order.

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) – SUMMARY ORDER AND ADMINISTRATIVE COMPLAINT** 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 67.

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

Luis Alberto Gasparini individually and in his personal capacity at the following address: 550 Melaleuca, Miami, FL 33137, Certified Mail No. 9589 0710 5270 0187 6455 34.

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

Linnette Fernández Velázquez

LINNETTE FERNÁNDEZ VELAZQUEZ
Secretary