

**IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF PUERTO RICO**

LEX CLAIMS, LLC, et al.,

Plaintiffs,

v.

ALEJANDRO GARCÍA PADILLA, et al.,

Defendants.

Case No. 3:16-cv-02374 (FAB)

**PLAINTIFFS' RESPONSE TO DEFENDANTS' MOTION  
REGARDING NOTICE OF AUTOMATIC STAY AND FOR  
EXTENSION OF TIME TO ANSWER OR OTHERWISE PLEAD**

TO THE HONORABLE COURT:

Plaintiffs hereby submit this response to the “Motion Regarding Notice of Automatic Stay and for Extension of Time to Answer the Second Amended Complaint or Otherwise Plead” (Dkt. 106) filed by defendants Alejandro García Padilla, Juan C. Zaragoza, and Luis Cruz Batista (collectively, the “Commonwealth Officer Defendants”). On November 17, 2016, this Court entered an order requiring plaintiffs to respond to the motion by December 2, 2016. See Dkt. 109.

In their motion, the Commonwealth Officer Defendants first contend that plaintiffs’ claims are stayed by the Puerto Rico Oversight, Management, and Economic Stability Act (“PROMESA”) and that, even if this action is not stayed by PROMESA, the Court should impose an extra-statutory stay in an exercise of its inherent authority. See Dkt. 106, at 2-4, 5. The Commonwealth Officer Defendants’ arguments duplicate those presented in their most recent motion for a stay (Dkt. 84), which the Commonwealth Officer Defendants incorporate by refer-

ence. See Dkt. 106, at 2. These arguments are meritless for the reasons set forth in detail in our opposition to the Commonwealth Officer Defendants' stay motion. See Dkt. 127. This action is not stayed by PROMESA, and there is no sound basis for this Court to impose a stay not contemplated by the statute's express stay provisions.\*

In the alternative, the Commonwealth Officer Defendants request that their deadline to answer or otherwise respond to the Second Amended Complaint be extended until December 5, 2016. While plaintiffs do not oppose the requested relief, plaintiffs respectfully submit that the Court should grant no further extensions of this deadline. Unlike certain other defendants that were added to this action by the Second Amended Complaint, as to which plaintiffs have agreed to modest extensions of the time for responding (see Dkts. 122, 144), the Commonwealth Officer Defendants have been parties to this action for more than four months. As a consequence, we respectfully submit that no further extension of their deadline would be necessary or appropriate.

\* \* \*

The Commonwealth Officer Defendants' motion to stay this action should be denied, and the Commonwealth Officer Defendants should be required to answer or otherwise respond to the Second Amended Complaint by December 5, 2016.

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\* The Commonwealth Officer Defendants err in relying (Dkt. 106, at 3-4) on this Court's recent ruling in the cases consolidated with *Brigade Leveraged Capital Structures Fund Ltd. v. Government Development Bank for Puerto Rico*, Civ. No. 16-1610. The Court's decision in those cases involved whether the plaintiffs there had established "cause" to allow them to *lift* the stay with respect to claims that *are* subject to the PROMESA stay. See Dkt. 140 in Civ. No. 16-1610, at 2, 14. The Court's resolution of that question does not inform the logically antecedent question of whether the claims at issue in this case are subject to the PROMESA stay in the first place. For the reasons we have previously explained, they are not. See Dkt. 127, at 5-13.

December 2, 2016

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Respectfully submitted,

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CERTIFICATE OF SERVICE: It is hereby certified that on this same date, I electronically filed the foregoing with the Clerk of the Court using the CM/ECF system, which will send notification of such filing to counsel of record which are CM/ECF system participants at their corresponding e-mail addresses and which, pursuant to Local Civil Rule 5.1(b)(2), constitutes the equivalent service.

/s/ J. Ramón Rivera Morales  
J. Ramón Rivera Morales