

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO

**WIGBERTO LUGO-MENDER as the duly
appointed Trustee in the liquidation of
EURO PACIFIC INTERNATIONAL
BANK, INC.**

Plaintiff,

vs.

**QENTA, INC.; PETER D. SCHIFF;
BRENT DE JONG; ABC INSURANCE
COMPANY; XYZ INSURANCE
COMPANY; and DEFENDANTS A and B.**

Defendants,

**EURO PACIFIC FUNDS SCC LTD.;
EURO PACIFIC SECURITIES, INC.;
EURO PACIFIC CARD SERVICES LTD.
AND GLOBAL CORPORATE STAFFING
LTD.**

Parties in Interest.

CASE NO.: **25-cv-1501(PAD/GLS)**

VIOLATION OF THE COMMODITY
EXCHANGE ACT, 7 U.S.C. § 1, *et. seq.*;
VIOLATION OF THE RACKETEER
INFLUENCED AND CORRUPT
ORGANIZATIONS ACT, 18 U.S.C. §1962;
DECLARATORY JUDGMENT;
REQUEST FOR PROVISIONAL
REMEDIES PURSUANT TO THE
PUERTO RICO RULES OF CIVIL
PROCEDURE; DEMAND FOR TRIAL BY
JURY

**REPLY TO PETER D. SCHIFF'S RESPONSE TO "EMERGENCY MOTION
REQUESTING HEARING FOR PROVISIONAL REMEDIES, INCLUDING
TEMPORARY RESTRAINING ORDER,
TO SECURE SATISFACTION OF JUDGMENT"**

TO THE HONORABLE COURT:

COMES NOW, Wigberto Lugo-Mender, in his capacity as the duly appointed Trustee in the liquidation of **Euro Pacific International Bank, Inc.** (hereinafter "EPIB"), by and through its undersigned counsel, very respectfully STATES, ALLEGES and PRAYS:

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I. INTRODUCTION

Plaintiff Wigberto Lugo-Mender, as Trustee of EPIB (hereinafter the “Trustee”), respectfully submits the instant reply to co-defendant Peter D. Schiff’s response to the Trustee’s Emergency Motion for Provisional Remedies (Docket No. 14). Notably, in his motion Mr. Schiff does not actually oppose the substantive provisional remedies sought by the Trustee. Instead, his response is directed primarily at what seems to be a public effort to manage and protect his personal reputation and public image, a concern especially acute given his status as a known financial commentator, media personality, and public figure whose personal brand are built upon public trust and perception.

Rather than taking issue with the necessity or appropriateness of the Trustee’s request for immediate asset protection and information preservation, Schiff’s arguments seek mainly to distance his reputation from the serious and well-documented allegations in the *Verified Complaint*, allegations that point to a pattern of conduct and collaboration with Qenta, Inc. spanning several years and resulting in significant harm to EPIB customers. In doing so, Mr. Schiff also attempts to cast the Trustee as a convenient “fall guy” for the current state of affairs but, unfortunately for him, the record speaks for itself.

The fact that Mr. Schiff does not contest the necessity of the Trustee’s requested relief only serves to validate the seriousness and the merits of the Trustee’s position. Consequently, and as more fully discussed herein, the Trustee’s request for provisional remedies is fully supported by law and fact and should be granted to protect customer rights and the integrity of the ongoing OCIF liquidation process.

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II. DISCUSSION

A. Likelihood of success on the merits.

In his Response, Schiff contends that the Trustee's claim is not likely to succeed against him. In support thereof, Schiff references his prior attempt to obtain injunctive relief in New York as evidence of his commitment to protecting EPIB customers' assets. However, this failed litigation appeared more focused on shielding his personal and professional reputation than on securing the assets themselves. More importantly, litigation between co-conspirators does not negate conspiracy allegations.

Schiff's arguments fail to address the core legal standards that support the *Verified Complaint*. Under 18 U.S.C. §1962, RICO violations require proof of: (i) conduct of an enterprise; and, (ii) a pattern of racketeering activity. In this regard, the *Verified Complaint* sets forth detailed factual allegations showing that Defendants --including Schiff-- were part of an association-in-fact, sharing communications and coordinated acts of asset mismanagement and fraud over several years.

Consequently, the existence of litigation between alleged co-conspirators does not, by itself, disprove the elements of a RICO conspiracy claim, as the focus is on the agreement and intent to further the racketeering scheme, not the subsequent disputes or legal actions among the conspirators. See, United States v. Zemlyansky, 908 F.3d 1 (2nd Cir. 2018), See also, Bowoto v. ChevronTexaco Corp., 312 F. Supp. 2d 1229 (N. Dist Cal. 2004)

For example, in United States v. Zemlyansky, *supra*, the court emphasized that RICO conspiracy requires proof of an agreement to join a racketeering scheme and the intent to

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effectuate its goals, regardless of whether the defendant personally committed predicate acts or whether disputes arose among co-conspirators. Similarly, in Bowoto v. ChevronTexaco Corp., *supra*, the court allowed RICO conspiracy claims to proceed despite objections, focusing on whether the plaintiffs had sufficiently alleged the elements of a RICO enterprise and conspiracy, rather than on the existence of disputes or litigation among the parties

While litigation between co-conspirators may be relevant to the factual context of a case, it does not automatically negate the existence of a conspiracy under RICO. The determination hinges on whether the elements of a RICO conspiracy, such as agreement and intent, are established. In this regard, the *Verified Complaint* details factual allegations including coordinated customer communications, opt-in procedures, and the ultimate loss of millions in customer assets, all of which point to a clear pattern of association-in-fact enterprise between Schiff, Qenta, and others.

B. Scope of provisional relief against Schiff.

Schiff contends that relief cannot be entered against him since he does not possess physical customer assets. This argument overlooks the fact that Puerto Rico Rule 56 envisages orders against parties to produce or preserve essential information, such as in case for contact data, account balances, and transaction histories, which may be necessary for judgment enforcement and customer protection See, Rio Grande Cmty. Health Ctr. v. Aremendariz, 2015 U.S. Dist. LEXIS 184381 (D.P.R. 2015) (holding that the court “may order any other measure it deems appropriate under the circumstances of the case”).

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Such informational assets are every bit as critical as tangible property in liquidations, and the *Verified Complaint* asserts Schiff's likely possession or control over these records due to his longstanding management and leadership roles with EPIB. The expansive interpretation given to Rule 56 provides federal courts sitting in Puerto Rico with ample authority to grant the provisional remedies requested here.

That Schiff may not currently hold physical currency, metals, or securities does not shield him from the reach of the requested provisional measures. The *Verified Complaint* details Schiff's long-term leadership at EPIB and his central role in the "opt-in" migration of customers and assets to Qenta, a process necessarily involving the transfer, management, or ongoing access to customer financial data, account numbers, balances, transaction records, and correspondence.

C. Irreparable harm and other equitable considerations.

The harm from dissipation of millions of dollars in customer assets is irreparable and pressing. Puerto Rico precedent supports emergency intervention when extraordinary circumstances demand immediate protections. Once assets are gone or information is irretrievably lost, a subsequent judgment may not "make whole" EPIB customers. Courts applying Rule 56 have consistently recognized that the imminent threat of asset dissipation constitutes precisely the type of irreparable harm that justifies attachment, garnishment, and injunctive relief. See, generally, Genie Indus. v. Compresores y Equipos, 2009 U.S. Dist. LEXIS 146618 (D.P.R. 2009).

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Moreover, public policy and equity weigh heavily in favor of the requested relief. The trustee acts at the behest of the Puerto Rico Office of the Commissioner of Financial Institutions to secure customer rights, maintain orderly administration, and prevent a further erosion of trust, both in EPIB's liquidation and in the broader regulated financial sector. By contrast, requiring Mr. Schiff to preserve information or prevent interference with customer accounts presents no undue hardship, especially since he is not opposing the request for provisional relief requested by the Trustee and would bear no irreversible loss from compliance with such relief. Indeed, his lack of opposition validates the Trustee's case for immediate, comprehensive interim protection.

WHEREFORE, the Trustee respectfully reiterates its requests that this Honorable Court grant the provisional remedies requested in its Emergency Motion (Docket No. 2), with whatever other relief it deems just and proper.

WE HEREBY CERTIFY: that on this date, we electronically filed the foregoing motion with the Clerk of the Court using the CM/ECF system that will send notification of such filing to all attorneys of record registered in the use of the CM/ECF system.

RESPECTFULLY SUBMITTED.

In San Juan, Puerto Rico this 6th day of October 2025

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