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

WIGBERTO LUGO-MENDER, as Trustee for Euro Pacific International Bank, Inc., *Plaintiff*, v. 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*.	**Civil No.: 25-cv-1501 (PAD) (GLS)**

JOINT INFORMATIVE MOTION
ON STATUS OF SETTLEMENT NEGOTIATIONS
AND REQUEST FOR REFERRAL TO PRIVATE MEDIATION.

TO THE HONORABLE COURT:

COMES NOW, Plaintiff Wigberto Lugo-Mender as Trustee for Euro Pacific International Bank Inc. ("EPIB") (the "Trustee") and Defendants Qenta Inc. ("Qenta"), Brent de Jong (together with Qenta, the "Qenta Parties"), and Peter Schiff (all of the foregoing collectively, "the Parties") by and through their respective counsel, and hereby submit this Joint Status Report pursuant to this Court's Order of January 8, 2026 (Docket No. 66), advising the Court of the status of settlement discussions and respectfully request a referral of the instant matter to private mediation and

modification of the Court's existing deadlines to facilitate the completion of settlement negotiations.

I. Background and process to date.

In the instant case, the Court directed the Parties to meet and confer in good faith to explore resolution of this matter. In compliance with the Court's directive, and as informed by the parties in their previous status reports to the court, the parties have engaged in substantive, good-faith discussions on multiple occasions over the past several months.

The Trustee has remitted detailed information concerning, among other things, customer claims, asset holdings, and regulatory obligations.

The Parties acknowledge that this liquidation requires careful consideration. The scale of the matter is evident from the following data:

CUSTOMER CLAIMS AND ASSET OVERVIEW

- "Opt-Out Customers" (those remaining in EPIB liquidation overseen by the Trustee): Approximately 238 claims received, accounting for an estimated amount of **$23,958,423.00**. Out of these claims, an estimated **$7,651,492** are "contested," meaning that the claims contain certain discrepancies that must be validated with the Defendants before being paid.
- "Opt-In Customers" (those EPIB customers that agreed to the migration of their accounts to Qenta): The amount due under this class is first estimated by the outstanding customers cash balances transferred to Qenta considering the list of outstanding accounts as of September 28, 2022. The amount due under the "Opt-In Customers" pursuant OCIF's "Joint Liquidation Order" is estimated in **$47,559,377**.

- Claims by "Opt-In Customers" presented before the Trustee's liquidation process: Since the termination of the Purchase and Assumption Agreement by Qenta, the Trustee has received an additional 169 claims from customers, totaling approximately **$32,086,612**. Out of these additional claims received by the Trustee from "Opt-In Customers," approximately **$15,429,777** correspond to precious metals, brokerage and mutual fund claims which assets are not under the custody of the Trustee.
- Precious metals transferred to Qenta (in gold ounces): **12,075.75**.

Given the magnitude of these figures and the importance of achieving a fair, efficient resolution for all affected customers, the parties have devoted substantial time and resources to developing settlement frameworks.

II. Current status of negotiations.

On December 12, 2025, the Trustee circulated a Proposed Term Sheet outlining the Trustee's settlement position, including detailed provisions governing the treatment of Opt-In and Opt-Out customer claims, the distribution waterfall, the allocation of responsibilities between the Trustee and Qenta, and the treatment of surplus and disputed claims.

On January 7, 2026, the Trustee has circulated a draft Settlement Agreement, together with an additional information request designed to facilitate final reconciliation of customer records and asset inventories. On January 12, 2026, the Parties received from co-defendant Schiff his comments to the revised draft of the Settlement Agreement.

The settlement must address:

- The reconciliation and verification of customer identities and claim amounts across both the Trustee's and Qenta's records;

- The treatment of precious metals, securities, and other non-cash assets held in third-party custody;
- The allocation of responsibilities for on-boarding and paying Opt-In customers who have not yet been verified;
- The handling of "other obligations" arising from the transfer of EPB subsidiaries, which fall outside the scope of the original Purchase and Assumption Agreement;
- The establishment of appropriate reserves for disputed claims and administrative expenses;
- The proper treatment of any surplus or residual assets consistent with OCIF requirements and Puerto Rico law; and,
- OCIF approval of the final settlement structure.

III. Request for modified deadlines and referral to private mediation.

The Trustee and Qenta[1,2] – the main parties in interest insofar as they are the ones that acquired EPIB assets and liabilities – respectfully request the following modifications to the Court's existing schedule:

[1] Codefendant Schiff objects to referring this matter to private mediation insofar as it is more costly than proceeding to a settlement conference before the Court and those costs are borne by the parties, which include the bank itself. Mr. Schiff also objects to private mediation because it will materially delay the resolution of this case, whether it be by settlement or on the merits, provided that the Court has set a hearing for Janaury 22, 2026, which could easily be converted into a settlement conference. However, he agrees to participate constructively in any settlement conference or discussion the Court orders. In the event the Court orders private mediation, Mr, Schiff requests the timeframe for completion be shortened to twenty-one (21) days.

[2] In response to Mr. Schiff's footnote, Qenta and the Trustee note that a private mediation may be more likely to promote settlement than a settlement conference with the court. The remaining issues are technical in nature and lend themselves to a private mediation process. Additionally, experience has shown that productive mediation requires candor, and mediating before the finder of fact and law can sometimes inhibit such candor and thus lower the probability of settlement.

A. Referral to Private Mediation.

The Trustee and Qenta have agreed to submit this matter to private mediation before a mutually-acceptable mediator, to be selected by the parties (or, if necessary, with the Court's assistance). The Trustee and Qenta propose that the mediation be completed within forty-five (45) days of the mediator's selection. The Trustee and Qenta believe that a structured, confidential mediation process will materially assist in resolving the remaining issues and may obviate the need for further litigation.

B. Resetting of Litigation Deadlines Pending Completion of Mediation.[3]

In order to focus their efforts and resources on mediation, the Trustee and Qenta respectfully request that the current deadline for filing responses to pending motions to dismiss (presently January 16, 2026, per Docket No. 66) be vacated and reset to a date after the completion of mediation, or such other date as the Court deems appropriate. Likewise, the parties request that the evidentiary hearing currently set for January 22, 2026 (Docket No. 59) on the Trustee's request for provisional remedies be continued to a date after the conclusion of mediation, to be set, if necessary, at a later status conference.

Qenta and the Trustee also disagree with Mr. Schiff's assertion of delay. The additional time at issue is modest, Qenta and the Trustee agree that 45 days is necessary, and if the mediation fails, the parties will still have to proceed with the litigation, which will take an indeterminate amount of time. The same would be true if the parties were to proceed with a settlement conference before the Court. As regards cost, Qenta has offered to cover all of the defense's one-half share of the mediator's fees, so Mr. Schiff (who is not the main party in interest in the liquidation) himself does not have to pay. On the plaintiff side, the Trustee, who is the authorized representative of EPIB's estate, has consented to the private mediation believing that it holds out the prospect of a final resolution.

[3] Mr. Schiff objects to the modification of case management deadlines, as the defendants filed motions several months ago pursuant to abridged deadlines and the Trustee has yet to respond to any of the arguments set forth therein.

If mediation is unsuccessful, the parties will promptly advise the Court and are prepared to meet and confer on a proposed revised schedule for dispositive motion briefing and any necessary evidentiary hearings, so that the case can move forward efficiently. Resetting the litigation deadlines in this manner will allow the parties to concentrate their good-faith efforts on mediation.

WHEREFORE, the Parties respectfully request that this Honorable Court take notice of the foregoing and grant such relief as the Court deems just and proper.

RESPECTFULLY SUBMITTED.

In San Juan, Puerto Rico, this 13th day of January 2026.

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