



GOVERNMENT OF PUERTO RICO  
OFFICE OF THE COMMISSIONER OF FINANCIAL INSTITUTIONS  
Commissioner | Natalia I. Zequeira Díaz, Esq. | nataliaz@ocif.pr.gov

## PRESS RELEASE

Contact: José Luis Cedeño  
787.717.2429

### COMMISSIONER OF FINANCIAL INSTITUTIONS ISSUES COMPLAINT AND ORDER AGAINST NODUS INTERNATIONAL BANK SHAREHOLDERS

*For several violations to the Liquidation Plan, including unauthorized payments to directors and shareholders and other illicit and fraudulent transactions; orders the owners of the international banking entity to put up \$27 million in personal assets to compensate depositors and creditors; bans them from doing business in Puerto Rico for ten years*

**San Juan, P.R., April 4, 2024**—The Office of the Commissioner of Financial Institutions (“OCFI”), through its Commissioner, Natalia Zequeira Díaz, today issued a Complaint and Order (the “Complaint and Order”) to Pierce the Corporate Veil of Shareholders of **Nodus International Bank** (“Nodus”), an International Banking Entity (“IBE”) organized under Law 52 of August 11, 1989, as amended, known as the International Banking Center Regulatory Act, and currently in the process of liquidation and dissolution as per the plan signed by OCFI, Nodus and its shareholders on May 8, 2023, as amended (“*Plan for the Voluntary Liquidation and Dissolution of Nodus International Bank, Inc.*”, or the “Liquidation Plan”) and whose operating license had been revoked by OCFI by Resolution dated October 16, 2023, by virtue of which it also placed Nodus on Permanent Receivership until the completion of its liquidation.

Specifically, the Complaint and Order: (i) pierces Nodus’s corporate veil; (ii) orders Tomás Niembro Concha, Nodus president and owner of 60% of its shares, and Juan Ramírez Silva, chairman of Nodus’s Board of Directors and owner of the remaining 40% of the shares, under the strictest warning of severe sanctions, to be personally and jointly liable with Nodus for all of the IBE’s debts, and to put up personally and jointly an amount of no less than **TWENTY SEVEN MILLION DOLLARS (\$26,825,189.48)** to pay off Nodus’s obligations to its depositors and creditors; and bans both, Niembro Concha and Ramírez Silva, from doing business in Puerto Rico, directly and indirectly, for a period of **TEN (10)** years.

“Piercing the corporate veil means that these shareholders, who were responsible for defrauding Nodus depositors and creditors and for causing the IBE’s insolvency, will not be able to hide behind the corporate entity but will have to put up their personal assets and patrimony to return what is owed those depositors and creditors,” Commissioner Zequeira explained.

The Complaint and Order sets forth a detailed account of facts that evidence a long history of noncompliance by Nodus, its directors and shareholders with both the laws and regulations that govern the operations of international banking entities in Puerto Rico and the various, repeated orders from OCFI, all of which prompted the regulator to impose a Liquidation Plan on Nodus last May and to revoke its license and impose a permanent receivership on the IBE last October.

Even after those actions by OCFI, Niembro Concha and Ramírez Silva continued carrying out illicit and/or fraudulent transactions, including procuring unauthorized payments for themselves, and seeking to transfer Nodus depositors accounts to other financial institutions owned or controlled by Niembro Concha and Ramírez Silva.

In view of these actions, OCFI concluded that Niembro Concha and Ramírez Silva do not have and did not have any interest in protecting their depositors and clients but instead sought to continue to profit through a series of transactions shielded by the legal fiction of separate corporate entities, all of it in serious disregard of the corporation’s obligations towards not only OCFI, but also their clients and creditors.

Specifically, as explained in the Complaint and Order, the actions by Niembro Concha and Ramírez Silva of entering into transactions not contemplated in the Liquidation Plan for their own personal profit, demonstrate a total disregard of the corporation’s obligations, as well as the interests of beneficiaries and creditors. As set forth in the Complaint and Order, “such conduct is reckless and equivalent in practical terms to intending to defraud the individuals who should have been reasonably foreseen would be negatively impacted by the risks inherent in the pursuit of the corporation’s activities..., it is precisely that type of fraudulent conduct in disregard of creditors’ interests that lends legitimate justification to piercing the veil of a corporation’s legal personality.

“In view of Nodus’s insolvency as a result of the fraudulent actions of Mr. Niembro and Mr. Ramírez, it follows that they should respond personally for the entity’s debts. For that reason, OCFI has sufficient basis, under Law 4-1985 and Law 52-1989, among others, to bring to bear its



ample authority to avoid irreparable damage, or the possibility of irreparable damage, to the interests of Nodus and/or the individuals or entities with funds or assets on deposit in the institution or to the creditors of said entity,” the Complaint and Order concludes.

According to the due process accorded in these cases, the Complaint and Order grants Nodus 20 days to request a hearing and file its written reply. OCFI would schedule a hearing on the matter within the following 15 days to allow the affected party to be heard, but the request for a hearing would not stay or modify in any way the terms of the Complaint and Order, unless OCFI determines otherwise. If a hearing is not requested, OCFI shall understand that the affected party agreed and consented to the issuance of the proposed orders and fines, such that it can enforce the Complaint and Order without further delay or additional notification. Upon holding of the hearing, any party adversely affected by any partial or final resolution or order from OCFI may apply for reconsideration within a period of 30 days and, later, may file an appeal in the Puerto Rico Court of Appeals.

“Admittedly, the action we have taken today of piercing the corporate veil, soundly based in law and regulation as it is, is an extraordinary measure but necessary to make these individuals who caused Nodus’s insolvency with their fraudulent actions contrary to their fiduciary duties, respond personally and jointly with their personal assets and patrimonies to make whole the Nodus depositors and creditors they defrauded. As we have said in the past, with the actions we take today in this Nodus matter, we are fully complying with our duty under OCFI laws and regulations, of protecting against irreparable damage not only the entity’s interests and those of the individuals and entities with funds or assets on deposit in the institution but, ultimately, the soundness and reputation of Puerto Rico’s financial system, including the International Banking Center. OCFI will not permit or tolerate for financial institution with licenses issued by the Government of Puerto Rico to operate afoul of the law or to ignore the clear mandates of the applicable laws and regulations,” said Commissioner Zequeira.

Meanwhile, Commissioner Zequeira issued last Tuesday, March 26, 2024, Circular Letter CIF-CC-2024-001 to establish interpretation guidelines regarding the dissolution and/or liquidation of international banking entities (IBEs) and International Financial Entities (IFE), as provided in Law 52-1989 and Law 273-2012, respectively, in order to make uniform, provide transparency and maximize payments to depositors and creditors in cases of dissolution and/or liquidation of an IBE or IFE and to align those processes in Puerto Rico with those in other jurisdictions.



According to the Circular Letter, existing laws and regulations do not provide clear guidelines for the execution of the process of dissolution and/or liquidation of EBIs and EFIs for which reason, further to OCFI's mission of maximizing the recovery of depositors in these institution and protecting their interests, the Circular Letter sets forth specific parameters to guide the work of trustees appointed to carry out their dissolution and/or liquidation regarding the following: procedure to establish an inventory of assets and to protect their value; procedure for notification of creditors, filing of proofs of claim, acceptance, denial and subordination of claims and intervention in pending litigation; procedure of establishing priority in distributions through the liquidation process; and procedure to establish causes of action and maximize asset recovery during liquidation.

"We are certain that with these new interpretation guidelines the process of dissolution and/or liquidation of IBEs and IFEs, should they be necessary, will result in greater protection of the best interests of depositors and creditors of those institutions and the safeguarding of the soundness and reputation of Puerto Rico's international banking and financial system," concluded Commissioner Zequeira.

\*\*\*

