

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

**IN THE MATTER OF:**

Activo International Bank  
221 Ponce de León Ave.,  
Suite 1101  
San Juan, Puerto Rico 00918

**ORDER LIFTING EMERGENCY**

**CONSENT ORDER**

**OCFI-2020-D-I BE059(90114)-02**

**ORDER LIFTING EMERGENCY CONSENT ORDER**

**I. Jurisdiction**

Act No. 4 of October 11, 1985, as amended, known as the "Law of the Office of the Commissioner of Financial Institutions" (hereinafter, "Act No. 4") imposes on the Office of the Commissioner of Financial Institutions (hereinafter, respectively, the "OCFI" and the "Commissioner"), the responsibility for monitoring and supervising the financial institutions that operate or do business in Puerto Rico. Pursuant to Act No. 4, the Commissioner enforces Act No. 52 of August 11, 1989, as amended, known as the "International Banking Center Regulatory Act", (hereinafter, "Act No. 52"), and Regulation No. 5653 of July 23, 1997, as amended, known as "Regulation of the International Banking Center Regulatory Act" (hereinafter, "Regulation No. 5653"), promulgated under Act No. 52.

Act No. 52 instructs the Commissioner to monitor and regulate the operations of any person or institution that offers or provides services as an international banking entity in Puerto Rico. In accordance with the provisions of Act No. 52 and Regulation No. 5653, every licensed international banking entity is bound to comply with the provisions of the Act No. 52 and the stated Regulation.

The Commissioner, in addition to the powers and the authority granted under Act No. 52, has been authorized by Act No. 4 to examine and to carry out all types of studies and research on matters related to the banking, financial, or securities industry for which he may request the necessary, relevant, and essential information for achieving such purposes.

Pursuant to Article 10 of Act No. 4, Act No. 38-2017 of June 30, 2017, known as "The Uniform Administrative Procedure Act" (hereinafter, "Act No. 38") and Rule 21.1 of Regulation No. 3920 of June 23, 1989, known as the "Regulation for the Adjudicative Proceedings under the Jurisdiction of the Office of the Commissioner of Financial Institutions" (hereinafter, "Regulation No. 3920"), the Commissioner has the power to issue orders of a summary nature to cease and desist, without the need for notice and the holding of a previous hearing when, according to the OCFI, there is a serious damage or imminent danger to the safety of the industry, the citizens or the public order, which requires immediate action. Also, Article 10, Section (a)(4) of Act No. 4, empowers the Commissioner to "[f]ile any legal remedies, actions, or procedures necessary or convenient for the implementation of the purposes of this or any other act or regulation whose compliance or supervision has been assigned to him..."


Thus, Act No. 4, Act No. 52, and Act No. 38 bestow on the OCFI jurisdiction over the matter which is the object of this **ORDER LIFTING EMERGENCY CONSENT ORDER**. Therefore, the Commissioner has issued, and Activo International Bank, its agents, representatives, directors, officers, employees, and others, (hereinafter, the "Entity") consent to the issuance of this Order Lifting Emergency Consent Order, in order to allow the implementation of the Restructuring Plan mandated pursuant to the Emergency Consent Order of February 10, 2020 that will allow Activo International Bank, Inc. to restructure its operations for the benefit of its depositors and the general public.

Given the above, the OCFI and the Entity have jointly agreed to resolve this matter through this **ORDER LIFTING EMERGENCY CONSENT ORDER** (hereinafter, the "Order"). The Entity, acknowledges the jurisdiction of the OCFI, voluntarily consents to the

entry of this Order, and waives any right to a hearing or judicial review regarding this Order. This Order shall not be deemed an admission of liability, a finding of wrongdoing, or an admission of any fact or allegation that may relate to, or arise from, this Order on the part of the Entity, its current or former directors, officers, managers, agents, attorneys, representatives, employees, servants, successors, divisions, subdivisions, assigns, and insurance carriers, of the provisions of Act No. 52 or any regulation approved thereunder, nor under any other legal provision under the OCFI's jurisdiction.

In view of all the above, the facts mentioned below, the evidence compiled, the interest of the depositors of the Entity and the general public interest, and the powers and responsibilities imposed on the Commissioner, and having determined that the requirements for issuance of an order have been satisfied, the OCFI and the Entity agree to the following:

## II. Facts

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1. The Entity is an international banking entity organized in 2009 and operating under the provisions of Act No 52 and Regulation No 5653 since 2010.
  2. On February 10, 2020, the Entity and the OCFI agreed to the entering of an **EMERGENCY CONSENT ORDER** as a result of the OCFI's concerns related to the emergency created by the present financial condition of the Entity, that could endanger its depositors' rights to collect their deposits and in order to protect the interest of the depositors and the public interest, in general.
  3. The **EMERGENCY CONSENT ORDER** mandated the Entity to develop a written Restructuring Plan (the "Plan") that should contain certain specific elements as set forth in said **EMERGENCY CONSENT ORDER**.
  4. The Committee of Depositors headed by Mr. Fortunato Benacerraf was appointed by the Entity's Board of Directors in accordance with the requirements of the **EMERGENCY CONSENT ORDER** and by the Entity's Board of Directors within the period prescribed by the **EMERGENCY CONSENT ORDER**.
  5. The Plan was duly approved by the Committee of Depositors on March 5, 2020.
  6. The Entity needs to take immediate actions as set forth in the Plan in order to restructure so as to be able to continue its business.

## III. Determinations

1. The Entity, within the period prescribed in the **EMERGENCY CONSENT ORDER** has presented to the Commissioner the Plan which Plan has been reviewed by the Commissioner and found to contain in a satisfactory manner all of the elements that were required to be included in accordance with the **EMERGENCY CONSENT ORDER** for the proper and timely restructuring of the Entity.
2. The Commissioner has accepted the Plan without comments or objections.
3. Those depositors of the Entity which will become indirect shareholders in more than 10% of the Entity's capital pursuant to the Plan will be authorized to become such pursuant to Section 10 of Act No. 52. Within a period of ninety (90) days from the date of this Order, the Entity shall cause such persons to submit to the OCFI the required information for its review and no-objection.

## IV. Order by Consent

Therefore, in view of all the above, pursuant to the powers and authority granted to the Commissioner, the **EMERGENCY ORDER BY CONSENT** is hereby lifted pursuant to the terms of this **ORDER LIFTING EMERGENCY CONSENT ORDER** that is hereby issued by the Commissioner and by the Entity hereby consenting to:

1. Submit the Plan as presented to the Commissioner for approval by the Entity's Board of Directors within 5 calendar days from the date of this Order. The effectiveness of this Order is conditioned on the approval of the Plan by the Entity's Board of Directors.
2. Comply in full with the terms of the Plan as approved by the Entity's Board of Directors and with the ruling issued by the Commissioner on March 3, 2020, regarding certain matters related to the Plan.
3. Operate the Entity with an adequate level of capital considering the volume and kind of assets held by the Entity consistent with the Capital Plan set forth in the Plan.
4. The Entity's authority to pay deposits under Act No.52 is hereby limited to what is provided in Section VI of the Plan, for a period of five (5) years from the date of this Order.
5. Operate in compliance with laws and regulations.

**IT IS FURTHERED AGREED**, that the Entity takes affirmative action as follows:

1. **Dividend Restriction**

As of the effective date of this Order, the Entity shall not declare or pay any dividend except as provided in the Plan or as authorized by the Commissioner.

2. **Progress Reports**

Except when otherwise provided in this Order, within the first 5 calendar days of each month following the effective date of this Order, the Entity must furnish to the Commissioner written progress reports detailing the form, manner and results of any actions taken to secure compliance with the Plan. All progress reports and other written responses to this Order must be reviewed by the Board and made part of the Board minutes or resolutions. This requirement for progress reports should continue until the Commissioner is satisfied that the Plan has been duly and finally implemented.

3. **Shareholder Disclosure**

Within 5 calendar days from the effective date of this Order, the Entity must send a copy of this Order, or otherwise furnish a description of this Order, to its parent holding company. The description must fully describe the Order in all material respects.

**NOTICES**

Nothing herein shall preclude the Commonwealth of Puerto Rico, its departments, agencies, boards, commissions, authorities, political subdivisions, and corporations, or any other federal or state agency, from asserting any claims, causes of action, or applications for compensatory, nominal, and/or punitive damages, administrative, civil, criminal, or injunctive relief against the Entity.

Except as explicitly provided in this Order, nothing herein is intended to: (i) supersede the September 2019 Order, which order shall continue in full force and effect except to the extent it is inconsistent with the terms of this Order; or (ii) shall be construed to have created, compromised, settled, or adjudicated any claims, causes or action, or rights of any person whomsoever, other than as between the OCFI and the Entity in accordance with this Order. This Order shall be binding upon the Entity, its relevant affiliates, successors and assigns as well as to its successors and assigns of relevant affiliates with respect to all conduct subject to the provisions above and all future obligations, responsibilities, undertakings, commitments, limitations, restrictions, events, and conditions.

Nothing in this Order shall preclude the OCFI from: (a) taking adverse action based on other conduct; (b) taking this Order and the conduct described above into account in determining the

proper resolution of action based on other conduct; (c) taking any and all available steps to enforce this Order; (d) taking any action against other entities or individuals, regardless of any affiliation or relationship between the Entity and the entities or individuals or (e) be construed to limit the OCFI's jurisdiction in any other proceeding after its issuance.

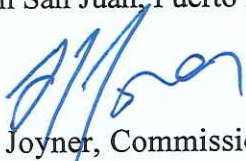
The provisions of this Order shall remain effective and enforceable except to the extent that and until such time as any provision has been modified, terminated, suspended, or set aside in writing by the Commissioner.

The Entity affected by this Order is hereby given notice that, pursuant to the provisions of Article 20(c) Of Act No. 4, the OCFI may impose an administrative fine not greater than Five Thousand (\$5,000.00) Dollars for each day of non-compliance with the orders issued under the provisions of the act, up to a maximum of Fifty Thousand (\$50,000.00) Dollars. In the event of total or partial non-compliance with this Order, the OCFI, in support of the statutory jurisdiction granted by Act No. 4, may request the Court of First Instance, San Juan Superior Section, to enforce the same, under penalty of contempt, and to impose fines and sanctions in addition to the ones the OCFI may deem to be proper, with any other determination which is proper as a matter of law.

This Order shall become effective immediately upon its issuance.

IT IS SO ORDERED BY THE COMMISSIONER,

Issued in San Juan, Puerto Rico, today, March 6, 2020.

  
George Joyner, Commissioner