

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

R.J. ALAN COMPANY, INC.

Plaintiff,

vs.

**MAYAGÜEZ ECONOMIC
DEVELOPMENT, INC.**

Defendant

CIVIL NO:

RE: Collection of Money,
Mortgage Foreclosure
(In Rem)

VERIFIED COMPLAINT

TO THE HONORABLE COURT:

NOW COMES Plaintiff, R.J. Alan Company, Inc., represented by the undersigned attorney, and respectfully **states, alleges and prays:**

This is an action on collection of moneys and foreclosure due to the failure of Mayagüez Economic Development, Inc., (“MEDI” or “Defendant”) to comply with the terms and conditions of a Mortgaged Promissory Note granted by MEDI, which is owned and held in due course by the Plaintiff.

JURISDICTION AND VENUE

1. Jurisdiction is conferred upon this Court by virtue of 28 U.S.C. Sec. 1332. There is complete diversity of jurisdiction among the parties and the amount in controversy, exclusive of interest and costs, exceeds \$75,000.

2. Venue is proper in this District Court pursuant to 28 U.S.C. § 1391(b)(2).

PARTIES

3. Plaintiff, R.J. Alan Company, Inc (“Alan” or “Plaintiff”) is a corporation organized and existing under the laws of New York with its principal place of business located at 5 Tyler Rd. Hannover, New Hampshire.

4. Defendant MEDI is, a private for-profit corporation organized and existing under the Laws of the Commonwealth of Puerto Rico, Department of State Registry No. 207573. Its last known physical and postal address are, respectively: Mayagüez City Hall, Mayagüez, PR 00682; PO Box 878, Mayaguez, PR 00681-0878.

FACTS

5. The Plaintiff is currently the owner and holder in due course of a mortgage note subscribed by MEDI on June 27th, 2018, before Notary Arnaldo Irizarry Irizarry, for the principal amount of \$1,200,000.00, with interest at rate of 12.00% per annum, plus the amount of \$120,000.00 for attorney’s fees and costs in case of foreclosure. (“Note”). (**Exhibit A**).

6. To secure the payment of the principal amount of the note, attorney fees and costs in case of judicial collection, MEDI executed a mortgage deed (“Mortgage”) upon the following property described in the Spanish language as follows (“Property”):

URBANA: Calle Post de Mayagüez. Solar: Hospital San Antonio, Cabida de 4,321.24 metros cuadrados. Linderos por el NORTE, en 76.15 metros, con terrenos de la Sucesión Guenard; por el SUR, en una distancia de 56.12 metros, con la calle de la Rosa; por el ESTE, en una distancia de 37.60 metros, con la calle Mirasol en que radica y con la Sucesión de Echevarría, Doña Francisca Henry y Sucesión Soler y por el OESTE, en una distancia de 66.93 metros, con terrenos de la Sucesión Guenard. Hospital de San Antonio, o sea, edificio situado en la Calle Mirasol de esta ciudad dando uno de sus frentes a la calle de la Rosa, cuyo edificio es de mampostería terrera, cobijado de azotea y tejas de hierro galvanizado, con su correspondiente capilla comprendiendo el edificio una sala denominada de San Antonio con sus correspondientes camas, otra denominada de San Pedro, otra de San José y otra de San Vicente, destinadas para hombres y dos salas denominadas de la Candelaria para mujeres y una enfermera, y en el mismo departamento un cuarto para ropería, otra para baños, uno para almacén y la cocina.

Existe un anexo a la sala de San Antonio un cuarto destinado para sala de descanso del médico, sala de operaciones y depósito del botiquín, comprendiendo también el edificio una sala para autopsias y depósito de cadáveres con sus diferentes dependencias, la casa de virulentos, jardines y demás que la constituyen.

7. The Mortgage described above was constituted by deed number 10, executed on June 27th, 2018, before Notary Arnaldo J. Irizarry Irizarry in San Germán, Puerto Rico, recorded at Tomo Karibe of Mayagüez, Property Registry of Puerto Rico in Mayagüez, Section I, property number 2,336, 3rd inscription. (**Exhibit B**).

8. MEDI is the owner in fee simple of the Property in accordance with the second (2nd) inscription recorded at Tomo Karibe of Mayagüez, property number 2,336, 2nd inscription.

9. On or about March 7th, 2019, MEDI entered into a *Forbearance Agreement* (“Agreement”) in which the holder of the Note at the time, PMJ Capital PR Corp, provided MEDI a forbearance period of six (6) month to fully satisfy the obligations established in the Note. The consideration for the Agreement was the payment of \$100,000,00, fully earned upon the date the execution of the agreement, and payable to the holder of the Note on the date the Agreement expired. (**Exhibit C**). The performance of the obligations in the Agreement are secured with a Collateral Assignment of Leases and Rent, among other documents. (**Exhibit D**).

10. MEDI defaulted on its obligations pursuant to the Note and the Agreement.

11. The Note and the obligations in the Agreement are past due, liquid, and payable.

12. The Plaintiff is currently the owner and holder in due course of the Note, as well as every right, title and interest concerning the Note, Agreement, and the Collateral Assignment of Lease and Rent.

FORECLOSURE OF MORTGAGE IN REM

13. The allegations set forth in paragraphs 1 to 12 are adopted by reference and incorporated as part of this Cause of Action.

14. Payments on Note and the Agreement are in default since the 12th day of November 2019. Pursuant to the terms and conditions of the Mortgage Note and the Mortgage Deed, the Note is due and payable.

15. Pursuant to the Note Defendant owes Plaintiff the amount of \$1,200,000.00 for principal plus interest of 12% from the 12th day of November 2019 until full payment, plus mortgage and risk insurance premiums, late fees and any other amounts agreed in the mortgage deed and Agreement, from the date stated above until full payment thereof, plus 10% of the original principal balance for attorney's fees and costs' equivalent to \$120,000.00.

16. Pursuant to the Agreement Defendant owes Plaintiff \$100,000.00 plus arrear interests until the full payment of the Note.

17. Plaintiff's efforts to collect on the debt have been unsuccessful.

18. The amounts claimed herein are due and payable.

19. Plaintiff respectfully requests that the mortgaged property described in paragraph 6 herein above is sold at public auction and that the money due to Plaintiff pursuant to the Note and Agreement is paid from the proceeds of the sale.

20. Plaintiff hereby notifies Defendants that in accordance with applicable law it will ask the Court to issue an order to *lis pendens* to secure the effectiveness of the judgment.

WHEREFORE, plaintiff respectfully requests that this Honorable Court enter judgment determining that:

- a. Defendant owes the Plaintiff \$1,200,000.00 for principal balance with interests of 12% from the 12th day of November 2019 until full payment (calculated in at least \$234,800.00 as of June 21, 2021, accumulating at a rate of \$400.00 per day), plus

- mortgage and risk insurance premiums, late fees and any other amounts agreed in the Mortgage Deed and the Agreement, from the date stated above until full payment thereof, plus 10% of the original principal balance for attorney's fees and costs' (calculated at a minimum of \$120,000.00 as of April 1st, 2021); and Forbearance Fee of \$100,000.00.
- b. Condemning Defendant to pay Plaintiff the amount not less than Two million three hundred sixty-seven thousand two hundred dollars (\$1,654,800.00) itemized as follows:
- i. One Million Two Hundred Thousand Dollars (\$1,200,000.00) for the principal balance of the Note.
 - ii. Two Hundred Sixty-Six Thousand Four Hundred Dollars (\$234,800.00) for accrued interest on the principal balance of the Note, calculated until June 21st, 2021, with a daily accumulation at the rate of \$400.00.
 - iii. One Hundred Thousand Dollars (\$100,000.00) owed pursuant to the Agreement.
 - iv. One Hundred Twenty Thousand Dollars (\$120,000.00) for attorney's fees and costs.
 - v. Mortgage and risk insurance premiums, late fees and any other amounts agreed in the mortgage deed and the Agreement, from the date stated above until full payment thereof.
- c. That Plaintiff has valid lien over the property described in paragraph 6 of this Complaint in guarantee of the amounts declared by judgment.
- d. That the Property be sold at public auction and that the money due to Plaintiff be paid from the proceeds of the sale.

- e. That once the Property is auctioned and sold, the Clerk of this Court issue a writ addressed to the Registry of the Property ordering the cancellation of any junior liens recorded therein.
- f. Order such further relief as in accordance with the law and equity may be just and proper.

RESPECTFULLY SUBMITTED.

In San Juan, Puerto Rico, this 6th day of July 2021.

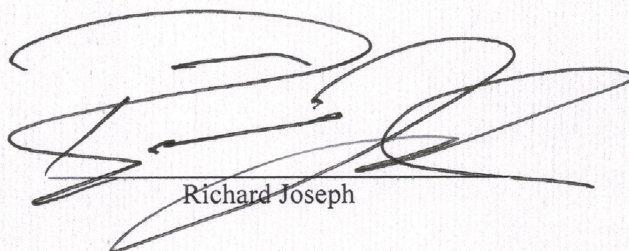
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VERIFICATION

I am the President R.J. Alan Company, Inc. I have read the foregoing Complaint and know the contents thereof, and, based on my personal knowledge and information that has been provided, which I consider true, I verify under penalty of perjury that the same are true and correct.

Executed on July 6th, 2021.



Richard Joseph