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## Press Release

### **Puerto Rico Government opposes Doral Financial Corp's request for Declaratory Judgment and is committed to vigorously defend interests of the People of Puerto Rico**

(July 24, 2014) The Secretary of Justice of Puerto Rico, César R. Miranda, announced today that counsel for the Department of Justice (DOJ) and legal representatives of the Department of the Treasury (Treasury) filed two documents denying Doral Financial Corporation's allegations of tax overpayments and its right to a refund of over \$229 million.

"The Court's determinations were in alignment with the Department of Justice's initial request that the case be reviewed on its merits and with careful due diligence, as was initially attempted through the Department of the Treasury's administrative process," said Secretary Miranda. "Therefore, on July 23, after the Supreme Court ordered the Court of Appeals to issue an order for the case to be heard in the Court of First Instance, we filed a response to the request for Declaratory Judgment, an Informative Motion about the Discovery of Evidence, and a Request for Admissions and Production of Documents."

"In less than 24 hours, a decision of the Court of First Instance was issued that substantially denies the Commonwealth of Puerto Rico its right to a fair trial. The Court of First Instance yesterday ruled for the full discovery to take place during the 4-day holiday weekend that begins today and scheduled extremely limited hearings for next week," continued explaining Secretary Miranda.

Even though as of yesterday, and before the new ruling of the court, summons were served for the taking of depositions in accordance with the Rules of Civil Procedure and reaffirming the right of the State to guarantee the due process of law and carry out discovery of evidence, the Court's rushed decision curtails the right to due process of the Commonwealth of Puerto Rico.

Melba Acosta Febo, Secretary of the Department of the Treasury, said: "We are prepared to present our case before the courts. I am confident that, once the judicial process is complete, the invalidity of the agreement between the past administration and Doral will be upheld and the people of Puerto Rico will prevail."

“In accordance with the regulations and the documents recorded in the Department of the Treasury, Doral is not entitled to a refund for payments that were never made. We will vigorously defend the interests of the people in this case because we believe that the Department of the Treasury is correct in its claim, and that Doral’s allegations are unfounded. Our commitment has always been to protect the interests of the people of Puerto Rico in this matter and must trust that the rule of law will prevail,” concluded Secretary Miranda.

The tax agreement between the financial entity and the Department of the Treasury dates back to March of 2012; the Department of the Treasury declared it null on May 14 of this year.