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

OTO ANALYTICS, LLC, Plaintiff, v. **BENWORTH CAPITAL PARTNERS PR, LLC; BENWORTH CAPITAL PARTNERS, LLC; BERNARDO NAVARRO and CLAUDIA NAVARRO,** Defendants.	Civil No. 23-01034 (GMM) *cons*. Civil No. 24-01313 (GMM)
FEDERAL RESERVE BANK OF SAN FRANCISCO, Plaintiff-Intervenor, v. **OTO ANALYTICS, LLC; BENWORTH CAPITAL PARTNERS PR, LLC; BENWORTH CAPITAL PARTNERS, LLC; BERNARDO NAVARRO and CLAUDIA NAVARRO,** Defendants in Intervention.	
FEDERAL RESERVE BANK OF SAN FRANCISCO, Consolidated Plaintiff, v. **BENWORTH CAPITAL PARTNERS PR, LLC; BENWORTH CAPITAL PARTNERS, LLC; BERNARDO NAVARRO and CLAUDIA NAVARRO,** Consolidated Defendants.	

FEDERAL RESERVE BANK OF SAN FRANCISCO'S MOTION TO JOIN OTO ANALYTICS, LLC'S MOTION TO COMPEL (ECF NO. 184)

TO THE HONORABLE COURT:

COMES NOW Plaintiff-Intervenor and Consolidated Plaintiff Federal Reserve Bank of San Francisco (the "Reserve Bank"), through its undersigned counsel, and respectfully requests the entry of an order compelling Bernardo Navarro and Claudia Navarro (the "Navarros"), Benworth Capital Partners, LLC ("Benworth FL"), and Benworth Capital Partners PR LLC ("Benworth PR" and together with Benworth FL and the Navarros, "Defendants") to respond to certain requests for production identified herein substantially for the reasons advanced by Plaintiff Oto Analytics, LLC ("Womply") in its *Motion to Compel (1) Responses to Interrogatory Nos. 1, 2, and 4 to the Navarros; (2) Documents Responsive to Document Requests Nos. 6, 7, 11, and 12 to the Navarros; and (3) Documents Responsive to Document Request No. 18 to Benworth FL and Benworth PR* (ECF No. 184, the "Womply Motion to Compel"). In support of its motion, the Reserve Bank states as follows:

1. Through this motion and pursuant to Fed. R. Civ. P. 10(c) and L. Civ. R. 7(f), the Reserve Bank adopts and incorporates the arguments and authorities outlined in the Womply Motion to Compel and requests identical relief with respect to certain of its own discovery requests, which are substantially identical to those identified in the Womply Motion to Compel (the "Womply Requests"). The Reserve Bank writes separately to request that any order requiring Defendants to respond to these discovery requests covers the time period of January 1, 2020 to present, which is one year longer than the time period identified in the Womply Requests.

2. On July 10, 2024, the Reserve Bank filed a complaint against Defendants, alleging that Benworth FL owes the Reserve Bank approximately $66,980,967.08 in principal, plus interest and other fees and costs, in connection with the parties' agreements pursuant to the Reserve Bank's

Paycheck Protection Program Liquidity Facility ("PPPLF").[1] Similar to Womply's claims against Defendants, the Reserve Bank alleges claims for fraudulent transfer, alter ego, and veil piercing relating to Benworth FL's transfer of assets to Benworth PR and the Navarros, which have left it with virtually no capital to fulfill its current obligations to the Reserve Bank. *See* Compl. ¶ 3. The Reserve Bank also filed a complaint in intervention after the Court granted its motion to intervene in Womply's action. *See* ECF Nos. 127, 145, 146. On August 20, 2024, the Court consolidated the actions of the Reserve Bank and Womply against Defendants due to the substantially similar questions of law and fact implicated in both cases. *See* ECF No. 155.

3. On August 23, 2024, the Reserve Bank served its *First Set of Requests for Production to Defendant Benworth Capital Partners LLC* (Exhibit 1, the "Benworth FL RFPs"), *First Set of Requests for Production to Defendant Benworth Capital Partners PR LLC* (Exhibit 2, the "Benworth PR RFPs"), and *First Set of Requests for Production to Defendant Bernardo Navarro* and to *Defendant Claudia Navarro* (Exhibits 3 and 4, respectively, and together, the "Navarro RFPs"). Among other things, the Reserve Bank requested certain information relating to any entities over which the Navarros have ownership or control (the "Navarro Entities").[2] Specifically, the Reserve Bank requested the following information for the time period of January 1, 2020 to present (collectively, the "Reserve Bank Requests"):

a. "All Documents and Communications Concerning Payments, distributions, dividends, or transfers from or on behalf of [Benworth FL or Benworth PR],

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[1] Complaint, *Federal Reserve Bank of San Francisco v. Benworth Capital Partners PR LLC*, Civil No. 3:24-cv-01313 (July 10, 2024, D.P.R.) (the "Complaint").

[2] As defined in the Benworth FL RFPs, Benworth PR RFPs, and Navarro RFPs, a Navarro Entity is an entity in which either of the Navarros "has or has had voting or operational Control, or shares or has shared such Control on a co-equal basis with another," an entity in which either of the Navarros "holds or held a majority or co-equal ownership or equity interest," or a "trust or similar entity for which" either of the Navarros "is or was a trustee, beneficiary or beneficial owner[.]"

whether directly or indirectly, to or for the benefit of Mr. Navarro, Ms. Navarro, [or] any [] Navarro Entity . . . including without limitation any Dividend Payments." Benworth FL RFP No. 25; Benworth PR RFP No. 21.

b. "All contracts and agreements between [Benworth FL or Benworth PR] and any [] Navarro Entity." Benworth FL RFP Nos. 31, 33; Benworth PR RFP Nos. 27 and 29.

c. "All Documents and Communications Concerning any Payments, dividends, distributions, or transfers made by or on behalf of [Benworth FL or Benworth PR], whether directly or indirectly, to or for the benefit of a [] Navarro Entity." Navarro RFP Nos. 6-9.

d. "All contracts and agreements between a [] Navarro Entity and [Benworth FL or Benworth PR]." Navarro RFP Nos. 16-17.

4. On December 6, 2024, Womply filed the Womply Motion to Compel to address the refusal by Defendants to respond to its discovery requests relating to the Navarro Entities, which are substantially identical to the Reserve Bank Requests. *See* Womply Mot. to Compel at 4-5. The categories of discovery sought by Womply include the following.

5. *First*, Womply requests that Defendants identify any Navarro Entities, given that Womply and the Reserve Bank will otherwise have no way of knowing which entities other than Benworth FL or Benworth PR may have been used to fraudulently transfer funds. *See id*. at 5-6. As noted in the Womply Motion to Compel, Defendants initially agreed to provide a list of Navarro Entities, but later withdrew that representation. *Id*. at 6.

6. *Second*, Womply requests the production of documents and communications concerning any payments, distributions, or transfers made from Benworth FL or Benworth PR to the Navarro Entities or vice versa. *Id.* at 4-5.

7. *Third*, Womply requests the production of any contracts or agreements between the Navarro Entities and Benworth FL or Benworth PR. *Id.*

8. The primary difference between the Womply Requests and the Reserve Bank Requests is that the Womply Requests seek discovery for the more limited time period of January 1, 2021 to present, rather than January 1, 2020 to present. *See, e.g.*, Exhibit 7 to Womply Mot. to Compel ¶ 14. The additional year is relevant to the Reserve Bank's claims because Benworth FL began obtaining PPPLF financing from the Reserve Bank in 2020, Compl. ¶ 19, while Benworth FL did not obtain Womply's services until 2021, ECF No. 123 ¶ 7.

9. As discussed in the Womply Motion to Compel, the underlying purpose of the Womply Requests is to trace the flow of funds transferred by Defendants to avoid paying a $118 million arbitration award owed by Benworth FL to Womply. These requests also aim to establish the connections between Defendants and the Navarro Entities, which could serve to demonstrate additional fraudulent transfers, support alter-ego claims, or shed light on the Navarros' control over additional entities. Ultimately, this discovery is intended to uncover evidence of intentional efforts to hinder debt collection and potentially support a claim to pierce the corporate veil, holding the Navarros personally liable for the debts owed by Benworth FL to Womply.

10. The Reserve Bank Requests seek to identify and trace the same or substantially similar financial transactions, entities, and underlying evidence of fraudulent intent to evade obligations owed by Benworth FL to the Reserve Bank. Accordingly, the relief sought in the Womply Motion to Compel concerning the Navarro Entities is also essential to the Reserve Bank's fraudulent transfer, alter ego, and veil piercing claims, which this Court has recognized as substantially similar to Womply's claims so as to warrant consolidation of the two actions.

11. As discussed in the Womply Motion to Compel, courts routinely recognize the necessity of this type of discovery in fraudulent transfer cases to trace assets, uncover related

entities, and establish intent to defraud creditors. Indeed, "[i]n the rare fraudulent transfer cases in which defendants tried to withhold information about entities they own or control to which they transferred funds, the court ordered defendants to produce this information." Womply Mot. to Compel at 9 (citing *VeroBlue Farms USA, Inc. v. Wulf*, 2019 WL 12043593, at *2-4 (N.D. Tex. Sept. 10, 2019).

12. Despite the relevance of these requests to this consolidated action, Defendants have continued to resist producing any information to Womply or the Reserve Bank about the Navarro Entities, raising meritless objections and failing to engage with legal precedent provided by Womply in support of these requests.[3] Defendants' refusal to provide information related to the Navarro Entities demonstrates an effort to obstruct legitimate discovery efforts. Accordingly, the Reserve Bank agrees with Womply's declaration that the parties have reached impasse on this issue and that intervention by the Court is necessary. *See* Womply Mot. to Compel at 7.

13. In light of the substantial alignment between the Reserve Bank's and Womply's discovery needs with respect to the Navarro Entities, in an effort to avoid burdening the Court with an additional lengthy brief, the Reserve Bank hereby joins the Womply Motion to Compel and respectfully requests that this Court order Defendants to respond to the substantially identical discovery requests included in the Womply Requests and Reserve Bank Requests for the broader time period of January 1, 2020 to present.

14. An order directing Defendants to produce this information is essential to ensure that the Reserve Bank can pursue its claims effectively and seek the remedies to which it is entitled under the law.

Respectfully submitted in San Juan, Puerto Rico on December 13, 2024.

[3] The parties' efforts to meet and confer on this issue are outlined on pages 5-7 of the Womply Motion to Compel.

Lisa M. Schweitzer (admitted *pro hac vice*)
lschweitzer@cgsh.com

Thomas S. Kessler (admitted *pro hac vice*)
tkessler@cgsh.com

CLEARY GOTTLIEB STEEN & HAMILTON LLP
One Liberty Plaza
New York, New York 10006
Telephone: (212) 225-2000
Facsimile: (212) 225-3999
Attorneys for the Federal Reserve Bank of San Francisco

s/ Antonio L. Roig Lorenzo
Antonio L. Roig Lorenzo
antonio.roig@oneillborges.com
USDC-PR No. 207712

s/ Salvador J. Antonetti Stutts
Salvador J. Antonetti Stutts
salvador.antonetti@oneillborges.com
USDC-PR No. 215002

s/ Ubaldo M. Fernández Barrera
Ubaldo M. Fernández Barrera
ubaldo.fernandez@oneillborges.com
USDC-PR No. 224807

s/ Aníbal A. Román Medina
Aníbal A. Román Medina
anibal.roman@oneillborges.com
USDC-PR No. 308410

O'NEILL & BORGES LLC
250 Muñoz Rivera Ave., Ste. 800
San Juan, PR 00918-1813
Tel: (787) 764-8181
Fax: (787) 753-8944
Attorneys for the Federal Reserve Bank of San Francisco

CERTIFICATE OF SERVICE

I certify that on December 13, 2024, I filed a copy of the foregoing document using the Court's CM/ECF system, which will automatically generate a Notice of Electronic Filing to all counsel of record in this matter.

s/ Aníbal A. Román Medina
Aníbal A. Román Medina