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

DEBBIE ALONSO RODRIGUEZ, et al.,

Plaintiffs,

v.

EDWIN ALONSO RODRIGUEZ, et al.,

Defendants.

CIVIL NO. 25-1475 (CVR)

OPINION AND ORDER

INTRODUCTION

This case is the latest saga in a long and protracted battle between the heirs of Santos Alonso Maldonado ("Don Santos") and Iris M. Rodríguez Rosa ("Doña Iris")[1] who were married for 67 years and built a vast financial empire in Puerto Rico (collectively, the "Alonso Family Businesses."). Doña Iris and Don Santos passed away in January of 2023, within 18 days of each other. Their deaths gave rise to many differences between the heirs and much litigation before the state courts, and ultimately to the present case.

Plaintiff Debbie Alonso-Rodríguez ("Debbie") is the daughter of Don Santos and Doña Iris, and the executor of the estate of Doña Iris. Debbie filed the present suit solely in this capacity. Co-Plaintiff ADCOM Group, Inc. ("ADCOM") is a local advertising and public relations agency founded and owned by Debbie that provided marketing and advertising services to co-Defendant Supermercados Mr. Special, Inc. ("Mr. Special") from 1993 until 2025.

[1] Many of the parties in the present case are siblings and cousins who share one or more last names. Thus, the Court refers to the parties by their first names to avoid confusion. No disrespect is intended.

Defendant Edwin Alonso-Rodríguez ("Edwin") is Debbie's brother, son of Don Santos and Doña Iris and executor of the estate of Don Santos. He is sued in that capacity. Also included as co-Defendants in this case are Mr. Special, S.A. Investments, LLC ("S.A. Investments"), Jorge L. Fuentes-Benejam ("Fuentes"), Héctor del Río-Jiménez ("del Río"), Manuel Quiñones-Rinaldi ("Quiñones") and Mayagüez Tourist Development, Inc. ("MTD-INC").

The Complaint additionally included Nominal Defendants Santos Alonso-Cintrón ("Santitos")[2], Ricardo Alonso-Torres ("Ricardo"), Carlos Alonso-Torres ("Carlos"), Cristine Alonso-Torres ("Cristine"), Geraldine Alonso-Torres ("Geraldine"), Zulma A. Torres-Rodríguez ("Zulma"), Catherine J. Alonso-Aponte ("Catherine"), Edwin S. Alonso-Aponte ("Edwin Jr."), Andrés O. Pannocchia-Alonso ("Andrés"), Stephanie Vilella-Alonso ("Stephanie") and Valentín Alonso-Maldonado ("Valentín"). The Complaint stated these Nominal Defendants were being joined as indispensable parties under FED.R.CIV.P. 19 to ensure that complete relief could be accorded as they were heirs and/or legatees of the estates of Don Santos and/or Doña Iris and held an interest in the assets subject of this case. The Complaint further admitted Debbie and ADCOM sought no relief against these parties but acknowledged their rights could be affected by outcome the case. (Docket No. 55, fn2).

On November 5, 2025, Nominal Defendant Stephanie petitioned the Court to be realigned as a plaintiff, averring her interests were aligned with Debbie's interests and she faced no adversity to Debbie's claims. The Court granted this unopposed request. (Docket

[2] Santos Alonso-Cintrón is Don Santos' son from his first marriage. The pleadings and his own filings refer to him as "Santitos."

Nos. 36 and 37). Nominal Defendants Ricardo, Carlos, Cristine, Geraldine, and Zulma subsequently made the same request, which the Court also granted. (Docket Nos. 42 and 51) (collectively with Debbie, ADCOM and Stephanie, "Plaintiffs", see Docket No. 55).[3]

Plaintiffs allege that, after the deaths of Don Santos and Doña Iris in January 2023, Edwin illegally seized control of Mr. Special and other family businesses and, despite owning only a fractional interest as one of multiple heirs, has abused his position as executor of Don Santos' estate to the detriment of the other heirs. Plaintiffs assert Edwin has conspired to misappropriate and divert assets belonging to Mr. Special and the estates of Don Santos and Doña Iris, has disregarded Debbie's role as the executor of Doña Iris' estate and has carried out a series of acts which constitute a pattern of racketeering activity. As a result, Plaintiffs bring a total of eleven claims against Defendants under the Racketeer Influenced and Corrupt Organizations Act ("RICO"), 18 U.S.C. § 1962(c) and § 1962(d) (Counts I and II); for copyright infringement, 17 U.S.C. § 501, *et seq*. (Count III); under the Puerto Rico Organized Crime Act, P.R. Laws Ann. tit. 25, § 971, *et seq*. (Count IV); under Puerto Rico law for breach of fiduciary duty (Count V); breach of contract (Count VI); and tortious interference therewith (Count VII). They also seek declaratory relief as to several matters regarding corporate and estate governance to prevent further harm to the Alonso Family Businesses, 28 U.S.C. § 2201 (Counts VIII, IX, X and XI). (Docket No. 55).

[3] An Amended Complaint was subsequently filed which realigned all the parties correctly. (Docket No. 55). The remaining co-Defendants are therefore Edwin, Mr. Special, S.A. Investments, Fuentes, del Río, Quiñones, MTD-INC. The remaining Nominal Defendants are Santitos, Andrés, Catherine, Edwin Jr., and Valentín. (collectively, "Defendants").

Before the Court is a "Joint Motion to Dismiss the Amended Complaint with Prejudice" ("Motion to Dismiss") filed only by co-Defendants Edwin, Mr. Special, S.A. Investments, Fuentes, del Río, Quiñones, MTD-INC, Catherine, Edwin Jr., and Valentín. (Docket No. 71) (the "Moving Defendants").[4] Before the Court also are Plaintiffs' Opposition (Docket No. 83), the Moving Defendants' Reply (Docket No. 95) and Plaintiffs' Sur-Reply (Docket No. 100).

For the reasons explained below, the Moving Defendants' "Motion to Dismiss" is GRANTED IN PART and DENIED IN PART. (Docket No. 71).

STANDARD

A. Federal Rule of Civil Procedure 12(b)(1).

It is well recognized that "'[f]ederal courts are courts of limited jurisdiction, and therefore must be certain that they have explicit authority to decide a case.'" Roselló-González v. Calderón-Serra, 398 F.3d 1, 15 (1st Cir. 2004) (citing Bonas v. Town of North Smithfield, 265 F.3d 69, 73 (1st Cir. 2001)); Kokkonen v. Guardian Life Ins. Co. of America, 511 U.S. 375, 377 (1994) ("Federal courts are courts of limited jurisdiction."). As such, "[t]hey possess only that power authorized by Constitution and statute [. . .] which is not to be expanded by judicial decree." Id., at 377 (citations omitted). Accordingly, the Court of Appeals for the First Circuit ("First Circuit") has consistently held that "the party invoking the jurisdiction of a federal court carries the burden of proving its existence." Murphy v. U.S., 45 F.3d 520, 522 (1st Cir. 1993) (citing Taber Partners, I. v. Merit

[4] Nominal Defendants Santitos and Andrés chose to answer the Amended Complaint instead of filing a dispositive motion. (Docket Nos. 70 and 72).

Builders, Inc., 987 F.2d 57, 60 (1st Cir. 1993)); see also Bank One, Texas, N.A. v. Montle, 964 F.2d 48, 50 (1st Cir. 1992); Spielman v. Genzyme Corp., 251 F3d 1, 6 (1st Cir. 2001).

The First Circuit has established two ways to challenge a court's subject matter jurisdiction under Rule 12(b)(1), to wit, sufficiency (or facial) challenges and factual challenges. See Valentín v. Hosp. Bella Vista, 254 F.3d 358, 362 (1st Cir. 2001). In a sufficiency challenge, the court considers whether the allegations in the complaint "propound[ ] an adequate basis for subject-matter jurisdiction." Id., at 363. The Court must construe the Complaint liberally and treat all well-pleaded facts as true, drawing all reasonable inferences in favor of the plaintiffs. Viqueira v. First Bank, 140 F.3d 12, 16 (1st Cir. 1998); K.W. Thompson Tool Co. v. United States, 836 F.2d 721, 726 (1st Cir. 1988). "A party, however, may not rest merely on 'unsupported conclusions or interpretations of law.'" Washington Legal Found. V. Massachusetts Bar Found., 993 F.2d 962, 971 (1st Cir. 1993)). "[S]ubjective characterizations or conclusory descriptions of a general scenario which could be dominated by unpleaded facts" will not defeat a motion to dismiss. Coyne v. City of Somerville, 972 F.2d 440, 444 (1st Cir. 1992).

In contrast, a factual challenge is when the defendant "controvert[s] the accuracy (rather than the sufficiency) of the jurisdictional facts asserted by the plaintiff and proffer[s] materials of evidentiary quality in support of that position." Valentín, 254 F.3d at 363. Hernández-Santiago v. Ecolab, Inc., 397 F.3d 30, 34 (1st Cir. 2005). Unlike in a sufficiency challenge, the plaintiff's jurisdictional averments are entitled to "no presumptive weight" in a factual challenge. Id. When necessary, the court must engage in "differential factfinding" addressing the merits of the jurisdictional claim by resolving the factual disputes between the parties. Id.

The parties in the instant case bicker over the applicability of these two standards as to the RICO claims. Plaintiffs' position is that the sufficiency standard governs, insofar as the Moving Defendants submitted no affidavit or otherwise admissible evidence disputing the accuracy of the Amended Complaint's jurisdictional allegations and instead, are trying to inject their own characterization of state-court rulings onto the well-pleaded facts. (Docket No. 83, p. 22). In contrast, the Moving Defendants aver that the factual challenge standard governs, as they filed exhibits with their motions supporting the jurisdictional contentions presented and under the Valentín holding, they argue this Court "is not confined to the four corners of the complaint, and instead, can conduct 'discovery, consider extrinsic evidence, or hold evidentiary hearings.'" Valentín, 254 F.3d at 363. (Docket No. 71, pp. 13-14).

However, Plaintiffs also submitted many documents in support of their Amended Complaint. Considering that Plaintiffs' arguments in opposition to the Moving Defendants' "Motion to Dismiss" reference and are based on many of those documents, the Court understands the RICO claims entail a factual challenge and will consider documents that are: (1) of undisputed authenticity; (2) official public records; (3) central to Plaintiffs' claims; and (4) sufficiently referred to in the complaint. See Doe v. Brandeis Univ., 177 F.Supp.3d 561, 573 n.1 (D. Mass. 2016); Watterson v. Page, 987 F.2d 1, 3 (1st Cir. 1993).[5]

[5] Both parties have submitted at this juncture extra pleading materials they wish the Court to consider in its analysis. Considering that the Court will dispose of most of this case under the probate and/or Colorado River abstention exceptions, the Court need not convert the record filings into a motion for summary judgment. See Colorado River Water Conservation Dist. v. United States, 424 U.S. 800 (1976).

B. Federal Rule of Civil Procedure 12(b)(6).

Under Federal Rule of Civil Procedure 8(a), a plaintiff's complaint is only required to provide "a short and plain statement of the claim showing that the pleader is entitled to relief." FED. R. CIV. P. 8(a)(2). A 'short and plain' statement needs only enough detail to provide a defendant with "fair notice of what the ... claim is and the grounds upon which it rests" and must contain enough factual material "to raise a right to relief above the speculative level on the assumption that all the allegations in the complaint are true (even if doubtful in fact)." Bell Atl. Corp. v. Twombly, 550 U.S. 544, 555 (2007).

In its review of the dismissal request of the other claims, the Court must "accept as true all well-pleaded facts in the complaint and draw all reasonable inferences in favor of the plaintiffs." Gargano v. Liberty Int'l Underwriters, Inc., 572 F.3d 45, 48-49 (1st Cir. 2009). Under Twombly, 550 U.S. at 555, however, a plaintiff must "provide the grounds of his entitlement [with] more than labels and conclusions." See also, Ocasio-Hernández v. Fortuño-Burset, 640 F.3d 1, 12 (1st Cir. 2011). Courts need not address complaints supported only by "bald assertions, unsupportable conclusions, periphrastic circumlocutions, and the like." Aulson v. Blanchard, 83 F.3d 1, 3 (1st Cir. 1996); Butler v. Deutsche Bank Tr. Co. Ams., 748 F.3d 28, 32 (1st Cir. 2014). Similarly, unadorned factual statements regarding the elements of the cause of action are insufficient. Peñalbert-Rosa v. Fortuño-Burset, 631 F.3d 592, 595 (1st Cir. 2011) ("Specific information, even if not in the form of admissible evidence, would likely be enough at [the motion to dismiss] stage; pure speculation is not."). Thus, a plaintiff is required to present allegations that "nudge [his] claims across the line from conceivable to plausible" to comply with the requirements of Rule 8(a). Twombly, at 570; Ashcroft v. Iqbal, 556 U.S. 662 (2009).

FACTUAL AND PROCEDURAL BACKGROUND[6]

A. The Wills.

Don Santos and Doña Iris were married for 67 years and established a large business empire in Puerto Rico comprised of multiple entities, including the Mr. Special supermarket chain, S.A. Properties, Inc. ("S.A. Properties"), Mariola, Inc., Mayagüez Resort & Casino, Inc., ("Mayagüez Resort"), Mayagüez Tourist Development, S.E. ("Mayagüez Tourist Development")[7], and S.A. Investments. They were married under the community property regime (in Spanish, "sociedad legal de gananciales"). Doña Iris passed away on January 13, 2023, and Don Santos on January 31, 2023.

On June 17, 2010, Doña Iris executed her last will, naming Don Santos as executor of her estate and Debbie as substitute executor. The will designated her four children, Edwin, Debbie, Richard Alonso Rodríguez ("Richard"), and Iris Vanessa Alonso Rodríguez ("Iris Vanessa"), as her sole and universal heirs for obligatory 2/3 portions of her estate, in equal shares (in Spanish, "tercios de legítima y mejora").[8] She named as her sole and universal heirs for the remainder 1/3 of her estate ("tercio de libre disposición") Catherine, Edwin Jr., Ricardo, Carlos, Cristine, Geraldine, Andrés and Stephanie, equally divided. She also bequeathed certain items to specific people. Doña Iris' will authorized her executor to "administer her ownership interests" in the Alonso Family Businesses. (Docket No. 1, Exhibit 1).

[6] All facts are derived from the Amended Complaint (Docket No. 55).

[7] Not to be confused with co-Defendant Mayagüez Tourist Development, Inc. (MDT-INC) created by Edwin in June 2025.

[8] The Puerto Rico Civil Code was Amended in 2020 and the forced heirship provisions changed substantially. Therefore, the provisions used by Doña Iris for the bequests in her 2010 will were no longer in effect by the time Don Santos executed his will in 2021.

In turn, Don Santos executed his last will on August 12, 2021, naming Edwin as his executor. His will designated as his sole heirs for the obligatory half of his estate ("la legítima") Doña Iris, Edwin, Richard, Debbie, Santitos, and Andrés (representing his mother Iris Vanessa, who by then had passed away) in equal portions. The remaining half ("de libre disposición") of the estate was bequeathed to Edwin, Richard, Debbie and Santitos, also in equal portions. He also bequeathed a specific sum to Valentín. Richard passed away in 2024 after the opening of both estate proceedings but before their liquidation. Richard's widow and children therefore represent him in both estates.[9] Notably, Don Santos' will contained language in a specific clause ("clause 4(H)") authorizing his executor "to administer the corporations" themselves, rather than merely administering Don Santos' ownership interests in these businesses. The specific corporations Edwin was authorized to administer were Mr. Special, S.A. Properties, Mariola, Mayagüez Tourist Development and S.A. Investments. Plaintiffs' contention is that Edwin has used this designation to assert exclusive and wrongful control over the Alonso Family Businesses. (Docket No. 1, Exhibit 2).

B. ADCOM.

Plaintiff ADCOM was created in 1992 while Don Santos was President of Mr. Special, to serve as the exclusive marketing and advertising agency for the supermarket chain. It was created with Debbie and her siblings holding ownership interests in the company. Over time, Debbie acquired her siblings' portions of the company, except for Vanessa Iris' interest, now held by her son Andrés.

[9] These are Plaintiffs Ricardo, Carlos, Cristine, Geraldine and his widow Zulma.

For many years, Debbie acted as Mr. Special's Vice President of Sales and Marketing and under her direction, ADCOM created product selection and art for promotional and marketing materials for Mr. Special's products. This contractual relationship was a long-term business arrangement between Mr. Special and ADCOM while Don Santos was alive, which was created with the understanding that it would last through Debbie's lifetime and ownership of ADCOM.

The business relationship continued for over 30 years, until after the death of Don Santos. On January 7, 2025, Edwin terminated both Debbie's employment with Mr. Special as well as ADCOM's contract with the company. This happened after Edwin summoned Santitos to Mr. Special's headquarters, averring his signature was urgently needed to authorize the publication of some shoppers. Upon arrival, Edwin presented Santitos with a document which, in addition to authorizing the promotional materials, terminated ADCOM's services and authorized the immediate hiring of a new marketing agency. Santitos later stated he was unduly pressured into signing the document.

Following ADCOM's termination, Mr. Special has continued to use the marketing materials and works created by ADCOM, which are copyright protected, and no license or permission for their use was granted to Mr. Special for their use after the contract was terminated. The cancellation of ADCOM's long-standing contract and tortious interference therewith has caused financial harm to ADCOM.

C. <u>S.A. Investments</u>.

S.A. Investments was created on August 9, 2021, while Don Santos was alive, with an effective date of October 1, 2021. The Operating Agreement indicated Don Santos was its sole "Member" even though it was created during his marriage to Doña Iris. The

Operating Agreement established that the company's purpose was "to invest in marketable investments, such as stocks, bonds, notes, and fixed income instruments, which trade in liquid securities markets." (Docket No. 1, Exhibit 4). The Operating Agreement also designated Edwin as the company's Resident Agent and Manager/Administrator, and gave him extensive powers, including, among others: (a) sale or disposition of company assets; (b) purchase or acquisition of assets; (c) borrowing money; (d) loan payment or extension; and (e) execution of contracts and other instruments. The Operating Agreement also specifically stated the Manager or Administrator had the right to control and manage the company and forbade the Member, that is, Don Santos, from taking part in the direction or operation of the company's affairs.

On the company's effective date, October 1, 2021, it received a transfer in the amount of $71,491,989.00, from Mr. Special. This transfer was documented in Mr. Special's audited financial statements for fiscal years 2021 and 2022. This transfer represented a significant portion of Mr. Special's liquid assets and was allegedly authorized by a board meeting that Plaintiffs say never occurred and was not approved by Mr. Special's Board of Directors.

After Edwin assumed his role as executor of Don Santos' estate in April 2023, he had the fiduciary duty to protect and preserve its assets and the interests of all the beneficiaries involved. Prior to the creation of S.A. Investments, Mr. Special had engaged in high volume securities trading, but Plaintiffs allege that, after the death of Don Santos and Doña Iris, Edwin continued exercising high-risk and speculative securities trading allegedly due to gambling problems, which resulted in substantial losses to the investment portfolio that now belonged to all of Don Santos' heirs and legatees.[10]

Plaintiffs also aver that, after the death of Don Santos, S.A. Investments automatically ceased to exist by operation of law, as its sole member was deceased. This notwithstanding, Edwin continued to operate the corporation, engaging in unauthorized securities transactions that resulted in losses of approximately 57% of the investment portfolio's value and which are incompatible with his fiduciary obligations as executor of Don Santos' estate. A limited, preliminary audit of the corporation revealed unexplained discrepancies and shortages of money in the corporate accounts, including approximately $13.5 million dollars that are unaccounted for and withdrawals of approximately $4.5 million dollars.

D. Mr. Special's Board of Directors and S.A. Properties.

Plaintiffs claim Edwin has also failed to properly run Mr. Special's Board of Directors, that in turn is tasked with ensuring the smooth running of the company. Prior to the deaths of Don Santos and Doña Iris, Mr. Special's corporate officers were Don Santos (President, now deceased), Edwin (Vice-President), Santitos (Director), Richard (Secretary, now deceased), and Doña Iris (Treasurer, now deceased).

After Don Santos and Doña Iris passed away in 2023 and Richard passed away in 2024, Mr. Special's Board of Directors was comprised only of Edwin and Santitos, which was less than the mandatory three director minimum required by its Certificate of Incorporation. Edwin failed to appoint any other directors until June of 2025, when he

[10] Because Doña Iris predeceased Don Santos, Don Santos is an heir to Doña Iris' estate under Puerto Rico's succession law. Consequently, Doña Iris' estate must first be liquidated, and Don Santos' portion thereof must be adjudicated to his own estate. Only thereafter may Don Santos' estate be liquidated and disbursed.

unilaterally appointed co-Defendant Fuentes and attorney Luis E. Dubón-Arraiza ("Dubón") and removed Santitos. These appointments were allegedly done in violation of Puerto Rico's corporate law and Mr. Special's own bylaws. The Puerto Rico Court of First Instance later declared these actions null and void in an Interlocutory Order dated September 3, 2025, and ordered Santitos' reinstatement to the Board of Directors. (Docket No. 71, Exhibits 8 and 9). Specifically, the state court held that, as executor of Don Santos' estate, Edwin lacked the authority to directly and unilaterally appoint or remove members from Mr. Special's Board of Directors and held this must be done in accordance with the corporate bylaws in a duly convened meeting. Id.

On November 12, 2025, Edwin once again appointed Fuentes and added Quiñones and del Río as additional members of Mr. Special's Board of Directors. The Amended Complaint avers that Edwin made these appointments to consolidate his control over Mr. Special by naming people to positions who would provide legitimacy to his unauthorized actions instead of legitimate and appropriate oversight over the operations.

On February 13, 2024, Edwin sold real estate in Cabo Rojo belonging to S.A. Properties (part of the Alonso Family Businesses) to Jamar's Properties, LLC, for $1.3 million dollars without a board resolution and without obtaining permission from the co-heirs or the court. The Board of Directors of S.A. Properties carried at the time the same governance deficiencies as Mr. Special after the passing of Don Santos and Doña Iris and lacked an adequate number of board members.

Pursuant to Edwin's role as administrator of the corporations under Don Santos' will, he has also excluded Debbie from all management decisions regarding the Alonso Family Businesses, notwithstanding that Debbie is the executor of Doña Iris' Estate and must administrate said ownership interest in the companies. Edwin has additionally denied Debbie access to the records of the Alonso Family Businesses that he currently controls and has obstructed estate administration by ordering the employees to withhold financial information from her. These actions have exposed Debbie to liability for failing to comply with her estate administration duties. Edwin has also utilized family assets unilaterally, such as exclusively enjoying a luxury apartment in San Juan, owned jointly by both Estates, without compensating either of them.

E. MTD-INC.

Mayagüez Tourist Development is another of the Alonso Family Businesses which was automatically dissolved by operation of law in January 2023 upon the death of its principal partners, Don Santos and Doña Iris. Under Puerto Rico law, liquidation and partition of the corporate assets should follow the corporate dissolution.

Instead, on June 13, 2025, Edwin incorporated MTD-INC and named himself as the sole incorporator, resident agent, and president. On July 17, 2025, through a deed executed before a notary public, Edwin transferred valuable real estate from the now-dissolved Mayagüez Tourist Development special partnership to the newly minted MTD-INC in exchange for corporate shares. The transferred property consisted of approximately 37,765 square meters in Mayagüez, Puerto Rico where the Mayagüez Resort operates, and is conservatively estimated to be valued over several million dollars based on its location and the hotel and casino business located on it.

Edwin executed this transfer without obtaining consent from all heirs as required under Puerto Rico law for alienation of estate property, as well as without proper legal authority, documentation, and mandatory tax clearances under Puerto Rico law and the

Internal Revenue Code. Plaintiffs aver this renders the transaction null and void and is a deliberate run-around of the laws designed to preserve the value of the estates and their contents, whereby Edwin now exclusively controls valuable property rightfully belonging to both estates.

F. State court cases.

Defendants referred to and submitted in their filings the following cases currently being litigated and pending before Puerto Rico's state courts. The Court takes judicial notice of these cases and holdings, many of which have direct bearing on the issues presented before this Court today.

1. MZ2023CV01751 – (the "Removal Case," to remove Edwin as executor and invalidate clause 4(H) of Don Santos' will). Filed by Richard, Santitos, Stephanie and Debbie against Edwin. Plaintiffs sought a declaratory judgment seeking both the invalidation of clause 4(H) of Don Santos' will and Edwin's removal as executor for alleged violation of his fiduciary duties. The allegations of said breach included the allegedly suspicious transfer of the $71 million dollars from Mr. Special's account to S.A. Investments in 2021 while Don Santos was alive, the alleged losses to the S.A. Investments and other estate accounts, Edwin's unliteral and *ultra vires* actions vis-a-vis the corporations, and argued that Debbie held half of the voting rights in the different corporations due to the community property nature of Dona Iris' shares and that she was unable to properly administrate these rights because of Edwin's unilateral take-over of the Alonso Family Businesses.

The Court dismissed the declaratory judgment claim in which Plaintiffs challenged clause 4(H) of Don Santos' will. In so doing, the state court specifically addressed the issue of the nullity of the clause, holding as follows: "[f]rom a reading of these provisions we must conclude that in the present case none of the situations that could sustain an action for annulment of a will has been alleged. The intention of the plaintiff is that this Court declare the nullity of one subsection of the will while sustaining the validity of the remainder. Note that the plaintiff does not allege that the will was executed in noncompliance with the requirements and formalities that arise from Puerto Rico's legal system. Nor are there allegations contesting the capacity of the testator at the time of executing the will or any defect in his will. Those are the instances in which heirs may bring an action for annulment or voidability of a will." (Docket No. 71, Exhibit 5). Plaintiffs filed an appeal before the Puerto Rico Court of Appeals, specifically seeking review of the dismissal of their declaratory judgment claim, which is pending.

2. MZ2023CV01723 and MZ2023CV01775 - (consolidated) (the "Corporate Books Inspection Cases") - Edwin against Mayagüez Resort (1723); Debbie against Edwin, Mr. Special, S.A. Properties, Mariola, Mayagüez Tourist Development and S.A. Investments (1775). Edwin, as executor of the Estate of Don Santos and under the Puerto Rico General Corporations Act, sought to inspect the corporate books and records of the Mayagüez Resort, which was administered by Debbie pursuant to Don Santos' will (1723). Debbie then filed a separate case under the Puerto Rico General Corporations Act against Edwin, Mr. Special,

S.A. Properties, Mariola, Mayagüez Tourist Development and S.A. Investments (1775), seeking to inspect the corporate books of the other Alonso Family Businesses. She alleged that half the corporate shares belonged to Doña Iris and Edwin's actions prevented her from carrying out her executor duties. The cases were consolidated, and the state court dismissed both claims, finding both parties lacked standing.

On appeal, the Puerto Rico Court of Appeals reversed dismissal of Edwin's petition and held he had standing insofar as the claims were governed by the Puerto Rico Corporations Act (as alleged by Edwin) and not by the Civil Code's dictates on community property (as alleged by Debbie). Therefore, inspection rights could only be exercised by registered shareholders, which Edwin demonstrated Don Santos was. Debbie was unable to demonstrate the same for Doña Iris, notwithstanding her contention that the shares were community property. Therefore, the dismissal of Debbie's case was affirmed on the basis that she lacked standing because she had not demonstrated Doña Iris was a registered shareholder of record. Importantly, the Court held that "with respect to Debbie's argument regarding the community property nature of the shares, we agree with the court below, *to the effect of noting that the controversy must be resolved in a probate-related lawsuit*" and that "it is not for the trial court to adjudicate the community property character of the assets in a lawsuit on injunctive relief brought under the General Corporations Act." (emphasis added) (Docket No. 71, Exhibit 3).

3. MZ2023CV01690 and MZ2025CV00381 - (consolidated) (the "Assets Division Case" to liquidate Don Santos' estate and divide the assets). Filed by Edwin, as executor of the estate of Don Santos, Catherine and Edwin Jr., against Debbie, Richard, Santitos, Ricardo, Carlos, Christine, Geraldine, Andrés and Stephanie, to liquidate the post-conjugal community formed during the marriage of Don Santos and Doña Iris (1690). This case argued that because Doña Iris predeceased Don Santos, her estate had to be liquidated first so Don Santos' hereditary portion could be adjudicated to his own estate and sought to compel Debbie to do so. See fn 10. In March 2025, Santitos, Debbie, Richard's estate and Stephanie filed a concurrent claim (0381) against Edwin, also seeking the liquidation of the estate of Don Santos. The Court of First Instance consolidated both cases. The issues decided by the Court of First Instance and subsequently, by the Puerto Rico Court of Appeals, have bearing on this case.

    a. The Court of First Instance denied the partial summary judgment request by Debbie and the other heirs, who sought the court to determine "that her late mother, Iris María Rodríguez Rosa, was the owner of 50% of the shares and interests of all businesses created during the marriage between her parents; this so that Debbie, in her capacity as executor of her mother's estate, may administer and safeguard those shares for the benefit of the estate of Mrs. Iris." (Docket No. 71, Exhibit 6, p. 4). The Court of First Instance stated that, although the community property regime was presumed, "this presumption admits evidence to the contrary. Furthermore, the present case has as its objective the partition of the estate left by Mrs. Iris. To achieve that, it is first necessary to liquidate the community property regime existing between Mrs. Iris and Mr. Santos. The Court of Appeals, through different panels, has persuaded us that when liquidating post-community property, what is proper is the valuation of the shares issued as community property and not interference in the administration of the assts of the corporation." (Docket No. 71, Exhibit 6, pp. 22-23).

The Puerto Rico Court of Appeals declined to issue a writ of *certiorari*. (Id. at Exhibit 7). This Court notes this was the same contention (the issue of the community property nature of the corporate shares) Debbie raised in the Removal Case and in the Corporate Books Inspection Cases, and which she again raises before this Court.

b. All stock certificates of Mr. Special, S.A. Properties, and Mariola were only issued in the name of Don Santos. (Docket No. 71, Exhibit 6, pp. 8-9). Thus, only Edwin had authority to exercise the voting rights for the shares, explicitly rejecting Debbie's community property argument. This conclusion was later affirmed by the judge via a separate resolution in another motion, when he cited a previous ruling by the Puerto Rico Court of Appeals that had previously held that "in its Judgment dated June 27, 2024 (KLAN202400200 and KLAN202400201) [the appeals from the Corporate Books Inspection Cases], that forum held that Edwin Alonso, in his capacity as executor of Mr. Santos, is the only person with standing to exercise those corporate rights corresponding to the decedent's shares, whereas Debbie Alonso, as executor of Mrs. Iris, failed to evidence such standing." (Docket No. 71, Exhibit 8, p. 11).

c. The Court annulled the appointment of Fuentes as director of Mr. Special, as it found it was not made pursuant to its bylaws, which required it to be done in a duly convened shareholders' meeting and pursuant to the corporate bylaws. (Docket No. 71, Exhibit 8, at pp. 12-13; Exhibit 9, p. 32).

d. Regarding Debbie's contention that, as Executor of the Estate of Doña Iris, she was entitled to administrate half of the assets (due to Doña Iris' community property interest), it held that said presumption was rebuttable and the issue could be addressed without first liquidating the community property partnership. More importantly, it stated: "Therefore, this Court rejects petitioners' argument that the non-divided community property grants them a collective right to directly manage the corporations, since such interpretation has not only been expressly rejected by final appellate rulings, but further distorts the nature of the inheritance community and corporate legal personage" and noted that the petitioners, (Debbie and the heirs), persisted "in claiming collective powers previously denied." (Docket No. 71, Exhibit 8, p. 12).

e. The state court noted the following: "All parties are ADMONISHED that the re-affirmation of issues already adjudicated by the Court of Appeals - such as the claim that the undivided community property confers a collective right of co-heirs to directly intervene in the administration of the corporations - constitutes improper use of judicial processes, and will not be validated; continued filing of successive lawsuits on matters already resolved may result in the imposition of sanctions and attorney's fees due to recklessness ." (Docket No. 71, Exhibit 8, p. 13).

f. On a petition for reconsideration by Edwin as to the nullity of the board appointments, the Court of First Instance held that Edwin "holds the authority to administrate the shares on behalf of the estate, but not their dominion or ownership" and reinstated Santitos to Mr. Special's Board of Directors. It further held the presumption of community property, as advocated by Debbie and the other heirs, did not "confer any right to intervene in the administration of the corporation, as it extends only to the economic value of the shares [owned by Doña Iris] and not in the manner in which its Board of Directors is managed or elected." (Docket No. 71, Exhibit 9, p. 29, 31).

4. MZ2023CV01741 and MZ2023CV01772 (consolidated) (the "Rent Collection Cases") - Edwin against Mayagüez Resort (1741); S.A. Properties against Mayagüez Resort (1772). Edwin, as executor of Don Santos' estate, and S.A. Properties both initiated separate collection proceedings against Mayagüez Resort for unpaid rent owed under a lease. The Mayagüez Resort (which Debbie managed) again raised the issue of the community property nature of the shares owned by Doña Iris and of the heirs' right to co-administrate the corporations together. The Mayagüez Resort also argued that clause 4(H) of Don Santos' will

was null and void. Debbie later sought intervention in the case, which was granted.

On summary judgment, the Court of First Instance dismissed the consolidated rent collection actions against Mayagüez Resort, holding the estate of Don Santos and the corporation lacked standing to recover the rents owed. The Court of Appeals reversed, holding that both parties had standing and moreover, noted that "this matter [referring to the same argument as to the community property nature of the shares raised by Debbie], which is under dispute, is being resolved in a separate civil action regarding the liquidation of the Community Property once composed by the Deceased and the Wife, a process that remains pending adjudication." See Edwin Alonso Rodríguez and Others v. Debbie Alonso Rodríguez and Others, MZ2023CV01690 ." (Docket No. 95, Exhibit 1, p. 21).

5. MZ2026CV00152 - Edwin, Catherine and Edwin Jr. against Debbie, to remove Debbie as executor of the estate of Doña Iris. This Complaint avers Debbie failed to faithfully comply with her executor duties, among them failure to make an inventory of the estate; refusal to seek appraisals of estate property within her control; failure to submit trimestral reports as to the status of estate matters; failure to comply with the estate's tax obligations; "dolo"; acting ultra vires as to Mayagüez Resort matters, and conflicts of interest, among others.

ANALYSIS

Plaintiffs in the case at bar bring forth a plethora of claims against Defendants under federal and state RICO; conspiracy to violate federal RICO; copyright infringement;

breach of fiduciary duty, breach of contract and tortious interference with a contract under Puerto Rico law; and seek several declaratory judgments.

The Moving Defendants seek dismissal under several theories. First, they proffer the Court lacks subject matter jurisdiction over this case under FED.R.CIV. P. 12(b)(1) because the probate exception bars Plaintiffs' RICO claims before this Court. Considering the Amended Complaint attempts to plead a RICO claim predicated on actions which were undertaken in the administration of a probate estate, Moving Defendants assert this case is really "a probate and corporate dispute masquerading as a RICO action." (Docket No. 71, p. 7). They also contend the declaratory judgment petitions likewise involve challenges to Don Santos' will and to decisions on matters of corporate governance undertaken by Edwin, in whom Don Santos vested exclusive corporate managerial control of all his companies and of his estate. In sum, the Moving Defendants' contention is that Plaintiffs ask this Court to invalidate estate administration matters which are not only currently being entertained before the state courts but are also expressly forbidden under the probate exception.

In the alternative, the Moving Defendants aver the Court must abstain under the Colorado River and Rooker-Feldman doctrines. This notwithstanding, they also claim that on the merits, Plaintiffs claims must be dismissed because the Amended Complaint fails to state a claim upon which relief can be granted under FED.R.CIV.P. 12(b)(6) as to the federal RICO and copyright causes of action. After dismissing them, the Court should decline to exercise jurisdiction over the state law claims.

Plaintiffs' position is that the Moving Defendants have it backwards, that is, the Amended Complaint pleads a RICO action they prefer to litigate as a probate and corporate dispute. They proffer the probate exception only bars this Court from probating a will, administering an estate, or disposing of property that is under the custody of a state probate court, none of which are at issue in the present case. Instead, they seek damages under federal racketeering and copyright statutes as opposed to probating a will or administering any estate.

Plaintiffs allege abstention under Colorado River is inapplicable here, as federal copyright and racketeering claims cannot be properly adjudicated by the state court. They also assert the Rooker-Feldman doctrine is equally inappropriate, as they are not asking the Court to review any state-court decision. Finally, Plaintiffs claim the merits-based challenge also falters because they have adequately pled all causes of action and the Moving Defendants ask the Court to weigh contested facts, evidentiary disputes and to credit their exhibits, which is improper at this state of the litigation.

After thorough review, the Court agrees with the Moving Defendants that the federal and state RICO causes of action, the breach of fiduciary duty, as well as the relief sought in the declaratory judgment claims, are all barred by the probate exception and the Court lacks jurisdiction to entertain them. Even if the Court had jurisdiction to entertain these claims, however, it would reach the same result and would have to dismiss them under the abstention doctrine espoused in Colorado River. However, the copyright cause of action and remaining state court claims for breach of contract and tortious interference are different matters that survive the axe of dismissal at this early juncture.

1. Probate exception.[11]

At the outset the Court agrees with Plaintiffs that the First Circuit has not addressed the issue of whether the probate exception applies to federal causes of action in federal court. The probate exception is usually invoked in diversity cases, and the courts are divided over its applicability to federal-question cases such as the present one. See Glassie v. Doucette, 55 F.4th 58, n. 9 (1st Cir. 2022) (indicating that "in light of our ruling, we have no need to decide whether the probate exception can be applied to federal causes of action in federal court"). Some courts have held it applicable, see *e.g.,* In re Marshall, 392 F.3d 1118, 1131-32 (9th Cir. 2004), *rev'd on other grounds*, 547 U.S. 293 (2006); Tonti v. Petropoulous, 656 F.2d 212, 215-16 (6th Cir. 1981); Jones v. Brennan, 465 F.3d 304, 306 (7th Cir. 2006) (detailing reasoning behind decision to apply probate exception to federal question cases). Other cases held otherwise, see *e.g.,* In re Goerg, 844 F.2d 1562, 1565 (11th Cir. 1988) (indicating probate exception "has no bearing on federal question jurisdiction"); Kinder Morgan, Inc. v. Crout, 814 F. App'x 811, 816 (5th Cir. 2020) (declining to address the issue).

This Court sides with the Seventh Circuit's persuasive and well-reasoned analysis reasoning in Jones, 465 F.3d at 307 in finding that the probate exception applies to federal question cases. The Jones court explained that the "best contemporary reasons for keeping federal courts out of the business of probating wills, resolving will contests,

[11] The Court must mention the Moving Defendants used artificial intelligence in a case citation in support of this portion of their motion, namely, González v. Succession of Serrallés, 45 F.4th 20 (1st Cir. 2022). (Docket No. 71, p. 31). They accepted responsibility for the incident separately and apologized to the Court. (Docket No. 86). It goes without saying that all attorneys have a duty of candor towards the Court, must show competency in their representation and must make sure the contents of all filings are made to the best of their knowledge and ability. See Model Rules 1.1 and 3.3 of the Model Rules of Professional Conduct and Fed.R.Civ.P. 11(b)(2). As requested by the Moving Defendants, the Court deems withdrawn the reference in their motion to the non-existent case of González v Succession of Serrallés. The Court expects that an incident of this nature does not occur again.

granting divorces and annulments, administering decedents' estates" and the like "are as persuasive when a suit is filed in federal court on the basis of federal law as when it is based on state law." Id.

Before Marshall, courts tended "to view the probate exception as extending to all suits 'ancillary' to the probate of a will." Mangieri v. Mangieri, 226 F.3d 1, 2-3 (1st Cir. 2000) (quoting Georges v. Glick, 856 F.2d 971, 973 (7th Cir. 1988)). The Marshall Court therefore attempted to "resolve the apparent confusion among federal courts concerning the scope of the probate exception" which it held was a limited one. Marshall, 547 U.S. 293. Marshall held the probate exception "reserves to state probate courts the probate or annulment of a will and the administration of a decedent's estate; it also precludes federal courts from endeavoring to dispose of property that is in the custody of a state probate court." Id., at 296. The exception, however, does not "bar federal courts from adjudicating matters outside those confines and otherwise within federal jurisdiction." Id., at 312. "Where exercise of federal jurisdiction will result in a judgment that does not dispose of property in the custody of a state probate court, even though the judgment may be intertwined with and binding on those state proceedings, the federal courts retain their jurisdiction." Jiménez v. Rodríguez-Pagán, 597 F.3d 18, 24 (1st Cir. 2010).

In Tartak v. Del Palacio, Civil No. 09-1730 (DRD), 2010 WL 3960572, at *6 (D.P.R. Sept. 30, 2010), this District summarized the dispositive sections of the Marshall's decision as follows: (1) claims that do not "involve the administration of an estate, the probate of a will or any probate matter" may proceed in federal court; (2) widely recognized [intentional] pure tort actions such as "fraud, duress or other means intentionally prevents another from receiving from a third person an inheritance or gift that [had been] received is subject to liability to others for loss of the inheritance or gift" is not barred under the probate exception; (3) *in personam* judgments against other inheritors are not barred by the probate exception; (4) suits to annul a will are barred; (5) a *res* subject to probate is barred from being in any manner carved or taken away from the jurisdiction of the state court. Tartak, 2010 WL 3960572, at *6.

Thus, the exception is rather easily applied to "pure" probate matters, for example, those involving the administration of an estate or the actual probate or annulment of a will. Rice v. Rice Found., 610 F.2d 471, 475 & n. 6 (7th Cir. 1979). When the claims and issues are intertwined and are not as clear as in this case, it presents a closer question.

A. The allegations.

1. RICO.

RICO section 1962(c) makes it unlawful "for any person employed by or associated with any enterprise engaged in, or the activities of which affect, interstate or foreign commerce, to conduct or participate, directly or indirectly, in the conduct of such enterprise's affairs through a pattern of racketeering activity or collection of unlawful debt." 18 U.S.C. § 1962(c). RICO section 1964(c) permits a "person injured in his business or property by reason of a violation of section 1962" to bring a civil RICO suit. 18 U.S.C. § 1964(c). Thus, to state a section 1962(c) RICO civil claim, a plaintiff must allege: (1) injury caused by (2) conduct, (3) of an enterprise, (4) through a pattern, (5) of racketeering activity. Giuliano v. Fulton, 399 F.3d 381, 386 (1st Cir. 2005); Reves v. Ernst & Young, 507 U.S. 170, 179 (1993). Plaintiffs must, furthermore, "allege and prove the existence of two distinct entities: (1) a person; and (2) an enterprise that is not simply the same person referred to by a different name." Cedric Kushner Promotions, Ltd. v. King, 533 U.S. 158, 162 (2001). The failure to identify any enterprise distinct from named defendants is fatal under RICO. Doyle v. Hasbro, Inc., 103 F.3d 186, 190-191 (1st Cir. 1996).

Additionally, the rules for fraud pleading under RICO remain the same as under FED.R.CIV. P. 9(b), which require the pleader "to go beyond a showing of fraud and state the time, place and content of the alleged mail and wire communications perpetrating that fraud." Cordero-Hernández v. Hernández-Ballesteros, 449 F.3d 240, 244 (1st Cir. 2006). "[M]ere allegations of fraud, corruption or conspiracy, averments to conditions of mind, or referrals to plans and schemes are too conclusional to satisfy the particularity requirement, no matter how many times such accusations are repeated." Doyle, 103 F.3d at 194.

Plaintiffs deem the following actions by Edwin, which were achieved using interstate wire and mail communications, as predicate acts of racketeering: the transfer of $71,491,989 from Mr. Special to S.A. Investments on October 1, 2021; high-risk securities trading with the assets transferred to S.A. Investments from October 2021 until today, which resulted in losses; the illegal use of S.A. Investments as an operating entity as it had been dissolved upon Don Santos' death; diversion of approximately $13.5 million in proceeds from January through June 2023; unexplained withdrawals of approximately $4.5 million dollars from S.A. Investment accounts in January 2023; fraudulent sale of the Cabo Rojo property for $1.3 million on February 13, 2024 without authorization from the heirs; the fraudulent transfer of valuable real estate from the dissolved special partnership Mayagüez Tourist Development to the sham corporation MTD-INC on July 17, 2025 also without authorization from the heirs; and the use of coercion and misrepresentation to obtain Santitos' signature, which resulted in the termination of ADCOM's contract and Debbie's employment with Mr. Special.

2. Conspiracy to violate RICO.

18 U.S.C. § 1962(d) makes it unlawful for any person to conspire to violate any of the provisions of subsection (a), (b), or (c) of § 1962, and requires proof the defendant agreed to participate in the conduct of the enterprise's affairs through a pattern of racketeering activity. Plaintiffs allege that Edwin, acting in concert with co-Defendants Fuentes, del Río, and Quiñones, and through his control over the different corporations, executed illegal and fraudulent actions. Plaintiffs contend that Edwin enlisted Fuentes, del Río, and Quiñones to serve as purported directors of Mr. Special as a cover-up to provide corporate legitimacy to his unauthorized actions and they participated in this conspiracy by accepting said appointments, all the while facilitating Edwin's exclusive control over the corporation.

3. The Commonwealth's RICO.

The Commonwealth's RICO claims allege Edwin engaged in a pattern of criminal activity by committing the following predicate crimes under Puerto Rico law: the creation of false corporate records regarding board meetings that never occurred; the manipulation of financial statements to conceal fraud; the embezzlement and theft of corporate funds and assets belonging to Mr. Special and the estates of Don Santos and Doña Iris, including the illegal transfer of valuable real estate; and the high-risk securities transactions that resulted in substantial losses and diversion of corporate assets for his personal benefit.

4. Fiduciary duty.

Regarding the breach of fiduciary duty, Plaintiffs aver that Edwin, as an officer of Mr. Special and the other Alonso Family Businesses, owed fiduciary duties of care, loyalty, and good faith to these entities and their shareholders. Upon becoming executor of Don Santos' estate, Edwin also owed fiduciary duties to the beneficiaries of that estate, including acting in good faith, exercising reasonable care and diligence in managing estate and corporate assets, avoiding self-dealing and conflicts of interest, preserving estate capital, and providing a full accounting to beneficiaries, which he has failed to do. Instead, he has engaged in a pattern of conduct to enrich himself and consolidate his control over the Alonso Family Businesses while excluding other rightful heirs.

The breach of fiduciary duty claims are comprised of the following: the transfer of $71,491,989 from Mr. Special to S.A. Investments; speculative securities trading with S.A. Investments assets; the sale of the Cabo Rojo property without proper authorization; interference with the Mayagüez Resort's operations due to the ongoing lawsuits; Edwin's personal use of the San Juan apartment owned by both estates; the creation of MTD-INC as a vehicle to steal estate assets; Edwin's concealment of financial information from Debbie despite her role as co-executor with alleged equal rights regarding community property assets; denial of access to corporate books and records necessary for Debbie to fulfill her duties as executor of Doña Iris' estate; wrongful termination of ADCOM and of Debbie's employment at Mr. Special; and the continuation of S.A. Investments after Don Santos' death.

5. Declaratory Judgments.

Finally, Plaintiffs ask the Court to establish certain rights under the Declaratory Judgment Act.

The Declaratory Judgment Act states, in relevant part, "[i]n a case of actual controversy within its jurisdiction . . . any court of the United States, upon the filing of an appropriate pleading, may declare the rights and other legal relations of any interested party seeking such declaration, whether further relief is or could be sought. Any such declaration shall have the force and effect of a final judgment or decree and shall be reviewable as such." 28 U.S.C.A. § 2201.

Plaintiffs ask for the following:

a. A declaration that clause 4(H) of Don Santos' will, which gives Edwin the power to administrate the corporations comprising the Alonso Family Businesses, is null. Alternatively, they seek a declaration that these administrative powers do not authorize Edwin to administer these entities because Don Santos did not hold a majority interest in them, and insofar as they are community property under Puerto Rico law until liquidated. Even assuming the clause's validity, they seek a declaration Edwin lacks the authority to unilaterally manage and control the corporations because they must be run in accordance with governing documents of each entity.

b. A declaration S.A. Investments was dissolved by operation of law following Don Santos' death; the Court order the corporation be wound up and its assets distributed; and to declare Edwin lacks authority to continue operating the corporation or engaging in transactions on its behalf.

c. A declaration the shares of Mr. Special, the membership interests in S.A. Investments and interests in the other Alonso Family Businesses constitute community property jointly owned by the estates of Don Santos and Doña Iris pending liquidation of the post-marital community.

d. A declaration the appointments of Fuentes, del Río, and Quiñones are null and void because they were made without recognition of the community property character of the ownership interests in Mr. Special and without considering Debbie's rights as executor of Doña Iris' Estate, which holds a joint ownership interest in the corporation. They further seek a declaration that any corporate actions taken by a board, including these invalidly appointed directors, are without legal effect for being *ultra vires* and Mr. Special must properly appoint directors in accordance with the law and the corporate bylaws.

B. Application.

The Court agrees with the Moving Defendants that most of Plaintiffs' requested relief require this Court to determine the scope and nature of estate property, evaluate the correctness (or lack thereof) of the actions of an executor under Puerto Rico's succession law, annul parts of a will, take control of a *res* already before the state court, and potentially redistribute or recover estate assets, which are core estate administration functions reserved exclusively to the Puerto Rico courts under the probate exception and under the Marshall holding. Marshall, 547 U.S. at 311-12.

Plaintiffs' main contention is the alleged misfeasance began with the creation of S.A. Investments and the subsequent multi-million-dollar transfer from Mr. Special and continued with Edwin's unilateral administration of Don Santos' estate after his death.

For example, the Amended Complaint alleges that, after Don Santos' demise, Edwin engaged in a riskier level of trading in the S.A. Investments portfolio, which contravened his fiduciary duty of preserving the estate and which resulted in losses thereto. The Amended Complaint also proffers Edwin concealed transactions by refusing to provide complete financial information and denying access to Mr. Special's corporate records to the heirs. They also argue he operated Mr. Special without observing proper board membership requirements by refusing to appoint directors, and when he finally did, he invalidly appointed del Río and Dubón and illegally removed Santitos (and it took a ruling from the Court of First Instance to reinstate him and invalidate the appointments); engaged in several real estate ventures without obtaining unanimous consent from all heirs; and terminated Debbie's employment with Mr. Special and ADCOM's contract, in explicit contravention of the dictates in Don Santos' will that his children maintain the corporate positions they held at the time of his passing.

Considering this, Plaintiffs ask this Court to invalidate certain will provisions, (clause 4(H)); assess and determine the nature of estate property and make a finding as to certain hereditary rights under Puerto Rico law (that the shares of the Alonso Family Businesses are community property and were owned equally by both spouses regardless of whose name appears on formal documentation); evaluate and determine the propriety of Edwin's actions as executor and determine whether property was preserved or mismanaged (*i.e.* determine the illegality of appointments to Mr. Special's Board; risky trading in the S.A. Investment portfolio; refusal to provide complete financial information and denial of access to corporate records; selling of several real estate properties) and take control of a *res* by liquidating the corporation and distributing assets (declare S.A. Investments dissolved and distribute its assets).

These are all quintessential estate administration acts which the Court finds fall within the probate exception under Marshall. See Glassie, 55 F.4th at 69 ("Where fiduciary duty claims seek to reach or distribute property within the custody of a state probate court, however, the probate exception may well apply.") (quoting Three Keys Ltd. v. SR Utility Holding Co., 540 F.3d 220, 229-30 (3d Cir. 2008) (noting that "whether characterized as an *in personam* action or not, [the action] requires the District Court to 'endeavor[ ] to dispose of property that is in the custody of a state probate court,' which is prohibited by the probate exception")).

Plaintiffs are hard pressed to argue these actions, undertaken by Edwin as part of his duties as executor, are not administrative actions. See also P.R. Laws Ann tit. 31, § 11512 (2020), which indicates, among others, that the executor's responsibilities are to "execute all orders contained in the will and if legal, support its validity." Don Santos' will explicitly included this legal premise as part of the broad powers given to Edwin as executor, as well as to "take possession of the estate and charge rents, products and utilities until the estate is distributed" and "administrate, withdraw and dispose of all of the testator; deposits in banks, investment houses, cooperatives and other entities." (Docket No. 1. Exhibit 2, p. 5). Thus, as far as the Court can tell, Edwin's actions have simply carried out Don Santos' wishes. The fact Plaintiffs label these acts as "illegal", "fraudulent" and "racketeering" does not diminish their administrative nature and that they were undertaken in Edwin's capacity as the executor of Don Santos' estate and in furtherance thereof. Thus, to pass judgment on the propriety of these acts would be barred by the probate exception. The fact that Plaintiffs are seeking *in personam* damages does not change this outcome either.

The Court additionally finds that other actions Plaintiffs ask the Court to undertake in this case, particularly the petitions for declaratory judgments, have direct bearing on the probate of Don Santos' will and would also interfere with the *res* currently before the state courts, elements that the Marshall court observed are barred under the probate exception.

Plaintiffs anchor their Opposition in Marshall and the First Circuit's most recent application of the probate exception in Glassie, 55 F.4th at 58. Prior to Marshall, the Supreme Court had held that a federal court "cannot interfere with the probate proceedings or assume jurisdiction of the probate or control the property in custody of the state court." Markham v. Allen, 326 U.S. 490 (1946). The Marshall court clarified this holding, finding that the "interference" language in Markham was "essentially a reiteration of the general principle that, when one court is exercising in rem jurisdiction over a res, a second court will not assume in rem jurisdiction over the same res." Id. Glassie, in turn, reversed the dismissal of a civil RICO action brought by an heir against the executor of her father's estate. The Glassie court found the probate exception did not bar an *in-personam* damages action even when adjudication may require the federal court to assess damages relating to estate assets.

Plaintiffs aver the present case is akin to Glassie, insofar as they also filed a RICO claim, a breach of fiduciary duty claim, and seek in personam damages. But that is as far as Glassie gets them. They argue the exception applies only where the plaintiff seeks to "exercise *in rem* jurisdiction over estate property," challenges the will, or "seek[s] to order the [state] probate judge to do or not do anything." Id. at 69. The distinction is that the Glassie court reversed the district court's dismissal of the case because plaintiff therein asked "for no relief that would reverse or otherwise affect any of the transactions she discusses in her complaint" and required no estate administration. Glassie, 55 F.4th at 68. Although Plaintiffs allege they seek none of those things in this case, their Amended Complaint, although cleverly disguising its claims as a RICO action, says otherwise.

First, the Amended Complaint openly asks this Court to declare that clause 4(H) in Don Santos' will is null and void, and therefore, the broad administrative powers granted to Edwin pursuant to such a clause are also void. This, in turn, would make the actions already undertaken as executor null with respect to the administration of Mr. Special and the other Alonso Family Businesses. In the alternative, Plaintiffs seek a declaration that Edwin lacks the authority to unilaterally manage and control Mr. Special and the other Alonso Family Businesses due to the community property nature of the shares. That is precisely what the Marshall court and the Glassie court referred to when they held that the probate exception applies when a party challenges a will. To be sure, the Amended Complaint does not challenge the entire will, but it directly and openly challenges the most important clause in Don Santos' will, the executor's capacity to act. The result of such a declaration by this Court would nullify all the actions Edwin has undertaken in this capacity, including the selling and trading of assets and properties.

Plaintiffs then argue that "even a freestanding request to annul a testamentary provision, which Plaintiffs do not concede Count VIII to be, would leave untouched the RICO and Copyright claims, which probate no will and administer no estate." But the Amended Complaint specifically asks this Court to do just that when it asks to invalidate clause 4(H) and Don Santos' express wish that his designated executor, Edwin, administrate his companies. Furthermore, all the challenges to Edwin's administrative actions hinge upon the invalidity of clause 4(H) and on a finding that such broad delegation of authority is not valid. The Court cannot see this as anything else than challenging the will and direct interference with the administration of Don Santos' estate, issues which are currently being litigated before the state court, because it binds the Executor's capacity to act practically in all aspects of the task that was bequeathed to him expressly by the testator and invalidates his actions. See Moore v. Graybeal, 843 F.2d 706, 710 (3d Cir. 1988) ("Regardless of how [the plaintiff] characterizes her claim, she is seeking in substance to invalidate the will ...."). This Court would have to decide the propriety of Edwin's actions and the nature of the shares involved, and in so doing, pass judgment on evidentiary matters pertaining solely to the probate action (and which is a matter which several state courts already held must be decided in a probate-related matter). This is expressly forbidden by Marshall.

In any event, the heirs have already brought this very issue before the state courts in the Removal Case, where Debbie, Santitos, Richard and Stephanie challenged clause 4(H) of the will and sought a declaratory judgment seeking both the invalidation of the same clause (the exact same relief asked from this Court) and Edwin's removal as executor. They assert in state court a myriad of misfeasance by Edwin which are all asserted here as well, including the transfer of the $71 million dollars from Mr. Special accounts to S.A. Investments, the alleged losses to the S.A. Investments and other estate accounts, Edwin's unliteral and *ultra vires* actions, the illegal use of the San Juan apartment, the community property nature of Doña Iris' shares and that Debbie is entitled to co-manage the corporate entities. The Court of First Instance specifically dismissed the challenge to the legality of clause 4(H) of Don Santos' will, finding no reason to invalidate it. Clause 4(H) was also challenged by Debbie in the Rent Collection Cases, where the Mayagüez Resort, which she administrates, also argued it was null and void. Therefore, deciding this matter now will undoubtedly interfere with the state courts' ability to decide precisely the same matter currently pending before them in two cases that are markedly more advanced than this one.

Therefore, the Court finds that Plaintiffs' petition for the annulment of clause 4(H) of Don Santos' will and the subsequent challenges to Edwin's administrative duties are expressly forbidden by the Marshall holding. This reasoning applies equally to the alleged predicate acts of racketeering as well as the breach of fiduciary duty claims, which also stem from Edwin's actions as executor of Don Santos' estate. Except for one act, the racketeering acts and breach of fiduciary duty claims all stem from Edwin's alleged illegal actions and misfeasance after he became executor of Don Santos' estate.[12]

[12] The $72 million-dollar transfer to S.A. Investments is somewhat different, insofar as it took place while Don Santos was alive. Although Plaintiffs add colorful language to their pleadings, such as that Don Santos suffered from "multiple health conditions, including hemorrhaging strokes", hinting that Don Santos perhaps was not of sound mind when he executed his last will (which, according to Plaintiffs, "departed materially from his own prior will" and from Doña Iris' will (Docket no. 83, p. 2)), it is clear this action was taken by Don Santos long before his demise and Plaintiffs can point to nothing in support of any actual misfeasance.

Don Santos' last will was an "open" will under Puerto Rico law signed before a notary public and two witnesses. (See Docket 1, Exhibit 2). Under Puerto Rico law, notaries are governed by "fe publica notarial" (loosely translated as public notarial faith), whereby the notary witnessing the signing of the document attests that the acts he witnessed are true and the document complies with all legal requirements in both form and substance, that the document is true and lawful, and that the transaction is valid and legitimate. In re: Vazquez Margenat, 204 D.P.R. 968, 977 (2020). In fact, the Supreme Court of Puerto Rico has stated that notary's public faith carries with it a presumption of legality, veracity and legitimacy which confers truthfulness, assurance and validity upon the notarized document. Id. If more were needed, two witnesses were also present during the signing of Don Santos' new will. Thus, the witnesses and the notary gave faith that Don Santos had the legal capacity to sign the will, which then carries with it at all the legitimacy that the notary's public faith can give.

Two months later, the transfer of $72 million was made from Mr. Special to S.A. Investments. Although Plaintiffs allege this was done via a document referencing a Board of Directors' meeting that never occurred, it is undisputed that this transfer of a substantial amount of money was done under Don Santos' direct supervision and oversight as head of the Alonso business conglomerate (and Mr. Special), and a full two years before he passed away. The Operating Agreement was also signed before a notary public, and stated that Don Santos, as its sole Member, was making an initial assignment of capital to the corporation. Said assignment was also publicly noted in Mr. Special's financial statements

Second, the Court finds the allegations of the RICO predicate acts, the breach of fiduciary duty and the other declaratory judgment claims are also barred by another holding in Marshall, insofar as they require this Court to exercise *in rem* jurisdiction over estate property. See Marshall, 547 U.S. at 311; Jones, 465 F.3d at 307-08 (the suit "would require the district court 'to disturb or affect the possession of property in the custody of a state court.'"). "Put differently, we must determine whether the plaintiff 'has asked a federal court to elbow its way into an ongoing fight over a property or a person in another court's control.'" Chevalier v. Est. of Barnhart, 803 F.3d 789, 802 (6th Cir. 2015). An action is *in rem* when the dispute is over "the title to property and the rights of the parties, not merely among themselves, but also against all persons at any time claiming an interest in that property[.]" Id., at 802. Thus, in determining whether this Court is asserting *in rem* jurisdiction, it must look to the old rule that the first court to assert *in rem* jurisdiction has exclusive jurisdiction over the *res*. See, *e.g.*, Marshall, 547 U.S. at 311.

Although couched as declaratory judgments, Plaintiffs also ask the Court to declare that Edwin has operated S.A. Investments illegally after Don Santos' death and the corporation be wound up and its assets distributed according to law; to order the forfeiture of all property and interests acquired by Edwin, including but not limited to the property illegally transferred to MTD-INC; order the immediate preservation of all books, records, and documents related to the Alonso Family Businesses and their assets; to declare the manner in which Mr. Special's corporate affairs are to be run, including the

for two consecutive years. Therefore, it is difficult to argue that the will and this very public transfer of assets, which was made by Don Santos almost two years before he passed away, was somehow made with intent to deprive Plaintiffs of family assets. No matter how hard this is to swallow for Plaintiffs, the drafting of the new will leaving broad authority to Edwin and the subsequent transfer of money were done long before Don Santos passed away.

appointments of its Board of Directors; and to enjoin Edwin and all other Defendants from transferring or dissipating estate assets pending resolution of this litigation. The Amended Complaint also avers the assets of the Alonso Family Businesses are part of the unliquidated post-marital community that created joint ownership between the estates, and proper corporate governance "requires decision-making by properly constituted boards of directors, not unilateral action by a single heir or executor." (Docket No. 55, p. 50). For this reason, Plaintiffs also seek a declaration that "the shares of Mr. Special, the membership interests in SAI-LLC, and interests in the other Alonso-Rodríguez Family Businesses constitute community property jointly owned by the estates of Don Santos and Doña Iris pending liquidation of the post-marital community." (Id., at p. 53).

The Court cannot conceive these acts can constitute anything but interference with the *res* before the state courts, as the RICO and breach of fiduciary duty claims all arise because of Edwin's allegedly illegal actions as executor and would entail this Court to review those actions and do the following: examine and determine the validity of corporate actions taken pursuant to the explicit testamentary authority granted to Edwin by Don Santos' will and currently under probate court supervision; liquidate and distribute assets from an allegedly defunct corporation; make a determination as to the alleged community property nature (or lack thereof) of the *res*; order how Mr. Special is to appoint its directors, and interfere in the explicit preservation of estate assets. All these issues are currently before the state court and have been for at least two years, and Plaintiffs' challenges have mostly been unsuccessful. See Baker, Donelson, Bearman, Caldwell & Berkowitz, PC v. Chopin, No. 22-10255, 2022 WL 4090841, at *1 (11th Cir.

Sept. 7, 2022) (noting that had the plaintiff sought a valuation of estate assets or actual transfer of property, the [probate] exception would apply).

Citing Glassie, Plaintiffs' attempt to defend their claims the state court would not be an adequate vehicle to see a RICO cause of action. But the Supreme Court explicitly held otherwise in Tafflin v. Levitt, 493 U.S. 455, 458 (1990), which is still good law, so this argument is a non-starter. ("...we granted certiorari limited to the question whether state courts have concurrent jurisdiction over civil RICO claims. We hold that they do..."). In any event, the Court agrees with the Moving Defendants that, if Edwin's actions are found by the state courts to have been validly undertaken, the RICO claims disappear. It is difficult to argue that certain actions can be labelled as racketeering when a court of law finds them to have been executed with the proper authority and that they were otherwise legal.

In sum, the Court finds Plaintiffs have brought claims to this forum that are currently part and parcel of several cases which are already being fully litigated in the state courts. On these facts, Plaintiffs are indeed hard-pressed to argue that these requests do not fall under the probate exception. Additionally, as candidly stated by the Moving Defendants, the probate court nature of the pending state court's proceedings in the Liquidation of Assets Case is evident, where the Court of First Instance has appointed an "accountant distributor" ("contador partidor"), one designated under Puerto Rico law to liquidate, divide and adjudicate an inheritance. See P.R. Laws Ann. tit, 31, § 115311 (2020).

For these reasons, the Court finds the federal and state RICO claims, the breach of fiduciary claims and the declaratory judgments are barred by the probate exception.

Although the probate proceedings do not concern the potential personal tort liability of an executor, all the issues Plaintiffs raise here have already been brought before the state courts and have been resolved, albeit not in final form. In the end, under Puerto Rico law, an executor must respond for the wrongful actions undertaken in connection with the estate administration. Thus, Plaintiffs are not left without recourse. See Junco Mulet v. Junco De La Fuente, 228 F.Supp.2d 12, 14 (D.P.R. 2002) (detailing process of an executor for the estate's liquidation and indicating the court will hold a hearing to determine whether the final account should be approved where proof may be presented therein by the heirs in support of their objections). Plaintiffs are free to raise their damages claims at the state court level which they already have.[13]

2. Colorado River abstention.

Even if the Court were to find the above-mentioned causes of action were not barred by the probate exception and it had jurisdiction to entertain these claims, it finds the Colorado River abstention doctrine would apply. The RICO and breach of fiduciary duty claims (which include the same acts) are the very same issues that have been (and are still being) actively litigated for several years before the state courts, which have already rendered some decisions and are markedly more advanced than the claims before this Court. They are simply being repackaged differently now before this Court. That the Plaintiffs disagree with the holdings of the state court should not and cannot be the basis for fabricating jurisdiction by invoking a federal law.

[13] As previously noted, it has not escaped the Court that both Debbie and Edwin have accused each other of misfeasance in the estates they were each entrusted to administrate and liquidate, and have both filed actions before the state courts to remove the other as executor. See state court case numbers MZ2023CV01751 and MZ2026CV00152. These are but two of the many cases pending at the state court level between the heirs to Don Santos and Dona Iris' Estates.

Under the Colorado River abstention doctrine, a federal district court "may stay or dismiss litigation when a state court is engaged in a contemporaneous exercise of concurrent jurisdiction." Concilio de Salud Integral de Loíza, Inc. v. J.C. Remodeling, Inc., Civil No. 14-1921 (PAD), 2016 WL 3746522, *1 (D.P.R. July 8, 2016). Abstention, however, "is an extraordinary and narrow exception to the duty of a District Court to adjudicate a controversy properly before it" by virtue of the Court's "virtually unflagging obligation" to exercise its lawful jurisdiction, but "the general principle is to avoid duplicative litigation." Colo. River, 424 U.S. at 817.

To apply the Colorado River abstention doctrine, a two-part test must be satisfied, where the court must first determine whether the state and federal actions are parallel. Concilio de Salud Integral de Loíza, Inc., 2016 WL 3746522 at *1. Suits are parallel if they involve the same parties and substantially identical claims and raise nearly identical allegations. Id. If this threshold factor is met, the Court must then balance several non-exclusive factors to determine whether abstention is justified. Id. These factors include the following: (i) whether a *res* is involved in the litigation; (ii) the inconvenience of the federal forum; (iii) the desirability of stopping piecemeal litigation; (iv) the order in which jurisdiction was obtained by the courts; (v) whether state or federal law controls; and (vi) the adequacy of the state forum to protect the parties' interests. Moses H. Cone Mem'l Hosp. v. Mercury Constr. Corp., 460 U.S. 1, 16 (1983); Río Grande Cmty. Health Ctr. v. Rullán, 397 F.3d 56, 71-72 (1st Cir. 2005). The First Circuit added the following two factors: (vii) the vexatious or contrived nature of the federal claim; and (viii) respect for the principles underlying removal jurisdiction. United States v. Fairway Cap. Corp., 483 F.3d 34, 40 (1st Cir. 2007); Villa Marina Yacht Sales, Inc. v. Hatteras Yachts, 915 F.2d 7, 12 (1st Cir. 1990). In this analysis, "[n]o one factor is necessarily determinative; a carefully considered judgment taking into account both the obligation to exercise jurisdiction and the combination of factors counseling against that exercise is required." Id., at 12.

The parties disagree over the doctrine's applicability to the present case. The Moving Defendants mainly contend the doctrine is most often applied where the issues are the same and the state court's litigation is more advanced than the federal one. They proffer the parties have been engaged in intensive litigation before the state courts since June 2023, the year Don Santos passed, and where the main case is the Assets Division Case. At this juncture, crossclaims have been filed and several interlocutory rulings have already been reviewed and resolved by the Puerto Rico Court of Appeals in that case.

Indeed, said case has already resolved Don Santos was the only named shareholder of certain corporate shares, the community property partnership must be liquidated before determining the nature of the property existing between Doña Iris and Don Santos, and even though the presumption of community property existed, said right did not confer upon Debbie the right to co-administrate the corporations and only extended to the value of the shares owned by Doña Iris. (Docket No. 71, Exhibit 9, p. 31).

Additionally, in the Removal Case (to remove Edwin as executor), Plaintiffs sought the same relief they ask from this Court, to wit, to declare the nullity of clause 4(H) of Don Santos' will, a claim the state court already denied and is currently on appeal. The claims in said case also included the suspicious transfer of the $71 million dollars from Mr. Special's account to S.A. Investments, the alleged losses to the S.A. Investments portfolio, Edwin's unliteral and *ultra vires* actions, the illegal use of the San Juan apartment, and alleged that Debbie held half of the voting rights in the different corporations due to their community property nature.

Finally, in the Corporate Books Inspection Cases, Debbie again brought up the claim of the community property of the shares, arguing that Doña Iris owned half the shares because they were acquired during her marriage to Don Santos. As stated before, the Puerto Rico Court of Appeals held the claims were governed by the Puerto Rico Corporations Act and not by the Civil Code's rules on community property and concluded inspection rights could only be exercised by registered shareholders such as Don Santos and not Doña Iris. This holding was later affirmed by the Puerto Rico Court of Appeals and was reaffirmed again in the Assets Division Case. (Docket No. 71, Exhibit 8, p. 11). These are all claims being raised again in the present case.

Unsurprisingly, Plaintiffs allege most of the elements do not favor abstention, focusing on the narrowness of the exception and proffer the state court's proceedings address Puerto Rico corporate and succession law, executor authority community property, shareholder inspection rights, and other state law issues. They posit the present case asserts *in personam*, not *in rem* claims, under RICO and the Copyright Act, which are distinct legal issues seeking different remedies. They also aver the individually named heirs and ADCOM are not parties to the state court probate proceedings in the same capacities in which they sue here, and the cases are not sufficiently parallel insofar as the state cases do not resolve all the claims in the federal case.

The Moving Defendants reply by asserting that all the RICO predicate acts are premised on Edwin's allegedly illegal actions and the RICO claims necessarily fail if those allegedly illegal acts are found to be lawful under Puerto Rico law. They additionally proffer that any legal challenges to those precise actions, as well as the nullity of clause

4(H), are already underway and pending in substantially more advanced local court litigation. Besides the copyright claim, the Moving Defendants aver Plaintiffs do not identify any additional predicate act in this case that is not currently being litigated in the pending state court's cases, thereby evidencing the duplicity of the cases in both forums. Defendants also admit they do not seek abstention as to the copyright claims and invite the Court to partially abstain as to the claims being currently litigated before the state courts. In other words, they ask the Court to abstain on some, not all the claims presented by Plaintiffs, to wit, the RICO, for breach of fiduciary duty and for the relief sought in the declaratory judgments.

a. Partial abstention.

Before moving on, the Court has not found any case in this district granting partial abstention such as the one sought in this case. The only case in this district that was presented with this issue, Cintrón v. Hosp. Comunitario El Buen Samaritano, Inc., Civil No. 19-1850 (PAD), 2021 WL 11961914, at *3 (D.P.R. July 6, 2021), denied the request as "unsupported" under United States v. Zannino, 895 F.2d 1, 17 (1st Cir. 1990) because the party seeking the relief had not cited or discussed legal authorities supporting partial abstention.

However, multiple districts have found partial stay and abstention appropriate, including some in the First Circuit. See Sequin, LLC v. Renk, Civil No. CV 20-62WES, 2020 WL 5995205, at *7 (D.R.I. Oct. 2, 2020) (issuing partial stay while New York state court resolves pending litigation); Harris v. TD Ameritrade, Inc., Civil No. 17CV6033LTSBCM, 2018 WL 1157802, at *6 n.6 (S.D.N.Y. Feb. 14, 2018) (Colorado River stay affects "some but not all of a plaintiff's claims while awaiting decision in a parallel state court case" and listing cases finding partial stays permissible); Abe v. New York Univ., Civil No. 14-cv-9323 (RJS), 2016 WL 1275661, at *3-10 (S.D.N.Y. Mar. 30, 2016) (federal claims based on ADEA and Title VII stayed because state law claims based on same facts sufficiently parallel; ERISA claim not parallel and not stayed); Mass. Biologic Labs. of the Univ. of Mass. v. MedImmune, LLC, 871 F.Supp.2d 29, 33 (D. Mass. 2012) (court may "stay the federal action or certain of the claims, pending the resolution of the state court action, in the interests of cooperative federalism and judicial economy"); ScripsAmerica, Inc. v. Ironridge Glob., LLC, 56 F.Supp.3d 1121, 1146 (C.D. Cal. 2014) (The Ninth Circuit has not addressed the propriety of issuing a partial Colorado River stay, but district courts in that circuit have repeatedly found partial stays permissible "where some, but not all, of a federal plaintiff's claims are pending in a parallel state action."); Daugherty v. Oppenheimer & Co., Civil No. C06-7725 PJH, 2007 WL 1994187, at *6 (N.D. Cal. July 5, 2007) ("the court finds that Colorado River applies even where a state court action will not resolve all the claims in the federal action"); Sperber-Porter v. Kell, Civil No. CV–08–01424–PHX–GMS, 2009 WL 1600689, *5 (D. Ariz. June 8, 2009) ("Thus, there is no dispute that at least a partial stay was proper."); Am. Builders & Contractors Supply Co. v. Precision Roofing & Consulting, LLC, Civil No. 17CV97-WHA, 2017 WL 3431844, at *3, 6 (M.D. Ala. Aug. 9, 2017) (staying federal case as to "counterclaim counts I, II, and III," because counterclaims were "virtually identical" to corresponding claims brought in Georgia state court); Big O Tires, LLC v. Felix Bros., Inc., Civil No. 10-cv-00362-PAB-KLM, 2011 WL 6181448, at *4-5 (D. Colo. Dec. 13, 2011) (staying proceedings as to breach of contact claims pursuant to Colorado River, but proceeding on claims not presently before the state court); Giles v. ICG, Inc., 789 F.Supp.2d 706, 713 (S.D. W. Va.

2011) (granting a partial stay of the fiduciary duty claims brought under Delaware law and noting that other courts have found it appropriate to grant a partial stay under Colorado River in similar circumstances).

Having found partial abstention is not a novel concept, the Court holds it can issue such relief and moves on to analyze the elements in support thereof.

b. Parallel cases.

Considering prevailing case law, the Court must first determine whether the state and federal actions are parallel, that is, whether they involve the same parties, substantially the same claims and bring forth the same allegations. Concilio de Salud Integral de Loíza, Inc., 2016 WL 3746522 at *1; Alexandrino v. Jardín de Oro, Inc., 573 F.Supp.2d 465, 474 (D.P.R. 2008); Amvest Corp. v. Mayoral Amy, 778 F. Supp.2d 187, 198 (D.P.R. 2011) (finding suits were parallel because the "two actions involve substantially identical claims, raising nearly identical allegations and issues.").

Plaintiffs' position is that the cases are not parallel because the state courts' proceedings address "Puerto Rico corporate and succession law - executor authority under the Civil Code and the General Corporations Act, the liquidation of community property, shareholder inspection rights, and related state-law issues" and distinguishing those claims from the ones alleged here, federal claims under RICO and the Copyright Act. (Docket No. 83, p. 37). Plaintiffs assert that the legal issues are different, as are the remedies, and the parties, while overlapping, are not identical. The Court cannot agree.

Except for ADCOM[14] and the claims against individual director Defendants del Río, Quiñones and Fuentes (whose only misfeasance allegedly falls under 18 U.S.C. § 1962(d) for conspiracy to violate RICO), the present case and several of the state cases, have the same parties, arise from the same circumstances, and have the same basic facts and issues. See Sequin, LLC, 2020 WL 5995205, at *6 (to determine whether the parties are sufficiently parallel, the court should focus on whether they share a sufficient congruence of interests).

The Removal Case, the Assets Division Case and Corporate Books Inspection Cases seek the main relief being sought in this case, to wit, to declare null clause 4(H) of Don Santos' will; that his actions in the furtherance of the administration of the estate be undone as illegal; and that the corporate shares be deemed community property. In addition, Edwin's allegedly expansive powers, illegal and *ultra vires* actions and his damages to the estate and its heirs; that Debbie should co-administrate the corporations due to the community property nature of the corporate shares; and the illegality of the appointments to Mr. Special's board of directors are all issues currently before the state courts as well. See Currie v. Group Ins. Comm'n, 290 F.3d 1, 12 (1st Cir. 2002) ("To determine whether the issues are sufficiently parallel, the court should focus on the degree to which the state court proceedings will resolve the dispute.").

Plaintiffs cannot deny these are the same issues they ask this Court to rule upon. The claims are substantially the same, and the allegations are similar, if not identical. See Villa Marina Yacht Sales, 947 F.2d 529, 533 (1st Cir. 1991) ("perfect identity of issues is

[14] The Moving Defendants concede they only seek abstention over claims that do not include ADCOM.

not a prerequisite" and stay may be ordered even when the federal claims do not perfectly duplicate the claims pending in the state court and the defendants in each suit are different); Almeida-León v. WM Capital Mgmt., Inc., Civil No. 3:16-cv-01394-JAW-BJM; 2019 WL 2079852, at *31 (D.P.R. May 8, 2019).

In sum, all the claims brought under the guise of RICO, the breach of fiduciary duty and the declaratory judgments are all currently being litigated before the state court, and many of the individual issues have already been resolved. The racketeering label is the only difference in this case. The Court finds the actions are parallel under the applicable standard because the federal and state cases have the same parties, the complaints arise from the same circumstances (the deaths of Don Santos and Doña Iris and their wills), the claims, the allegations and the issues are substantially the same.

Thus, the Court moves on to discuss the individual elements of the Colorado River doctrine.

c. Whether a *res* is involved.

The first element, whether either court has assumed jurisdiction over a *res,* favors abstention. The states courts have indeed assumed control over the *res* in this case a few years ago. The Assets Division Case was filed on September 26, 2023 and the Removal Case, to invalidate clause 4(H) and strip Edwin of this estate authority, was filed on October 3, 2023, over three years ago. Since then, the state courts have made several rulings concerning the administration of the estate, including a determination of who is entitled to administrate the corporations, how their board members are to be chosen, the alleged community property nature of the shares and the propriety of clause 4(H), the same issues being raised herein.

Plaintiffs argue a federal money judgment against Edwin does not disturb the Commonwealth court's possession of, or authority over, estate property. But they ask the Court to do *precisely* that when they seek the dissolution of S.A. Investments and order the distribution of its assets; to declare the nullity of clause 4(H) of Don Santos' will; to declare the decedents' shares to be community property; dictate how Mr. Special's Board of Directors is to be chosen and governed; nullify Edwin's director appointments to said board; and to declare that that Debbie and Edwin must administrate the corporations jointly. All these claims are squarely before the state courts, and several rulings have already been made and appealed. The fact that Plaintiffs were not successful in these challenges does not change this reality. Thus, prong one favors abstention.

d. The inconvenience of the federal forum.

The second prong, the [geographical] inconvenience of the federal forum, presents a closer question insofar as both state and federal cases are in Puerto Rico and there is no indication that one forum is more convenient to the parties than the other. The Moving Defendants argue that Mayagüez is more convenient, as the Mr. Special supermarket chain and the other corporate entities involved in this case all operate from western Puerto Rico and most individual parties are also domiciled there. Plaintiffs proffer this factor is neutral, as this District sits in the same jurisdiction as the Commonwealth's courts and simply argue that the parties, witnesses, and most records are located "within Puerto Rico."

Mayagüez is approximately 100 miles from San Juan. It is a considerable distance from where the federal court sits, and most of the parties reside there, the corporate records are all there, and the proceedings before the state courts are in Spanish (which, as argued by the Moving Defendants, would require costly translations to English of many of the documents). Thus, to the extent a specific geographic location is to be considered, this tilts the pendulum towards abstention. See Villa Marina Yacht Sales, 915 F.2d at 15 (noting that the inconvenient forum factor is "concerned with the physical proximity of the federal forum to the evidence and witnesses" and found element was not met because "the state and federal fora are in the same city"); Jackson Nat'l Life Ins. Co. v. Quiñones-González, No. CV 13-1261 (ADC), 2014 WL 12726390, at *3 (D.P.R. Mar. 31, 2014) (finding second factor neutral because federal court and the Puerto Rico Court of First Instance were located in the same city).

Hence, the second factor favors abstention considering the distance between Mayagüez and San Juan.

e. Avoiding piecemeal litigation.

The third factor is an interest in avoiding piecemeal litigation. "Concerns about piecemeal litigation should focus on the implications and practical effects of litigating suits deriv[ed] from the same transaction in two separate fora, and weigh in favor of dismissal only if there is some exceptional basis for dismissing one action in favor of the other." Jiménez, 597 F.3d at 29. The risk of piecemeal litigation is also implicated when the ruling from the state court would render the federal court's opinion merely advisory, or vice versa. Fairway Cap. Corp., 483 F.3d at 42.

The Moving Defendants proffer the same claims asserted in the instant case have been thoroughly discussed in the local litigation, in some cases at the appellate level, and some have already resulted in interlocutory adjudications of those very claims. These claims are simply a resurrection of the claims they have lost before the state court, disguised as RICO. They additionally aver that even appellate review is piecemeal, insofar as many of the relevant matters decided by the Puerto Rico courts are immediately reviewable by writ of *certiorari* while, in this Court, absent a FED.R.CIV.P. 54(b) certification, any federal rulings on those same issues would have to wait until after a final judgment is entered.

In turn, Plaintiffs simply assert abstention would create piecemeal litigation because the Commonwealth's courts cannot award the statutory remedies Plaintiffs seek and they will be forced to return to federal court after the state court's proceedings conclude.

The Court finds this case is not only "derived from the same transaction" as several of the cases currently before the state courts, but it is a deliberate attempt to relitigate those cases in this forum, for the reasons already explained. All the claims arise from issues emanating from the decedent's wills and the predicate acts alleged to be racketeering are all currently being litigated before the state courts, as are all the requests for declaratory judgments. Piecemeal litigation is entirely probable, insofar as the same claims are being litigated in both forums and many have already been decided there. This would indeed render this Court's rulings on these matters advisory, since the state court cases are far more advanced than the present case, and given that those cases are ongoing, any rulings in this Court would necessarily create a strong likelihood of inconsistent rulings and piecemeal litigation. For example, the action to remove Edwin as executor and invalidate clause 4(H) of Don Santos' will consists of 222 dockets. The state court already dismissed Plaintiffs' challenge to clause 4(H) of the will, an issue that is currently on appeal and which Plaintiffs seek to relitigate here. The Assets Division Case consists of

371 dockets, and several appeals have already been lodged in that case as well, also pertaining to the same claims brought here. The Corporate Books Inspection Cases, which already held that only Don Santos was the only registered corporate shareholder, that Doña Iris had no such right and questioned the community property nature of the corporate shares, consists of 130 dockets.

Thus, the state court actions filed in 2023 have already issued numerous decisions affecting the parties' claims therein, as well as many appeals. The present litigation, in contrast, has not progressed past the pleading stage. Cf. Jiménez, 597 F.3d at 31 ("absence of any federal proceedings beyond a motion to dismiss favors the surrender of jurisdiction") (citing Colo. River, 424 U.S. at 820); Currie, 290 F.3d at 10 (finding a risk of piecemeal litigation that rises above routine inefficiency where parallel state-court case was already on appeal and involved an issue of state law which could moot or otherwise inform the federal litigation).

In sum, abstention weighs in favor of courts that already acquired jurisdiction over the same claims over three years ago and have already resolved some of the very same claims Plaintiffs now ask this Court to again resolve.

f. The order jurisdiction was obtained by the courts.

This gives way to the fourth factor, namely, the order the forums obtained jurisdiction which clearly favors abstention for the reasons already explained. Plaintiffs argue this factor does not alter the balance because "priority should not be measured exclusively by which complaint was filed first, but rather in terms of how much progress has been made in the two actions." (Docket No. 81, p. 42). This statement is surprising considering the state claims were filed over three years ago and there have been rulings on dispositive motions that Plaintiffs have already lost and lodged appeals from. Those are the same issues they bring before this Court now. Plaintiffs are hard pressed to argue the state claims are not substantially more advanced than this case, which is still in the pleading stage. See Moses H. Cone, 460 U.S. at 21 (holding that measuring the comparable progress of the parallel suits is done in a "pragmatic, flexible manner, with a view to the realities of the case at hand", and that "priority should not be measured exclusively by which complaint was filed first, but rather in terms of how much progress has been made in the two actions.").

Thus, this factor weighs in favor of abstention.

g. Whether state or federal law controls.

The fifth factor is whether state or federal law controls. The source-of-law factor deserves no weight where "neither complex nor novel issues of local law are apparent." Nazario-Lugo v. Caribevision Holdings, Inc., 670 F.3d 109, 118 (1st Cir. 2012); Concilio de Salud Integral de Loíza, Inc. v. Municipality of Rio Grande, Civil No. 21-01510 (GMM), 2023 WL 4686216, at *6 (D.P.R. July 21, 2023). The presence of federal law issues weighs heavily in favor of retaining federal court jurisdiction. Villa Marina Yacht Sales, 915 F.2d at 15 (citing Moses H. Cone, 460 U.S. at 26). Only in rare circumstances will the presence of state law issues weigh in favor of surrender of jurisdiction, and these rare circumstances only exist when a case presents "complex questions of state law that would best be resolved by a state court." Id. (citations omitted)

Plaintiffs assert the presence of state law community property questions in the state court proceedings does not make their RICO claims any less federal. The Moving Defendants respond by saying the purported pattern of "racketeering" activity is entirely based on the alleged misuse of Edwin's powers as executor of Don Santos' estate and the nature and scope of an executor's authority is a matter of Puerto Rico probate law, as are the rights of the post-conjugal partnership, whether property is ultimately labeled community or separate property[15], and the provisions governing the validity of wills being brought before this Court. The Court agrees with the Moving Defendants that all the business transactions challenged in this case are governed by the Puerto Rico General Corporations Act, 14 P.R. Laws Ann. § 3501, *et seq.*, and by local succession law, and it is that court which must determine their propriety.

Although a good part of the case is based on RICO and its predicate acts, whether those actions are illegal must necessarily be determined by state law in a forum which is called upon to do so as part of the probate issues it is currently resolving. As previously stated, if the state court finds that Edwin's actions were properly and legally performed in furtherance of the executor powers delegated to him by Don Santos' will, there is no RICO claim.

In a nutshell, the Court deems this factor to be neutral considering the federal claim is rooted in state law, there are no complex local law issues to be resolved by this Court, and the state is the one called upon to resolve these issues.

h. The adequacy of the state forum to protect the parties' interests.

The sixth factor, the adequacy of the Puerto Rico courts, favors abstention. Puerto Rico's courts are the exclusive forum to litigate probate matters, on which Plaintiffs' entire RICO arguments are based. See Jiménez, 597 F.3d at 29 (noting that abstention may be

[15] This issue has not been determined by the state court.

warranted "even though no particular federal policy was in play."). The Court also finds all parties would be adequately protected as they are all local parties. See Malavé v. Centro Cardiovascular de Puerto Rico y Del Caribe, 485 F. Supp. 2d 6, 9 (D.P.R. 2007) (finding that the parties' interest would not be protected as some non-resident plaintiffs were not parties before the state court). All parties are heirs to the same two estates and are all involved in state litigation in one way or another. Thus, any rulings made by the state courts necessarily affect them all and should not come as a surprise.

Plaintiffs aver that no state-court proceeding is now adjudicating their RICO claims. Nonetheless, it is undeniable that Plaintiffs have been litigating these *identical* causes of action for three years before the state courts and they have never alleged that the actions that serve as the predicate acts, and which are *all* pending there, were acts of racketeering. In fact, there are no new alleged illegal acts that Plaintiffs can bring before this Court under the guise that they were previously unaware of. As candidly asserted by the Moving Defendants, the only reason why there is no RICO claim before the state court is because Plaintiffs have chosen not to file one. The Puerto Rico courts are plainly adequate to hear RICO claims. González v. Torres, 915 F.Supp. 511, 519 (D.P.R. 1996) (finding that, in claims arising from the same set of facts, "state courts have the same obligation to uphold the constitution and enforce federal law" and there was nothing in the record to show that the parallel state-court litigation would not be an adequate vehicle for resolution of the issues between the parties) (quoting Moses H. Cone, 460 U.S. at 28; see also Tafflin, 493 U.S. at 458, 465 (holding that state courts retain their presumptive authority to adjudicate RICO claims and perceiving no "clear incompatibility between state court jurisdiction over civil RICO actions and federal interests."); and Howlett By &

Through Howlett v. Rose, 496 U.S. 356, 367 (1990)(noting that federal and state law "together form one system of jurisprudence" and that "the courts of the two jurisdictions are not foreign to each other"). Plaintiffs are adequately protected because RICO claims can be entertained in state court. Thus, this factor favors abstention as well.

i. The vexatious or contrived nature of the federal claim.

The seventh factor considers the vexatious or contrived nature of the federal claim. A federal claim may be vexatious or contrived if it is asserted in federal court after plaintiffs fail to make a similar claim in state court. See Villa Marina Yacht Sales, 915 F.2d at 15.

The Moving Defendants proffer Plaintiffs filed this case several years after suffering setbacks before the state courts, and the case contains no new allegations of fraudulent actions that were not previously known to Plaintiffs. Plaintiffs on the other hand deny any vexatious intent, and instead claim they filed this action because only a federal court can award them the RICO remedies they seek.

The Court has reviewed the entirety of the voluminous exhibits filed with this Court, as well as the state courts' dockets. The Court cannot ignore there are no new facts or actions that have occurred since the state court claims were filed that would enable this Court to find that Plaintiffs were somehow unaware of them and which would justify the filing of these claims now. Villa Marina Yacht Sales, 915 F.2d at 15 ("We previously have criticized such forum-shopping when a Commonwealth defendant 'rush[ed] over to the federal courthouse in the hope of obtaining a more favorable determination' . . . the sentiment applies a fortiori with respect to a Commonwealth plaintiff."). In fact, as already stated, the predicate acts of "racketeering" and for breach of fiduciary duty were well known to Plaintiffs, have all been raised at the state court level, with some issues currently pending adjudication, and the relief sought in the declaratory judgments are issues that have been squarely raised before the state courts.

The Court cannot ignore either the timing of this federal claim, which was brought after *many* years of litigation and after several appeals before the state courts in which Plaintiffs for the most part ended up on the losing side of the issues which they now bring before this Court under the guise of RICO and declaratory judgments. The Court simply cannot overlook the vexatiousness of Plaintiffs prolific[16] and nearly identical filings in state court vis-a-vis the filing in the case at bar, simply re-packaged as a federal cause of action. This screams of improper motive and favors abstention.

j. Respect for the principles underlying removal jurisdiction.

The eighth factor, which applies to removal jurisdiction, is inapplicable to this t case as it was originally filed here.

In sum, even if this Court had jurisdiction to entertain the RICO federal and state claims, the breach of fiduciary duty and declaratory judgment claims, the weight of the Colorado River factors would favor the Court's abstention. Considering this, the Court finds that, even if it had jurisdiction to entertain these claims, it would necessarily have to abstain from entertaining them.

[16] Although not related to the claims being raised in this case, the Court takes judicial notice of state court case number MZ2023CV01072 in support of the vexatious litigation element, where Richard, Debbie, Santitos, Mr. Special, Mariola Inc., Mayaguez Resort, S.A. Properties and Mayaguez Tourist Development sued Edwin. Plaintiffs sought a declaratory judgment that certain voting trusts Don Santos had set up in 2015 were valid. Such a determination would enable them to have the upper hand in the Alonso Family Businesses over Edwin, who had been granted plenary authority over the corporations by virtue of clause 4(H) of Don Santos' will. The Court of First Instance held the voting trusts null because they had not been registered before the Registry of Trusts ("Registro Especial de Fideicomisos"). Plaintiffs appealed this determination, and the Puerto Rico Court of Appeals upheld the decision. At every turn, the different heirs have attempted unsuccessfully to thwart the plenary powers delegated to Edwin as executor.

Accordingly, the Moving Defendants' "Motion to Dismiss", based on the probate exception and/or the Colorado River abstention doctrine, is GRANTED.

3. Copyright Infringement.

Plaintiffs also bring a copyright infringement claim under 17 U.S.C. § 501 against Mr. Special for its unauthorized use of ADCOM's original works of authorship which are subject to copyright protection under 17 U.S.C. § 102. These works were created as part of ADCOM's marketing and advertising services to Mr. Special during the life of their business relationship, which ADCOM registered with the United States Copyright Office. Plaintiffs contend these registrations constitute *prima facie* evidence of the validity of the copyrights and establish ADCOM's ownership of the copyrights in these original works.

According to the Amended Complaint, the contract between ADCOM and Mr. Special granted the latter a license to use ADCOM's copyrighted works during the life of the contractual relationship but did not transfer copyright ownership. Plaintiffs claim Mr. Special's right to use ADCOM's copyrighted works was contingent upon the continuation of the contractual relationship. Thus, they claim the termination of the contractual relationship in January 2025 also terminated the license. ADCOM notified Mr. Special the end of the contract also meant the end of the license, but Mr. Special continued to use and display the copyrighted works.

The Moving Defendants aver the Amended Complaint does not allege facts demonstrating the license was revocable and does not plausibly show that termination of services automatically extinguished authorization. Instead, they claim Plaintiffs "rely on a legal characterization of contractual effect" and the Amended Complaint's statements such as "were contingent upon continuation", "[f]ollowing…wrongful termination" and "no license or permission has been granted" are legal interpretations of the contract that do not pass Iqbal's muster.[17] (Docket No. 71, p. 91). Even accepting Plaintiffs' allegations as true, the Moving Defendants assert the allegations do not plausibly establish unauthorized use and instead, establish that any license arising from the parties' long commercial relationship was supported by consideration and reliance, and therefore was an irrevocable implied non-exclusive license.

Plaintiffs respond that at the pleading stage, the Court must take all well-pleaded factual allegations as true and draw all reasonable inferences in Plaintiffs' favor. The Amended Complaint properly pleads ownership of the works, that authorization for use of the works terminated when the contract was terminated, and that Mr. Special's continued use of the works was unauthorized because no license was granted. Plaintiffs cite Est. of Hevia v. Portrio Corp., 602 F.3d 34 (1st Cir. 2010) and aver that the First Circuit treats implied licenses as exceptional and intent-driven, which is a factual issue that cannot be resolved at this state of litigation. The Court agrees.

"Copyright is a form of protection provided by the United States Constitution to the authors of 'original works of authorship,' including literary, dramatic, musical, artistic, and certain other intellectual works." Peer Intern. Corp. v. Latin Am. Music Corp., 161 F.Supp.2d 38, 44 (D.P.R. 2001). "To establish copyright infringement under the Copyright Act, 'two elements must be proven: (1) ownership of a valid copyright, and (2) copying of constituent elements of the work that are original.'" Johnson v. Gordon, 409 F.3d 12, 17 (1st Cir. 2005) (quoting Feist Publications, Inc. v. Rural Telephone Serv. Co.,

[17] Iqbal, 556 U.S. 662.

Inc., 499 U.S. 340, 361 (1991)).

To prove the first element, "a plaintiff must prove that the work as a whole is original and that the plaintiff complied with applicable statutory formalities." Society of Holy Transfiguration Monastery, Inc. v. Gregory, 689 F.3d 29, 40 (1st Cir. 2012) (quoting Lotus Dev. Corp. v. Borland Int'l, Inc., 49 F.3d 807, 813 (1st Cir. 1995)). The plaintiff bears the burden of proving a valid copyright and true infringement. T-Peg, Inc. v. Vt. Timber Works, Inc., 459 F.3d 97, 108 (1st Cir. 2006).

Plaintiffs have specifically pled ADCOM owns valid, federally registered copyrights in the works at issue, registration of the works carries a statutory presumption of validity, and Mr. Special has continued to reproduce, distribute, and display those works after ADCOM specifically revoked its authorization for their use in January 2025. These allegations are all that is necessary at this juncture. Whether the parties' relationship and course of dealing over the years show an intent to grant Mr. Special the use of rights over the materials after the termination of the contract or, as Plaintiffs allege, authorization ended at the same time as the contract did is an issue of fact and intent that cannot be resolved at this stage of the litigation, when all the allegations regarding unlawful use and termination are to be taken as true and inferences are to be made in Plaintiffs' favor. See Est. of Hevia, 602 F.3d at 41 (noting that "the touchstone for finding an implied license ... is intent" and asking whether "the totality of the parties' conduct indicates an intent to grant such permission") (quoting 3 Melville B. Nimmer & David Nimmer, *Nimmer on Copyright* § 10.03[A][7], at 10–42 (2000)). This is clearly a factual matter that cannot be resolved at the pleading stage without discovery and on a cold record. Oriental Fin. Grp. v. Fed. Ins. Co., 309 F.Supp.2d 216, 220 (D.P.R. 2004) ("findings as to the design, motive and intent with which men act are factual issues for the trier of fact") (quoting U.S. v. Yellow Cab. Co., 338 U.S. 338, 341 (1949)).

Consequently, the Moving Defendants' "Motion to Dismiss" the copyright claim is DENIED.

4. State law claims.

Plaintiffs also brought forth claims under Puerto Rico law for breach of contract and tortious interference with a contract.

As to breach of contract, to form a valid, binding contract, there must be: (1) consent of the parties, (2) an object of the contract, and (3) cause for the obligation, *i.e.*, consideration. P.R. Laws Ann. tit. 31, § 3391[18]; Burk v. Paulen, 100 F.Supp.3d 126, 133 (D.P.R. 2015). Therefore, to establish a claim for breach of contract, a party must show the existence of a valid contract, a breach thereof by one of the signatories and damages. Markel Am. Ins. Co. v. Diaz-Santiago, 674 F.3d 21, 31 (1st Cir. 2012).

Plaintiffs proffer that a valid contract existed for many years between ADCOM and Mr. Special, whereby ADCOM provided marketing and advertising services to Mr. Special. Mr. Special breached the contract by terminating it without cause or proper notice, by Edwin acting under color of authority, as purported President of Mr. Special, causing ADCOM harm.

Regarding the claim of tortious interference with a contract, Plaintiffs need to show the following: 1) the existence of a contract; 2) the interfering party acted with intent and knowledge of the existence of the contract; 3) plaintiff suffered damages; and 4) a causal

[18] The new Puerto Rico Civil Code was enacted in November 2020. Since the contract in question existed before then, the terms contained in the 1930 Civil Code govern the Court's analysis. See P.R. Laws Ann tit. 31, §§11717 (2020).

link between the injury and the interfering party's actions. Gen. Office Prods. Corp. v. A.M. Capen's Sons, Inc., 15 P.R. Off. Trans. 727, 734, 115 D.P.R. 553 (1984); New Comm'n Wireless Servs. v. SprintCom, Inc., 287 F.3d 1, 9 (1st Cir. 2002).

The Amended Complaint alleges that a valid and enforceable contract existed between ADCOM and Mr. Special, which Edwin was fully aware of because he was an officer of Mr. Special during the life of the contract. Despite knowing this, the Amended Complaint states Edwin intentionally and improperly interfered with this contractual relationship by unilaterally and illegally terminating ADCOM's contract with Mr. Special without corporate authorization or justification, and which caused the company hardship and damages.

However, the Moving Defendants did not present any argument as to these causes of action, choosing instead to hang their hat on the possibility that the Court would dismiss Plaintiffs' federal causes of action and would decline to exercise jurisdiction over the state law claims as well. Taking all the pleadings for these causes of action as true, as the Court must at this stage, it finds they pass muster at this early juncture of the litigation. See United States v. Zannino, 895 F.2d 1, 17 (1st Cir. 1990) (cleaned up) ("It is not enough merely to mention a possible argument in the most skeletal way, leaving the court to do counsel's work, create the ossature for the argument, and put flesh on its bones. As we recently said in a closely analogous context: Judges are not expected to be mind readers. Consequently, a litigant has an obligation 'to spell out its arguments squarely and distinctly,' or else forever hold its peace.").

Hence, the Moving Defendants' "Motion to Dismiss" the state law claims is DENIED.

5. The Declaratory Judgments.

Plaintiffs aver that actual controversies exist between Plaintiffs and Edwin, and ask the Court to declare the following:

a. Regarding the validity and effect of the administrative powers granted to Edwin in Don Santos' will; to declare the nullity of clause 4(H) in Don Santos' will that gives Edwin the power to administrate the corporations. In the alternative, that the Court invalidate those administrative powers.

b. To declare that S.A. Investments was dissolved by operation of law following Don Santos' death, order the corporation be terminated and its assets distributed, and nullify any authority Edwin must continue operating it.

c. To declare that the shares and interests of the Alonso-Rodríguez Family Businesses constitute community property jointly owned by the estates of Don Santos and Doña Iris pending liquidation of the post-marital community.

d. To declare the appointments of Fuentes, del Río, and Quiñones are null and void and that any corporate actions taken by them carry no legal effect because they were made without recognition of the community property character of the shares and without acknowledgment of Debbie's rights as executor of Doña Iris' estate. They also seek a declaration that any future actions must be taken by a properly comprised Board of Directors in accordance with the law and its governing bylaws.

As the Court has previously stated, all these claims are currently being litigated before the state courts and are barred under the probate exception or in the alternative, under the Colorado River doctrine.

Thus, the Moving Defendants' "Motion to Dismiss" the declaratory judgments claims is GRANTED.

CLAIMS AGAINST NOMINAL DEFENDANTS SANTITOS AND ANDRES

The Amended Complaint admits it seeks no affirmative relief against the Nominal Defendants and alleges instead they were brought to the case as indispensable parties because they had a stake in the estate assets of this litigation. As previously stated in footnote 4, Nominal Defendants Santitos and Andrés chose to answer the Amended Complaint instead of moving for dismissal. (Docket Nos. 70 and 72). However, Nominal Defendants Catherine, Edwin Jr., and Valentín are part of the Moving Defendants seeking dismissal.

For judicial economy and considering Nominal Defendants Santitos and Andrés are in the same position as Nominal Defendants Catherine, Edwin Jr., and Valentín, the Court will extend and apply this Opinion and Order's rulings to Nominal Defendants Santitos and Andrés even though they did not move for dismissal.

CONCLUSION

For the foregoing reasons, the Moving Defendants' "Motion to Dismiss" (Docket No. 71) is GRANTED IN PART and DENIED IN PART, as follows:

1. The request to dismiss the federal and state RICO claims as well as the breach of fiduciary duties based on the probate exception, or in the alternative, based

on the Colorado River abstention doctrine, is GRANTED. (Docket No. 74) (Counts I, II, IV, V).

2. The request to dismiss the copyright infringement claim is DENIED. (Count III) .
3. The request to dismiss the state court claims of breach of contract and tortious interference with contract are DENIED. (Counts VI and VII).
4. The request to dismiss the declaratory judgments based on the probate exception, or in the alternative, based on the Colorado River abstention doctrine, is GRANTED. (Counts VIII, IX, X, and XI).

In short, the only remaining claims in this case are the ones filed by Plaintiffs Debbie and ADCOM against Defendants Edwin and Mr. Special for copyright infringement and the state court claims of breach of contract and tortious interference. Thus, realigned Plaintiffs Stephanie, Ricardo, Carlos, Cristine, Geraldine and Zulma have no remaining claims.[19]

In view of the foregoing, all claims by Plaintiffs (Debbie and ADCOM) and realigned Plaintiffs (Stephanie, Ricardo, Carlos, Cristine, Geraldine and Zulma) against Defendants S.A. Investments, del Río, Quiñones, Fuentes and MTD-INC are DISMISSED WITHOUT PREJUDICE.

Additionally, the Nominal Defendants are no longer indispensable parties to this case because they have no interest in the remaining causes of action. Thus, for judicial

[19] Realigned Plaintiffs Stephanie, Ricardo, Carlos, Cristine, Geraldine and Zulma may file for voluntary dismissal of this case if they wish to do so.

economy, this case is DISMISSED WITHOUT PREJUDICE as to Nominal Defendants Santitos, Andrés, Catherine, Edwin Jr., and Valentín.[20]

Finally, Defendants Edwin and Mr. Special are granted until **August 28, 2026** to answer the Amended Complaint.

IT IS SO ORDERED.

In San Juan, Puerto Rico, on this 12th day of August 2026.

S/CAMILLE L. VELEZ-RIVE
CAMILLE L. VELEZ RIVE
UNITED STATES DISTRICT JUDGE

[20] Partial Judgment will not be entered at this time.