

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

CASE NO.: 16-cv-21301-GAYLES

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

ARIEL QUIROS,
WILLIAM STENGER,
JAY PEAK, INC.,
Q RESORTS, INC.,
JAY PEAK HOTEL SUITES L.P.,
JAY PEAK HOTEL SUITES PHASE II. L.P.,
JAY PEAK MANAGEMENT, INC.,
JAY PEAK PENTHOUSE SUITES, L.P.,
JAY PEAK GP SERVICES, INC.,
JAY PEAK GOLF AND MOUNTAIN SUITES L.P.,
JAY PEAK GP SERVICES GOLF, INC.,
JAY PEAK LODGE AND TOWNHOUSES L.P.,
JAY PEAK GP SERVICES LODGE, INC.,
JAY PEAK HOTEL SUITES STATESIDE L.P.,
JAY PEAK GP SERVICES STATESIDE, INC.,
JAY PEAK BIOMEDICAL RESEARCH PARK L.P.,
AnC BIO VERMONT GP SERVICES, LLC,

Defendants,

JAY CONSTRUCTION MANAGEMENT, INC.,
GSI OF DADE COUNTY, INC.,
NORTH EAST CONTRACT SERVICES, INC.,
Q BURKE MOUNTAIN RESORT, LLC,

Relief Defendants, and

Q BURKE MOUNTAIN RESORT,
HOTEL AND CONFERENCE CENTER, L.P.,
Q BURKE MOUNTAIN RESORT GP SERVICES, LLC
Additional Defendants

**STATE COURT PLAINTIFFS' OBJECTION TO SETTLEMENT BETWEEN
RECEIVER AND CITIBANK AND TO ENTRY OF BAR ORDER**

Pursuant to his Court's Order [DE 207], the State Court Plaintiffs, make their objections to the proposed settlement between the Federal Receiver on behalf of the Receivership Entities and Citibank. Undersigned counsel represents the State Court Plaintiffs in a state court action and files these objections on their behalf, appearing in this action for that limited purpose only, stating as follows:

1. The undersigned is counsel to Caterina Gonzalez Calero, Maria Teresa Osio Russe, Nelson Antonio Quintero Duarte, Cora Elena Garcia Duarte, Domingo Spadaro, Carmela Sfameni, Angelina Spadaro de Ceballos and Antonio Spadaro in a state Court action in Miami Dade County Florida under case number 2016-017840 CA 40 ("State Court Plaintiffs").

2. The State Court Plaintiffs have filed claims against various entities and individuals in order to perfect their rights and collect damages that result from misappropriated investments made in Jay Peak Resort Entities ("Jay Peak"). Recently, the Miami-Dade County Circuit Court denied a request for a stay as a result of the multiple actions currently pending in the Southern District of Florida. Responses to the State Court Plaintiffs' Complaint are due on or before October 24, 2016.

3. The Federal Receiver seeks approval to settle with Citibank in this action on behalf and for the benefit of the Jay Peak Entities. As a condition of the settlement, the Court has been requested to enter a Bar Order that will foreclose any right that the State Court Plaintiffs currently have or may have in the future, including post judgment proceedings supplementary.

4. Citibank is not currently a Defendant in the state court action. The Citibank settlement will prohibit the State Court Plaintiffs from amending their Complaint, if determined through discovery, that one or more State Court Plaintiffs have viable claims against Citibank as a party defendant in their action.

5. It appears that the proposed settlement seeks to recover funds from Citibank for use by Jay Peak Receivership entities in an attempt to rehabilitate their operations, pay outstanding debts, particularly wages, and compensate the Receiver for its services. It further appears that no portion of these settlement funds is being allocated for the purpose of compensating the defrauded investors, such as the State Court Plaintiffs. Notwithstanding, in consideration of payment of the settlement funds, Citibank will be released from any further liability and the State Court Plaintiffs' rights will be extinguished pursuant to the entry of the proposed Bar Order.

6. The State Court Plaintiffs are asked to acquiesce to the settlement in exchange for the uncertainty that their respective Jay Peak Entities might one day bring their investments to fruition. The state action seeks damages that the claimants can use as they deem appropriate. This includes the right to invest in other EB5 entities or Regional Centers through which they will complete their immigration process. At this juncture the State Court Plaintiffs have a well-founded reluctance to surrender valuable legal rights in the form of choses in action against Citibank on pure speculation.

7. Undersigned requests leave to appear at the Final Approval Hearing October 20th 2016.

Dated this 10th day of October, 2016.

/s/ Roberto Villasante
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Certificate of Service

I hereby certify that a true and correct copy of the foregoing was served electronically via CM/ECF on October 10, 2016 on all counsel or parties of record on the Service List below.

/s/ Roberto Villasante
Roberto Villasante, Esq.

SERVICE LIST

S.E.C. v. Quiros, et al.

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U.S. District Court, Southern District of Florida

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