

FERRAIUOLI LLC

CORPORATE DEPARTMENT

February 19, 2014

WAIVER OF PENALTIES REGARDING LATE FILING OF ANNUAL REPORTS PUERTO RICO DEPARTMENT OF STATE – CORPORATIONS REGISTRY

Articles 15.01 and 15.03 of the Puerto Rico General Corporations Act of 2009 (the “GCA”) require domestic corporations and foreign corporations, respectively, to file annual reports with the Puerto Rico Department of State on or before April 15th of each year. Corporations that do not file their annual reports on or before such date will be required to pay a penalty for late filing, in addition to the filing fee that must be paid together with the annual report. Furthermore, Articles 15.02 and 15.04 of the GCA authorize the Secretary of State to cancel the Certificates of Incorporation (for domestic corporations) or the Certificates of Authorization to Do Business in Puerto Rico (for foreign entities) of corporations that fail to file the annual reports for two (2) consecutive years.

On February 13th, 2014 the Puerto Rico Secretary of State issued Administrative Determination 2014-02 (“AD 2014-02”), which states that the Department of State will be notifying all non-compliant corporations of its intention to cancel the Certificates of Incorporation or Authorizations To Do Business in Puerto Rico, in accordance with Articles 15.02 and 15.04. In preparation therefor, AD 2014-02 provides a waiver from all penalties due to the late filing of annual reports. **Therefore, all corporations that are not in compliance with the annual report requirements will be allowed to file their annual reports without having to pay any late filing penalties. The waiver will remain in effect until April 15, 2014.**

Please note that the waiver set forth in AD 2014-02 only covers the penalties for late filing. In order for corporations to be fully compliant, they will be required to file annual reports for all years in which they have been active, accompanied by the corresponding fee for such year. In addition, the waiver only applies for domestic and foreign corporations, and does not apply to fines related to the late filing of the annual fees for limited liability companies.

Pursuant to AD 2014-02, the notifications for cancellation of Certificates of Incorporation or Authorizations To Do Business in Puerto Rico will be automatically generated by the electronic system used for the Corporations Registry in the Department of State. The information about domestic and foreign corporations may be accessed through the following link: www.estado.gobierno.pr.

This document has been prepared for information purposes only and is not intended as, and should not be relied upon as legal advice. If you have any questions or comments about the matters discussed in this notice, wish to obtain more information related thereto, or about its possible effect(s) on policy or operational matters, please contact us.

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