

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

MAPFRE PRAICO INSURANCE COMPANY

Plaintiff,

v.

EDWARD C. REYNOLDS; 411 CLAIMS PR, LLC;
411 CLAIMS, LLC; JANE DOE; ABC INSURERS

Defendants

CIVIL CASE NO. 24-01557 (JAG)

**MOTION TO DISMISS UNDER RULES 12(b)(1) AND 12(b)(6)
OF THE FEDERAL RULES OF CIVIL PROCEDURE**

TO THE HONORABLE COURT:

NOW COME defendants 411 CLAIMS PR, LLC and 411 CLAIMS, LLC (“Defendants”) through the undersigned counsel, and respectfully request that the Court dismiss the Amended Complaint. As explained further below, MAPFRE’s negligence claims are time-barred because the facts alleged show MAPFRE had knowledge of potential negligence claims against Defendants more than a year before the filing of the original Complaint. Moreover, the claims raised under Count II of the Amended Complaint are constitutionally unripe for adjudication because they are contingent on future events that have not occurred.

I. BACKGROUND

On December 4, 2024, plaintiff MAPFRE PRAICO Insurance Company (“MAPFRE”), commenced this civil action by filing a complaint raising negligence claims under local law against Defendants 411 CLAIMS PR, LLC, 411 CLAIMS, LLC and co-defendant Edward C. Reynolds (“Co-Defendant Reynolds”). See, Docket Entry No. (“Dkt.”) 1.

Essentially, MAPFRE alleges in the operative, Amended Complaint¹ that on September 20, 2017, Hurricane María struck Puerto Rico, causing widespread damage, including to the Puerto Rico Highway and Transportation Authority (“Authority”). See, Dkt. 4 (“Am. Compl.”) ¶¶ 3.1 – 3.2. At the time, the Authority held a commercial insurance policy with MAPFRE (Policy No. 54-CBP-008665296-6/000). Accordingly, the Authority filed a property damage claim with MAPFRE on October 6, 2017, later supplementing it in November that same year. *Id.*, at ¶¶ 3.4 - 3.5.

MAPFRE then opened a claim (number 20171276088) to adjust the loss. *Id.*, at ¶¶ 3.6. It is further alleged that during this process, Co-Defendant Reynolds, acting as senior vice-president of 411 Claims PR, LLC and 411 Claims, LLC, convinced the Authority he was a licensed public adjuster. *Id.*, at ¶¶ 3.7 – 3.8. On November 30, 2017, the Authority contracted 411 Claims PR LLC to assist with the claim. *Id.*, ¶ 3.9. MAPFRE also alleges that the contract (No. 2018-000169) falsely represented that both the company and its representative, Zelman Alekseyev, held valid public adjuster licenses in Puerto Rico. *Id.*, at ¶¶ 3.10 – 3.17.

MAPFRE further alleges that Reynolds and his companies, acting as the Authority’s agents, submitted allegedly inflated damage estimates without proper investigation, aimed to secure the policy’s \$47.9 million limit to increase contingency fees. *Id.*, at ¶¶ 3.19 – 3.20.

It is further alleged that MAPFRE conducted its own adjustment and valued the claim at \$3,307,259.17. Meanwhile, Reynolds and his co-defendants asserted that damages exceeded \$180 million based on a special endorsement and pressed MAPFRE to pay the policy limit. *Id.*, at ¶ 3.23.

In ¶ 3.24, MAPFRE alleges that:

“After four years of litigation in Puerto Rico state court (Civil No.SJ2019CV009747), including an adjudicative administrative proceeding promoted by the defendants in 2018 with the Puerto Rico Insurance Commissioner against MAPFRE, and significant

¹ Plaintiff alleges that jurisdiction is grounded under diversity jurisdiction, 28 U.S.C. §1332. Am. Compl. ¶ 1.4.

expenses incurred by the parties, the defendants, as agents representing the Highway Authority, failed to produce an adjustment under the terms, conditions, and exclusions of the insurance policy showing the Highway Authority's policy limit demand of \$47,934,332 was warranted.”

MAPFRE further alleges that after four years of litigation in local court, it reached a settlement with the Authority on **November 17, 2023**, for \$10,250,000 and received various proof of loss statements that totaled such amounts. *Id.*, ¶¶ 3.25 – 3.26.

It is also alleged that on **July 21, 2023**, the Puerto Rico Insurance Commissioner sanctioned Reynolds and 411 Claims PR LLC for fraudulently holding themselves out as licensed adjusters, enjoining Reynolds from engaging in insurance-related work in Puerto Rico. 411 Claims LLC was also sanctioned for permitting Reynolds' unlicensed conduct. *Id.*, ¶¶ 3.31-3.33.

In a footnote, MAPFRE further alleges that on **November 21, 2023**, the Authority filed a lawsuit to nullify its contract with 411 Claims PR LLC. Specifically, MAPFRE alleges that:

“In fact, the Highway Authority filed a complaint to nullify its contract with 411 Claims PR LLC on November 21, 2023, in SJ2023CV10855. This case was dismissed without prejudice. On August 23, 2024, the Highway Authority refiled the complaint to nullify the contract with 411 Claims PR LLC. This case remains active. See Civil No. SJ2024CV07791.”

Id., p. 7, fn. 2.

Accordingly, MAPFRE raises two negligence claims under two separate factual predicates stemming from the above-summarized allegations. The first is based on Defendants fraudulently holding themselves out as licensed adjusters and inflating damage estimates without proper investigation. *Id.*, ¶¶ 4.2 - 4.14. And the second is grounded on the alleged nullity of Defendants' “contract to perform public adjustment services” between Defendants and the Authority. *Id.*, ¶¶ 5.2 – 5.11.

II. STANDARD OF REVIEW

a. *Rule 12(b)(1) standard.*

The standard under Rule 12(b)(1) of the Fed. R. Civ. P. is “similar to that accorded a dismissal for failure to state a claim” under Rule 12(b)(6) of the Fed. R. Civ. P. See, *Murphy v. United States*, 45 F.3d 520, 522 (1st Cir.1995); *Puerto Rico Tel. Co. v. Telecomm. Regulatory Bd. of Puerto Rico*, 189 F.3d 1, 14 n.10 (1st Cir.1999) (“The standard of review... is the same for failure to state a claim and for lack of jurisdiction.”). “[T]he party invoking the jurisdiction of a federal court carries the burden of proving its existence.” *Id.*

“There are two types of challenges to a court's subject matter jurisdiction: facial challenges and factual challenges.” *Torres-Negron v. J & N Records, LLC*, 504 F.3d 151, 162 (1st Cir. 2007). In a facial challenge, the Court determines whether “the plaintiff has sufficiently alleged a basis of subject matter jurisdiction, and the allegations in [plaintiff's] complaint are taken as true for purposes of the motion.” *Id.* In a factual challenge, “a court's power to make findings of fact and to weigh the evidence depends on whether the factual attack on jurisdiction also implicates the merits of the plaintiff's cause of action.” *Id.* (quoting *Garcia v. Copenhaver, Bell & Assocs.*, 104 F.3d 1256, 1261 (11th Cir.1997)).

b. *Rule 12(b)(6) standard.*

Fed. R. Civ. P. 12(b)(6) requires a Court to dismiss a complaint when it “fail[s] to state a claim upon which relief can be granted.” Fed. R. Civ. P. 12(b)(6). “Plausibility is the touchstone by which the sufficiency of a complaint is gauged.” *Morales-Cruz v. Univ. of Puerto*, 676 F.3d 220, 224 (1st Cir. 2012) (citing, *Ashcroft v. Iqbal*, 556 U.S. 662, 677–80 (2009)). To determine whether a complaint states a plausible claim, a court must first “separate the complaint's factual allegations (which must be accepted as true) from its conclusory legal allegations (which need not

be credited).” *Grajales v. Puerto Rico Ports Auth.*, 682 F.3d 40, 45 (1st Cir. 2012) (citing, *Morales-Cruz*, 676 F.3d at 224). Then, the court “determine[s] whether the factual content permits the reasonable inference that the defendant is liable for the misconduct alleged.” *Id.* (citations and internal quotation marks omitted). “A claim has facial plausibility when the plaintiff pleads factual content that allows the court to draw the reasonable inference that the defendant is liable for the misconduct alleged. The plausibility standard is not akin to a ‘probability requirement,’ but it asks for more than a sheer possibility that a defendant has acted unlawfully.” *Iqbal*, 556 U.S. at 678 (citations omitted). Dismissal of a complaint is appropriate, “[i]f the factual allegations in the complaint are too meager, vague, or conclusory to remove the possibility of relief from the realm of mere conjecture [.]” *SEC v. Tambone*, 597 F.3d 436, 442 (1st Cir. 2010) (en banc).²

III. ARGUMENT

a. MAPFRE’s claim under Puerto Rico’s general tort statute is time-barred.

“[A]n affirmative defense may be adjudicated on a motion to dismiss for failure to state a claim.” *Banco Santander de P.R. v. Lopez-Stubbe (In re Colonial Mortg. Bankers Corp.)*, 324 F.3d 12, 16 (1st Cir. 2003). In particular “[g]ranted a motion to dismiss based on a limitations defense is entirely appropriate when the pleader’s allegations leave no doubt that an asserted claim is time-barred.” *LaChapelle v. Berkshire Life Ins. Co.*, 142 F.3d 507, 509 (1st Cir. 1998). “Where the dates included in the complaint show that the limitations period has been exceeded and the complaint fails to sketch a factual predicate that would warrant the application of either a different statute of

² Moreover, “[i]n evaluating a motion to dismiss, ‘[o]rdinarily ... any consideration of documents not attached to the complaint, or not expressly incorporated therein, is forbidden.’” *Aragao v. Mortg. Elec. Registration Sys., Inc.*, 22 F. Supp. 3d 133, 137 (D. Mass. 2014) (citing, *Watterson v. Page*, 987 F.2d 1, 3 (1st Cir.1993)). “There are exceptions, however, ‘for documents the authenticity of which are not disputed by the parties; for official public records; for documents central to plaintiffs’ claim; or for documents sufficiently referred to in the complaint,’ even if those documents are introduced by the defendant.” *Id.*, at 137-138 (citing, *Watterson*, at 3-4).

limitations period or equitable estoppel, dismissal is appropriate.” *Trans-Spec Truck Serv. v. Caterpillar Inc.*, 524 F.3d 315, 320 (1st Cir. 2008) (citation and internal quotation marks omitted).

Generally, negligence actions under Puerto Rico law have a one-year limitations period. See, *TBB Int’l Bank Corp. v. Cordero*, No. 23-1310 (ADC), 2024 U.S. Dist. LEXIS 152036, at *21 (D.P.R. Aug. 22, 2024) (Explaining that the Puerto Rico general tort statute “codified in Article 1536 of Puerto Rico Civil Code (2020), which repealed its predecessor Article 1802 of the Puerto Rico Civil Code (1930)(repealed) [...] establishes a one-year statute of limitations for tort-based actions, as well unjust enrichment, fraud, and other non-contractual claims.”).

Moreover, [t]he statute of limitations of one year does not begin to run, until a potential plaintiff possess knowledge of the tort, and the person responsible for causing it.” See, *Bado-Santana v. Ford Motor Co.*, 283 F. Supp. 2d 520, 529 (D.P.R. 2003). “Once a plaintiff is made aware of facts sufficient to put her [him] on notice that she [he] has a potential tort claim, she [he] must pursue that claim with reasonable diligence, or risk of being held to have relinquished her right to pursue it later, after the limitation period has run.” *Id.* (citing, *Ramos v. Roman*, 83 F. Supp. 2d 233, 251 n. 16 (D.P.R. 2000); *Villarini-Garcia v. Hosp. Del Maestro*, 8 F.3d 81, 85 (1st Cir. 1993)).

Here, there are certain key allegations that make clear MAPFRE’s negligence claims are time-barred. Indeed, MAPFRE pled itself out of Court when it alleged that on November 17, 2023, it reached a settlement with the Authority for \$10,250,000 after four years of litigation involving the allegedly inflated damage estimates without proper investigation.³ MAPFRE further alleged that on July 21, 2023, “the Puerto Rico Insurance Commissioner sanctioned Edward C. Reynolds and

³ In contrast, MAPFRE valued the Authority’s loss at merely 3.2 million. Put differently, MAPFRE settled for an amount 300% greater than the amount it had determined after carrying “out an investigation of the Highway Authority’s property damage claim.” Am. Compl. ¶ 3.23.

411 Claims PR LLC for fraudulently misrepresenting having a public adjuster license.” Thus, by November 17, 2023, MAPFRE had knowledge of a potential tort action against Defendants. In other words, MAPFRE had “knowledge of the tort, and the person[s] responsible for causing it.” *Bado-Santana*, 283 F. Supp. 2d at 529. From then on, MAPFRE was on notice that it had a potential tort claim against Defendants and that it had pursue that claim “with reasonable diligence, or risk of being held to have relinquished [the] right to pursue it later, after the limitation period has run.” *Id.* (citing, *Ramos v. Roman*, 83 F. Supp. 2d 233, 251 n. 16 (D.P.R. 2000); *Villarini-Garcia v. Hosp. Del Maestro*, 8 F.3d 81, 85 (1st Cir. 1993)).

Indeed, MAPFRE was aware it had a potential tort claim against Defendants more than a year before it commenced this civil action with the filing of the original Complaint on December 4, 2024. See, Dkt. 1. These facts make abundantly clear that MAPFRE had “knowledge of the tort, and the person responsible for causing it” as early as July 21, 2023 (and at best for MAPFRE, November 17, 2023), more than a year before the original Complaint was filed. Worse still for MAPFRE, it failed to allege it tolled its potential negligence claims against Defendants (as well as Co-Defendant Reynolds).⁴ Therefore, MAPFRE’s negligence claims against Defendants are time-barred, and the Complaint should be dismissed accordingly.

b. MAPFRE’s claim under Count II of the Amended Complaint is constitutionally unripe for adjudication.

Ripeness, “has roots in both the Article III case or controversy requirement and in prudential considerations.” *Reddy v. Foster*, 845 F.3d 493, 500 (1st Cir. 2017) (citing, *Roman Catholic Bishop of Springfield v. City of Springfield*, 724 F.3d 78, 89 (1st Cir. 2013); *Mangual v.*

⁴ “A written demand for compensation from a tort plaintiff to an alleged tortfeasor is an extrajudicial claim that tolls the statute of limitations only if the demand is timely.” *Santana v. Hosp. Ryder Mem’l, Inc.*, 130 F. Supp. 2d 270, 276 (D.P.R. 2001) (citing, *Tokyo Marine & Fire Ins. Co. v. Perez y Cia., de P.R., Inc.*, 142 F.3d 1, 4-5 (1st Cir. 1998)). This means that “[t]he plaintiff must present the demand before the filing period has elapsed for the extrajudicial claim to be effective.” *Id.*, (citing, *Kery v. American Airlines, Inc.*, 931 F. Supp. 947, 952 (D.P.R. 1995)).

Rotger-Sabat, 317 F.3d 45, 59 (1st Cir. 2003)). “A claim is not ripe for adjudication if it rests upon contingent future events that may not occur as anticipated, or indeed may not occur at all.” See, *Texas v. United States*, 523 U.S. 296, 300 (1998) (citations and quotation marks omitted). “[T]he facts alleged, under all the circumstances, [must] show that there is a substantial controversy, between parties having adverse legal interests, of sufficient immediacy and reality to warrant the issuance of the judicial relief sought.” *Reddy*, 845 F.3d at 500 (citations and quotation marks omitted).

In Count II of the Amended Complaint, MAPFRE raises a separate, negligence claim against Defendants for damages caused by the alleged nullity of the contract executed between Defendants and the Authority:

“The contracts executed between the Highway and Authority and the defendants are null and void. Such null and void contracts, in turn, caused damages to MAPFRE because MAPFRE had to incur in unnecessary time and expense litigating claims that were illegally worked by the defendants and without making a proper adjustment under the terms, conditions, and exclusions of the insurance policy.”

See, Am. Compl, ¶ 5.8.

“The defendants are liable in solidum for executing a contract to perform public adjustment services that they knew or should have known was null and void and which caused the compensatory damages asserted in paragraph 3.34, plus the costs and attorney’s fees incurred in this action.”

Id., ¶ 5.11.

MAPFRE, however, alleged that a local court action commenced by the Authority to “nullify its contract with 411 Claims PR LLC [...] remains active.” Am. Compl. p. 7, fn. 2 (citing, local civil action No. SJ2024CV07791). There is no allegation in the Amended Complaint that the court in SJ2024CV07791 found or held that Defendants’ contract to perform public adjustment services with the Authority was null and void. Until such time, this particular negligence claim,

predicated on the alleged nullity of Defendants’ contract to perform public adjustment services, is not ripe for adjudication because it “rests upon contingent future events that may not occur as anticipated, or indeed may not occur at all.” *Texas*, 523 U.S. at 300. Accordingly, the Court should dismiss Count II of the Amended Complaint because it is constitutionally unripe for adjudication.

WHEREFORE, Defendants respectfully request that the Complaint be dismissed.

Respectfully submitted on August 2, 2025, by,

/s/ Sheila Torres Delgado

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**ATTORNEYS FOR DEFENDANTS 411
CLAIMS, LLC AND 411 CLAIMS PR, LLC**

CERTIFICATE OF SERVICE

IT IS HEREBY CERTIFIED that on August 2, 2025, I electronically filed the instant document with the Clerk's Office of this Court by means of the CM/ECF System, which will notify such filing to all attorneys of record in this case.

/s/ David Rodríguez-Burns
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