

**IN THE
SUPREME COURT OF THE UNITED STATES**

JUAN M. CRUZADO - LAUREANO
Petitioner-Pro-Se

NO: 25-6680

Vs.

On Petition for Writ of Certiorari to
the U.S. Court of Appeals for The
First Circuit – **Case # 21-1472**

Office of the Comptroller of Puerto Rico
Respondent

PETITION FOR REHEARING IN CERTIORARI #25-6680

JUAN MANUEL CRUZADO-LAUREANO (PRO-SE)

PO BOX 405, VEGA ALTA, PR, 00692

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Office of the Comptroller of Puerto Rico
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Question presented for Court review in the
PETITION FOR REHEARING

IS A JUDGMENT FROM A FEDERAL APPELLATE COURT VALID
WHEN IT MAKES ADJUDICATIONS ON MATTERS NOT
DISCUSSED IN THE TRIAL COURT?

**IN THE
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Vs.

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Respondent

NO: 25-6680

CERTIFICATION OF APPLICATION IN GOOD FAITH

Appears before this Honorable Supreme Court of the United States, Juan Manuel Cruzado-Laureano exercising his right to legal self-representation (**Pro-Se**), with a **Rehearing Request** on the Court's refusal to consider **Certiorari #25-6680**. The **Rehearing Request** is made in good faith and based on the important issues raised in the questions submitted. This **Request** is not intended to delay or hinder the provision on its merits by the Court of **Certiorari #25-6680** submitted.

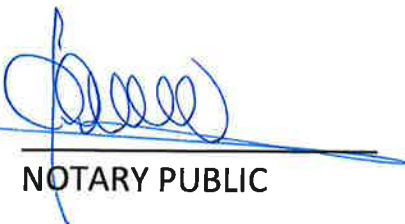
IN VEGA ALTA, PUERTO RICO TODAY April 17, 2026

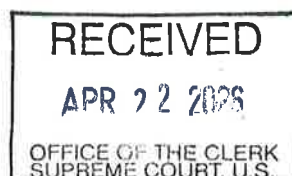

JUAN M. CRUZADO LAUREANO

PO BOX 405, VEGA ALTA, PR 00692 TEL: (787) 371-4373

AFFIDAVIT # 9,599

Sworn and signed before me, Juan M. Cruzado Laureano, of legal age, single, retired and neighbor of Vega Alta, Puerto Rico, in Manatí, PR, today April 17, 2026.


NOTARY PUBLIC



**IN THE
SUPREME COURT OF THE UNITED STATES**

JUAN M. CRUZADO - LAUREANO
Petitioner-Pro-Se

NO: 25-6680

Vs.

Office of the Comptroller of Puerto Rico
Respondent

On Petition for Writ of Certiorari to
the U.S. Court of Appeals for The
First Circuit – Case # 21-1472

PETITION FOR REHEARING

Appears before this Honorable Supreme Court of the United States, Juan Manuel Cruzado-Laureano exercising his right to legal self-representation (**Pro-Se**), Expose and Request:

1- On March 12, 2026, the Petitioner for Certiorari #25-6680 received the following message in his *email*:

“A new docket entry: “***DISTRIBUTED*** for Conference of 03/27/2026”, has been added for Juan Manuel Cruzado-Laureano, Petitioner v. Comptroller of PR.

2- On April 6, 2026, the Petitioner for Certiorari #25-6680 received by regular mail the Order of the Court dated March 30, 2026 which reads as follows:

*“The Court today entered the following order in the above-entitled case:
The petition for a writ of certiorari is denied.”*

3- The Petitioner is filing this *Petition for Rehearing* of Certiorari #25-6680 on Friday, April 18, 2026, at the post office in Vega Alta, PR, complying with the 25-day deadline for filing, provide by Rule 44 of this Court.

THE FACTS THAT GAVE RISE TO DISMISSED LAWSUIT #20-1360(FAB) FOR VIOLATION OF THE CIVIL RIGHTS ACT UNDER SECTION 1983

Audit Report M-06-12 of November 21, 2005 of the Municipality of Vega Alta produced by the Office of the Comptroller of PR

Audit Report M-06-12 of November 21, 2005 originates from conviction #01-690(JAF) of June 7, 2002, for the crimes of public corruption allegedly committed in the first 10 months of 2001, when the Petitioner was Mayor of the Municipality of Vega Alta. The main Count of Indictment 01-690 of 10-24-2001 against the Petitioner, *THEFT* of municipal funds in four instances, for which he was imprisoned for 63 months, are not listed as Findings in the Comptroller's Office Audit Report M-06-12 of November 21, 2005. The Petitioner never received a copy of *Audit Report M-06-12 dated 11/21/2005* from the Comptroller's Office. Audit Report M-06-12 was published online by the Comptroller's Office on *November 21, 2005*, three (3) and a half years after the Petitioner was found guilty of the corruption charges allegedly committed against the Municipality of VA. In *Audit Report M-06-12 of November 21, 2005*, it is not acknowledged that Mayor Cruzado committed any crime against the Municipality in the 10 months audited by it. The Petitioner never had the opportunity to use the *exculpatory Findings* contained in the Audit Report M-06-12 of 11/21/2005 for his appeal process before the First Circuit, since these were disclosed after the appeal process was exhausted both in the First Circuit and before the Supreme Court.

The Comptroller's Office itself, in Audit Report M-06-12, admits that it *never sent* the Petitioner the *draft of the Audit Findings* of the 10 months in which the Petitioner was Mayor, nor the M-06-12 Report of November 21, 2005, because "*he was incarcerated in a federal jail in the United States*". The other illegal act perpetrated in the drafting of Report M-06-12 against the Petitioner by Comptroller's Office was the falsification of the audited period. According to the cover page of Report M-06-12 of 11/21/2005, it is erroneously stated that the period was from January 9, 2001 to December 31, 2003, when in fact the Petitioner voluntary ceased his duties on October 25, 2001. The veracity of the audited period, according to Report M-06-12, is contradicted by the judicial process that found guilty the Petitioner guilty. He was found guilty on June 7, 2002, and was imprisoned that same day. 18 months elapsed from the date of the Petitioner's imprisonment until the closing of the audit carried out by the Comptroller's Office. How is possible for a mayor to continue leading a municipality for 18 months while incarcerated in a federal prison?

[CERTIFIED TRANSLATION] I, Carlos Laó Dávila, a Federally certified interpreter, number 03-052, hereby certify that the attached document is a true and exact translation of the original, translated or certified by me.

AUDIT REPORT M-06-12
November 21, 2005
MUNICIPALITY OF VEGA ALTA
(Unit 4073- Audit 12392)

Audited Period: January 9, 2001 to December 31, 2003

Civil Complaint #20-1360(FAB) against the Comptroller's Office is *DISMISSED WITH PREJUDICE*

On May 26, 2021, the District Court issued the *Judgment* in Lawsuit #20-1360(FAB) under *Section 1983* of the Civil Rights Act:

Docket Text:

OPINION AND ORDER re [6] Motion to Dismiss for Failure to State a Claim. The Office of the Comptroller's motion to dismiss pursuant to Federal Rule of Civil Procedure 12(b)(6) is GRANTED. This case is DISMISSED WITH PREJUDICE. Cruzado is ORDERED TO SHOW CASE, no later than June 18, 2021, as to why the Court should not enjoin him from commencing any action of whatever type or description in the United States District Court for the District of Puerto Rico, in connection with his 2002 conviction for corruption without prior leave of the Court. Signed by Judge Francisco A. Besosa on 05/26/2021. (brc)

The "*Notice of Appeal*" before the First Circuit of the dismissed Pro-Se #20-1360 (FAB) Lawsuit, was filed on June 2, 2021.

Docket Sheet for "*notice of appeal*" #21-1472

JUAN MANUEL CRUZADO-LAUREANO,	
Plaintiff - Appellant,	
v.	
OFFICE OF THE COMPTROLLER OF PUERTO RICO,	
Defendant - Appellee.	
06/21/2021	☐  CIVIL CASE docketed. Notice of appeal (doc. #18) filed by Appellant Juan Manuel Cruzado-Laureano. [21-1472] (DO) [Entered: 06/21/2021 10:25 AM]
06/21/2021	☐ Request to proceed in forma pauperis on appeal filed by Appellant Juan Manuel Cruzado-Laureano was granted in the district court by order dated 06/03/2021. [21-1472] (DO) [Entered: 06/21/2021 10:32 AM]
06/23/2021	☐  ORDER to Show Cause entered: This is an appeal from the dismissal of plaintiff's complaint. On May 3, 2017, the Commonwealth filed a petition under Title III of PROMESA, 48 U.S.C. § 2161, et seq., for adjustment of its debts. Under section
Selected Pages:	
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https://ca1-ecf.sso.dcn/cmcd/servlet/DktRpt?incOrigDkt=y&incDktEntries=Y&outputFormat=html&incPtyAty=Y&incPrior=Y&incFee=Y&incCaption=lon... 2/6	

11/6/25, 11:34 AM	21-1472	whether the automatic stay applies to this appeal. The parties are directed to state with specificity the reasoning behind their conclusion one way or the other. [21-1472] (GRC) [Entered: 06/23/2021 04:04 PM]
07/08/2021	☐ 2 pg, 47.01 KB	NOTICE issued. After 07/22/2021, the following attorney will no longer receive notice of court issued documents in this case unless he registers for an appellate ECF account: Diego J. Agueros for Office of the Comptroller. [21-1472] (GRC) [Entered: 07/08/2021 04:51 PM]
07/14/2021	☐ 2 pg, 84.35 KB	MOTION in Compliance with Court Order filed by Appellee Office of the Comptroller. Certificate of service dated 07/14/2021. [21-1472] (DJA) [Entered: 07/14/2021 03:31 PM]

The *notice of appeal* of the dismissed Pro-Se Lawsuit #20-1360 for violations of Civil Rights Law under *Section 1983* against the Office of the Comptroller of PR was filed on June 2, 2021, and processed by the Clerk's Office of the First Circuit Court on *June 21, 2021*. Although the *notice of appeal* filed in the dismissed Lawsuit #20-1360 met the financial and time requirements for filing, the Clerk of the Court did not issue the Order granting the Appellant the deadline from the date of filing the *Opening Brief*. The First Circuit Clerk assigned the "*notice of appeal*" filed by the dismissal of Lawsuit 20-1360 the number #21-1472, but did not authorize the Appellant to file his "*opening brief*" to initiate the appellate process before the First Circuit.

The response of the First Circuit Panel assigned to the "*notice of appeal*" #21-1472 was to issue an ORDER on *June 23, 2021*, where it demands that the parties "*show cause*" for or against the application of the "*automatic stay*" of Bankruptcy Court of Chapter III of the PROMESA Act to the "*notice of appeal*" #21-1472 of the dismissed Pro-Se Lawsuit #20-1360 filed by the Petitioner:

ORDER OF COURT

Entered: *June 23, 2021, Pursuant to 1 st Cir. R. 27.0(d)*

This is an appeal from the dismissal of plaintiff's complaint. On May 3, 2017, the Commonwealth filed a petition under Title III of PROMESA, 48 U.S.C. Section 2161, et seq., for adjustment of its debts. Under section 2161(a), the bankruptcy stay provisions of 11 U.S.C. Sections 362 and 922 are incorporated into PROMESA. In light of the Commonwealth's PROMESA filing, we direct the parties to show cause within twenty-one days of the date of this order whether the automatic stay applies to this appeal. The parties are directed to state with specificity the reasoning behind their conclusion one way or other.

With the unilateral decision of *June 23, 2021*, by the First Circuit Panel composed of Howard, **Chief Judge**, Lynch and Barron, **Circuit Judges**, not to authorized the Petitioner to file the *Opening Brief* in the **"Notice of Appeal 21-1472"**, the Petitioner's Right of Access to the Courts is prevented. This refusal by this Panel, led by **Chief Judge**, to authorized the filing of the **Brief of Appeal** of notice of appeal **#21-1472**, when the application met the statutory deadline and monetary requirements, it is unprecedented in the federal appeals system. With this unusual and illegal action, this Panel, presided over by the *Chief Judge Howard*, usurped the power to amend the **Due Process** provisions of the **Fourteenth Amendment** by denying the Petitioner the opportunity to file his **Brief of Appeal** in response to **"notice of appeal" #21-1472**.

Procedural record before the First Circuit Panel seeking authorization for the Petitioner to file his *Opening Brief* in **"appeal notice" #21-1472** or for *Judgment* to be issued with the allegation that the *automatic stay* of the **PROMESA** Bankruptcy Court has jurisdiction over **"notice of appeal" #21-1472**.

1- August 11, 2021 Response from the Petitioner to the First Circuit *Order* to *Show Cause* regarding the application of the **"PROMESA" Act's "Stay Automatic"** to the **"Notice of Appeal" #21-1472**

The **Order** issued by the First Circuit Panel on *June 23, 2021*, that only the Petitioner obeyed and fought, ordering the parties to **"show cause"** whether the **PROMESA Act "automatic stay"** applies to the **notice of appeal #21-1472**, part of the erroneous premise that **PROMESA** and its provision on the **"automatic stay"** of payments apply to the three branches of the Government of PR established in the Territorial Constitution of the Commonwealth of PR. The Territorial Constitution approved by the Federal Congress in 1952 for the unincorporated territory of Puerto Rico, establishes that it will consist of three Powers, namely; the Legislative, the Judicial and the Executive and their instrumentalities. The Territorial Constitution of the Commonwealth of PR establishes in its **Article III**, the existence of the **Legislative Power** and in **Section 22** of said **Article** the figure of the **Controller** [Comptroller] as part of said Power. The **PROMESA** Bankruptcy Title III Court only has jurisdiction over Commonwealth of Puerto Rico entities that have issued public debt that is in default. The Puerto Rico Comptroller's Office does not have the legal authority to issue public debt.

The ***Judgment*** issued by the First Circuit in **Case #21-1472** on **October 6, 2025**, is based on matters not discussed in the District Court, nor presented in the briefs by either party, not discussed or resolved in the **Judgment** where **Lawsuit #20-1360** was dismissed.

The “***notice of appeal***” in the dismissed **Lawsuit #20-1360**, filed on May 26, 2021, and assigned number **#21-1472** by the Clerk of the Appeal Court, was never considered for the filing of an “***appeal brief***” by the First Circuit that heard the “***notice of appeal***”. That Panel, chaired by then-***Chairman Judge Howard***, decided ***not to authorize the Petitioner’s appeal brief*** and ordered the parties to “***show cause***” regarding the jurisdiction of the **Title III PROMESA Bankruptcy Court** over the appeal of the dismissed **Lawsuit #20-1360**. After four (4) years of requests to the First Circuit Panel to order the filing of the “***opening brief***” of the **Notice of Appeal of May 21, 2021**, or to issue a judgment denying the filing of the “***Brief***”, the First Circuit on **October/06/2025**, issued a judgment reiterating the decision of **November 15, 2021**, regarding the jurisdiction of the **PROMESA** Act to the dismissed **Lawsuit 20-1360** and dismissing the “***notice of appeal***” **#21-1472**.

Penultimate and last paragraph of the “***Judgment***” of October 6, 2025, on the “***notice of appeal***” **#21-1472** filed on May 26, 2021 of the dismissed **Lawsuit #20-1360(FAB)**.

“In light of the Title III court’s decision that Appellant’s claims against OCPR are discharged by the Commonwealth’s Plan, continuation of this appeal is barred by the permanent injunctions contained in Plan section 92.3 and 11 U.S.C. section 524(a)(2). See In re Fin. Oversight & Mgmt. Bd. For P.R., 636 B.R. at 234-35 (Plan section 92.3); id. At 41-42 (Confirmation Order 59); see also 11U.S.C. section 524(a)(2) (stating a discharge “operates as an injunction against the commencement or continuation of an action... to collect, recover or offset any such debt”) (incorporated into PROMESA per 48 U.S.C. section 2161(a). In his filings, Appellant offers no arguments that would support the continued exercise of appellate jurisdiction in this appeal. See Woo v. Spackman, 988 F.3d 47,53 (1st Cir. 2021) (reminding that “federal courts of limited jurisdiction” and “the burden of establishing jurisdiction must fall the to the party who asserts it”) (internal quotation marks and citation omitted).

Accordingly, this appeal is dismissed. See 1st Cir. R. 27.0(c) (permitting the court to dismiss the appeal at any time when appellate jurisdiction is lacking). Any pending motions, to the extent not mooted by foregoing, are denied. “

**QUESTION PRESENTED FOR COURT REVIEW IN THE PETITION FOR
REHEARING**

***IS A JUDGMENT FROM A FEDERAL APPELLATE COURT VALID WHEN IT MAKES ADJUDICATIONS
ON MATTERS NOT DISCUSSED IN THE TRIAL COURT?***

SUMMARY OF ARGUMENTS ON THE QUESTION SUBMITTED

“Absent the most extraordinary circumstances, legal theories not raised squarely in lower court cannot be broached for the first time on appeal” – U.S. v. Slade, 980 F.2d 27 (1st Cir. 1992)

On November 21, 2021, the First Circuit Panel, composed of Howard, Chief Judge, Lynch and Barron, Circuits Judges, in deciding that “*notice of appeal*” #21-1472 could not be heard, arguing that the “*automatic stay*” of the PROMESA bankruptcy court had jurisdiction over it, rejected the doctrine established in all federal circuits, including the First Circuit and ratified by the Supreme Court that : *a federal appellate court will not consider arguments, theories or defences that were not presented before the district court*. What is astonishing about that theory outlined in its Order of November 21, 2021, by the First Circuit Panel, under direction of Chief Judge Howard, regarding the alleged jurisdiction of the Chapter III Bankruptcy Court of the PROMESA Act over the “*notice of appeal*” #21-1472, is that it is the creation of the First Circuit Panel, since neither of the parties nor the Judge who dismissed Lawsuit #20-1360 brought it up. This is the first time in federal judicial history that a Panel of an appellate circuit, upon receiving a “*notice of appeal*” regarding a dismissed civil rights violation lawsuit, resorts to a jurisdictional theory not discussed or presented by either party or elaborated in the first instance Judgment, to deny the right to appeal a judgment issued at first instance. The filing of “*opening brief*” #21-1472 was not authorized.

The Judgment issued by Judge Besosa on ***Lawsuit 20-1360***, based on what was presented by the parties.

On May 26, 2021, the District Court issued the *Judgment* in ***Lawsuit #20-1360(FAB)*** under ***Section 1983*** of the Civil Rights Act against the Office of the Comptroller.

Docket Text:

OPINION AND ORDER re [6] Motion to Dismiss for Failure to State a Claim. The Office of the Comptroller's motion to dismiss pursuant to Federal Rule of Civil Procedure 12(b)(6) is GRANTED. This case is DISMISSED WITH PREJUDICE. Cruzado is ORDERED TO SHOW CASE, no later than June 18, 2021, as to why the Court should not enjoin him from commencing any action of whatever type or description in the United States District Court for the District of Puerto Rico, in connection with his 2002 conviction for corruption without prior leave of the Court. Signed by Judge Francisco A. Besosa on 05/26/2021. (brc)

Summary of Judgment issued in ***"notice of appeal" #21-1472*** regarding the dismissed ***Lawsuit #20-1360(FAB)*** against the Office of the Comptroller of PR

Penultimate and last paragraph of the ***"Judgment"*** of October 6, 2025, on the ***"notice of appeal" #21-1472*** filed on May 26, 2021 of the dismissed ***Lawsuit #20-1360(FAB)***.

"In light of the Tile III court's decision that Appellant's claims against OCPR are discharges by the Commonwealth's Plan, continuation of this appeal is barred by the permanent injunctions contained in Plan section 92.3 and 11 U.S.C. section 524(a)(2). See In re Fin. Oversight & Mgmt. Bd. For P.R., 636 B.R. at 234-35 (Plan section 92.3); id. At 41-42 (Confirmation Order 59); see also 11U.S.C. section 524(a)(2) (stating a discharge "operates as an injunction against the commencement or continuation of an action... to collect, recover or offset any such debt") (incorporated into PROMESA per 48 U.S.C. section 2161(a). In his fillings, Appellant offers no arguments that would support the continued exercise of appellate jurisdiction in this appeal. See Woo v. Spackman, 988 F.3d 47,53 (1st Cir. 2021) (reminding that "federal courts of limited jurisdiction" and "the burden of establishing jurisdiction must fall the to the party who asserts it") (internal quotation marks and citation omitted).

Accordingly, this appeal is dismissed. See 1st Cir. R. 27.0(c) (permitting the court to dismiss the appeal at any time when appellate jurisdiction is lacking). Any pending motions, to the extent not mooted by foregoing, are denied. "

FINAL REFLECTION

The unusual action perpetrated by the First Circuit Panel in disregarding what Judge Besosa determined in his *Judgment* when dismissing Lawsuit 20-1360(FAB), imposing in its *Judgment* on the Notice of Appeal #21-1472 without allowing the Appellant to submit his *Brief of Appeal*, the theory of the jurisdiction of the Bankruptcy Court of Chapter III of the PROMESA Act in the appeal of the dismissed Lawsuit 20-1360(FAB), has no precedent in the federal appellate circuits. According to established federal judicial doctrine, an appellate court only reviews matters that were raised and argued before the trial court. This doctrine is based on the premise that the federal district court is the forum responsible for receiving evidence, hearing witnesses, and resolving the controversies brought to trial. The appellate court does not function as a tribunal for introducing new theories or new evidence.

CONCLUSION

FOR ALL THE REASONS STATED ABOVE, this PETITION FOR REHEARING OF THE CERTIORARI #25-6680 should be granted. It is imperative that this Honorable Supreme Court revoke the *Judgment* of the First Circuit in “*Notice of Appeal*” of the Case #21-1472 and order that it authorize the Petitioner to file the *opening brief* of the Notice of Appeal 21-1472, so that he may exercise his right to appeal the dismissed Lawsuit 20-1360. The Right of Access to the Courts and therefore to appeal is guaranteed by the 5th and 14th Amendments to our Constitution of 1787.

Respectfully submitted, today April 17, 2026, in Vega Alta, PR:



Juan Manuel Cruzado- Laureano (Pro-Se)

Po Box 405, Vega Alta, PR 00692

Tel: (787) 371-4373 e-mail: manecruzado@gmail.com

INDEX TO APPENDICES

APPENDIX A- JUDGMENT FIRST CIRCUIT IN CASE #21-1472 OF OCTOBER 6, 2025

APPENDIX B- OPINION AND ORDER IN CASE 20-1360(FAB) OF 05/26/2021

PROOF OF SERVICE

I, Juan Manuel Cruzado-Laureano, do swear or declare that on this date, **April 17, 2026**, as required by the Supreme Court **Rule 29**, I am sending the **PETITION FOR REHEARING**, request via first -class mail to the Respondent's facilities in Hato Rey, Puerto Rico. The **Rehearing** request is served even though the Defendant did not respond to the Court's Order to answer **Certiorari #25-6680** or avail himself of **Rule 15** of the Court for not responding.

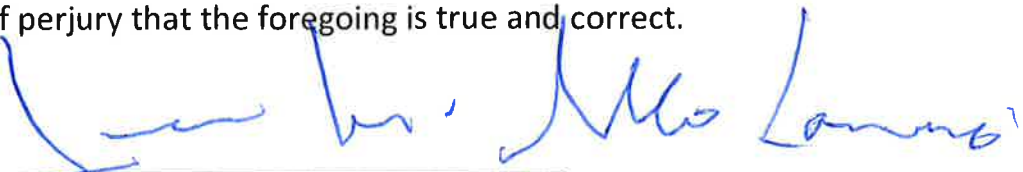
OFICINA DEL CONTRALOR DE PR

Ave. Ponce de León 105 Esquina Calle Pepe Díaz

Hato Rey, PR 00936

I declare under penalty of perjury that the foregoing is true and correct.

April 18, 2026.



Juan Manuel Cruzado- Laureano (Pro-Se)

P O Box 405, Vega Alta, PR 00692

APPENDIX A

JUDGMENT FIRST CIRCUIT IN CASE #21-1472 OF OCTOBER 6, 2025

Juan Manuel Cruzado-Laureano
P.O. Box 405
Vega Alta, PR 00692-0000

Appendix A

United States Court of Appeals For the First Circuit

No. 21-1472

JUAN MANUEL CRUZADO-LAUREANO,

Plaintiff - Appellant,

v.

OFFICE OF THE COMPTROLLER OF PUERTO RICO,

Defendant - Appellee.

Before

Barron, Chief Judge,
Howard and Gelpí, Circuit Judges.

JUDGMENT

Entered: October 6, 2025

Plaintiff-Appellant Juan Manuel Cruzado-Laureano appeals from the district court's decision dated May 26, 2021, granting the Office of the Comptroller of Puerto Rico's ("OCPR") motion to dismiss and dismissing the complaint with prejudice. Cruzado-Laureano v. Office of the Controller of Puerto Rico, 541 F. Supp. 3d 225, 231 (D.P.R. 2021). On September 20, 2021, this court stayed this appeal in light of the Commonwealth of Puerto Rico's restructuring petition, which was filed pursuant to Title III of the Puerto Rico Oversight, Management, and Economic Stability Act ("PROMESA") on May 3, 2017, and ordered the parties to file status reports every ninety days. See 48 U.S.C. § 2161(a) (incorporating the provisions of 11 U.S.C. § 362 into PROMESA); see also In re Soares, 107 F.3d 969, 975 (1st Cir. 1997) (stating "the automatic stay is exactly what the name implies--'automatic'--it operates without the necessity for judicial intervention") (internal quotation marks and citation omitted). On November 15, 2021, this court denied Appellant's motion for reconsideration and informed Appellant that he could seek relief from the automatic stay in the Title III court. See HealthproMed Foundation, Inc. v. Dep't of Health & Human Servs., 982 F.3d 15, 20 (1st Cir. 2020) (stating "[n]either In re Soares nor [11 U.S.C. § 362(d)] gives the court of appeals as opposed to the [Title III court]" the authority to retroactively modify the automatic stay). Appellant pursued relief in the Title III court.

On January 18, 2022, the Title III court confirmed the Commonwealth's Title III Plan. In re Fin. Oversight & Mgmt. Bd. for P.R., 636 B.R. 1 (D.P.R. 2022). The effective date of the Plan was March 15, 2022.

On September 21, 2022, the Title III court issued an order that determined, *inter alia*, (1) OCPR is part of the Commonwealth, (2) Appellant's claim against OCPR was a claim against the Commonwealth that has been discharged by the Commonwealth's Plan, and (3) Appellant cannot prosecute this appeal due to the Plan's permanent injunction. In re Fin. Oversight & Mgmt. Bd. for P.R., 650 B.R. 286 (D.P.R. 2022). Appellant did not file a notice of appeal or a motion to enlarge the time to appeal the Title III court's decision.

On October 27, 2022, Appellant filed an informative motion in this appeal that asserted certain errors as to the Title III court's decision. Appellant also filed a motion that contended this appeal should proceed. Subsequently, this court issued an order to show cause, regarding whether the appeal should be dismissed for the reasons contained in the Title III court's decision and whether Appellant has waived any claims of error due to his failure to appeal the Title III court's decision. Appellant and OCPR have filed their responses, and Appellant has filed additional motions that reiterate his position that the appeal should proceed.

This court has carefully reviewed the parties' filings and the relevant portions of the record. While Appellant asserts that his filing received by this court on October 27, 2022, meets the requirements for a notice of appeal, he filed it after the 30-day deadline to appeal the Title III court's decision had expired, and, as such, that filing cannot be treated as a notice of appeal of the Title III court's decision. See 48 U.S.C. § 2166(e)(1) (providing that "[a]n appeal shall be taken in the same manner as appeals in civil proceedings generally are taken to the courts of appeals from the district court"); see also In re Fin. Oversight & Mgmt. Bd. for P.R., 52 F.4th 465, 485 (1st Cir. 2022) (applying Rule 4(a)(1)(A)'s 30-day deadline to a Title III appeal); Fed. R. App. P. 4(a)(5) (requiring a party to seek enlargement in the district court within 30 days after the time to appeal expires); Smith v. Barry, 502 U.S. 244, 249 (1992) (stating that it is appropriate for an appellate court to treat a pro se filing as a notice of appeal "if the filing is timely under Rule 4 and conveys the information required by Rule 3(c)"). Appellant was required to file a notice of appeal to challenge the Title III court's decision. See Celotex Corp. v. Edwards, 514 U.S. 300, 313 (1995) (determining that a challenge to a bankruptcy order required an appeal, not a collateral attack in other federal proceedings); see also Goguen v. Allen, 780 F.3d 437, 457 n.58 (1st Cir. 2015) ("We have long held, and oft repeated, that pro se status does not free a litigant in a civil case of the obligation to comply with procedural rules.") (internal quotation marks and citations omitted). Without an appeal of the Title III court's decision, this court lacks jurisdiction to review it. See In re Fin. Oversight & Mgmt. Bd. for P.R., 52 F.4th at 485-86 (dismissing appeal for lack of jurisdiction due to appellant's failure to file a notice of appeal from the Title III court decision being challenged).

In light of the Title III court's decision that Appellant's claims against OCPR are discharged by the Commonwealth's Plan, continuation of this appeal is barred by the permanent injunctions contained in Plan § 92.3 and 11 U.S.C. § 524(a)(2). See In re Fin. Oversight & Mgmt. Bd. for P.R., 636 B.R. at 234-35 (Plan § 92.3); *id.* at 41-42 (Confirmation Order ¶ 59); see also 11 U.S.C. § 524(a)(2) (stating a discharge "operates as an injunction against the commencement or

continuation of an action . . . to collect, recover or offset any such debt") (incorporated into PROMESA per 48 U.S.C. § 2161(a)). In his filings, Appellant offers no argument that would support the continued exercise of appellate jurisdiction in this appeal. See Woo v. Spackman, 988 F.3d 47, 53 (1st Cir. 2021) (reminding that "federal courts are courts of limited jurisdiction" and "the burden of establishing jurisdiction must fall to the party who asserts it") (internal quotation marks and citations omitted).

Accordingly, this appeal is dismissed. See 1st Cir. R. 27.0(c) (permitting the court to dismiss the appeal at any time when appellate jurisdiction is lacking). Any pending motions, to the extent not mooted by the foregoing, are denied.

By the Court:

Anastasia Dubrovsky, Clerk

cc:

Juan Manuel Cruzado-Laureano, Gregory T. Usera, Diego J. Agueros

APPENDIX B-

OPINION AND ORDER IN CASE 20-1360(FAB) OF 05/26/20121

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United States District Court

District of Puerto Rico

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Case Name: Cruzado-Laureano v. Puerto Rico Comptroller's Office

Case Number: 3:20-cv-01360-FAB

Filer:

Document Number: 15

Docket Text:

OPINION AND ORDER re [6] Motion to Dismiss for Failure to State a Claim. The Office of the Comptroller's motion to dismiss pursuant to Federal Rule of Civil Procedure 12(b)(6) is GRANTED. This case is DISMISSED WITH PREJUDICE. Cruzado is ORDERED TO SHOW CAUSE, no later than June 18, 2021, as to why the Court should not enjoin him from commencing any action of whatever type or description in the United States District Court for the District of Puerto Rico, in connection with his 2002 conviction for corruption without prior leave of the Court. Signed by Judge Francisco A. Besosa on 05/26/2021. (brc)

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Appendix B

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

JUAN MANUEL CRUZADO-LAUREANO,

Plaintiff,

v.

Civil No. 20-1360 (FAB)

OFFICE OF THE CONTROLLER OF
PUERTO RICO,

Defendant.

OPINION AND ORDER

BESOSA, District Judge.

Defendant "Office of the Controller of Puerto Rico" [sic]¹ moves to dismiss the complaint pursuant to Federal Rule of Civil Procedure 12(b)(6) ("Rule 12(b)(6)"). (Docket No. 6) For the reasons set forth below, the motion to dismiss is **GRANTED**.

I. Background

Plaintiff Juan Manuel Cruzado-Laureano ("Cruzado") served as the mayor of Vega Alta, Puerto Rico in 2001 for less than a year. (Docket No. 2 at p. 1) "Almost immediately after taking office, Cruzado began extorting and laundering money by, among other things, demanding kickbacks on municipal contracts and redirecting funds intended for the government into his own pocket." United States v. Cruzado-Laureano, 440 F.3d 44, 45 (1st Cir. 2006). On

¹ The Court will refer to the defendant by its correct name, the Office of the Comptroller of Puerto Rico.

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January 25, 2002, a grand jury returned a fourteen-count superseding indictment charging Cruzado with, *inter alia*, embezzlement, extortion, money laundering, and tampering with a witness in violation of 18 U.S.C. §§ 666(a)(1)(A)(i), 1951(a), 1956(a)(1)(B)(i), and 1512(b)(1), respectively. (Criminal No. 01-690 (JAF), Docket No. 32)

After a two-week trial, the jury convicted Cruzado on all counts except two: a money laundering count dismissed by the Court and an extortion count that the United States failed to prove beyond a reasonable doubt. Id., Docket No. 89. The Court imposed a concurrent sentence of 63 months imprisonment as to each count, a fine of \$10,000, a special assessment of \$1,200, and a three-year concurrent term of supervised release. Id., Docket No. 110.²

The First Circuit Court of Appeals affirmed the conviction, but vacated the sentence. Cruzado-Laureano, 404 F.3d 470. The Court then resentenced Cruzado to the same term of imprisonment and imposed a restitution order in the amount of \$14,251.82. (Criminal No. 01-690, Docket No. 248) This sentence survived a subsequent appeal. United States v. Cruzado-Laureano, 527 F.3d 231, 239 (1st Cir. 2008).

Cruzado commenced seven post-conviction civil actions, all to no avail. See Cruzado-Laureano v. Muldrow, Civil No. 19-2142

² Cruzado received a one-year term of imprisonment as to Count 11. Id.

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(JAW), 2020 U.S. Dist. LEXIS 86265 at *11 (D.P.R. May 15, 2020) (dismissing Cruzado's petition for a writ of mandamus as "frivolous") (Woodcock, J.); Cruzado-Laureano v. United States, Civil No. 09-2303 (JAF), 2010 U.S. Dist. LEXIS 116731 at *14 (D.P.R. Nov. 2, 2010) (dismissing Cruzado's section 2255 motion, noting that he "continues to waste judicial resources [by] bringing frivolous arguments") (Fusté, J.), aff'd Civil No. 10-2470 (1st Cir. Apr. 26, 2012) (judgment); Cruzado-Laureano v. United States, Civil No. 15-1930 (JAF), (dismissing Cruzado's petition for writ of *coram nobis*) (Opinion and Order), aff'd Civil No. 16-1065 (1st Cir. Feb. 8, 2018) (Judgment); Cruzado-Laureano v. Partido Popular Democrático, Civil No. 06-1471 (ADC), 2007 U.S. Dist. LEXIS 108832 at *8 (D.P.R. Mar. 28, 2007) (granting motion to dismiss Cruzado's malicious prosecution claims against the Commonwealth of Puerto Rico, the Popular Democratic Party, the former governor of Puerto Rico Sila M. Calderón, and others) (Delgado-Colón, J.); Cruzado-Laureano v. Puerto Rico, Civil No. 06-1472 (JAF), 2007 U.S. Dist. LEXIS 4175 at *10 (D.P.R. Jan. 19, 2007) (granting motion to dismiss Cruzado's 1983 claim against Puerto Rico and federal law enforcement officers) (Fusté, J.); Cruzado-Laureano v. Puerto Rico, Civil No. 12-1317 (holding that Cruzado's complaint challenging the disqualification of convicted felons from holding political office was "frivolous") (D.P.R. June 25, 2012) (Opinion

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and Order) (Cerezo, J.); Cruzado-Laureano v. United States, Civil No. 07-1160 (JP), 2007 U.S. Dist. LEXIS 109736 at *5-6 (D.P.R. July 12, 2007) (dismissing malicious prosecution causes of action) (Pieras, J.).

This action constitutes yet another attempt to relitigate Cruzado's crimes of conviction. (Docket No. 2) He continues to maintain that the corruption "never occurred." Id. at p. 10. According to the *pro se* complaint, the Office of the Comptroller conspired to oppress the "free exercise or enjoyment of any right or privilege secured [by Cruzado] . . . by the Constitution or laws of the United States" in violation of 18 U.S.C. § 241 ("section 241"). Id. It allegedly "adulterated" and withheld audit report M-06-12 (the "audit report") to "keep [Cruzado] imprisoned beyond the 2004 General Election." Id. at p. 8.

Cruzado subsequently moved to amend the complaint, acknowledging that section 241 "does not authorize a private individual to institute criminal proceedings." Docket No. 10 at p. 1; see Rodi v. Ventelulolo, 941 F.2d 22, 29 n.8 (1st Cir. 1991) (holding that section 241 "[does] not give rise to a civil action for damages") (citation omitted). The motion to amend tethers the complaint to 42 U.S.C. § 1983 ("section 1983"), averring that former Comptroller Manuel Díaz-Saldaña ("Díaz") "lied" about Cruzado's inappropriate use of a municipal credit card, and delayed

publication of the audit report to conceal exculpatory evidence. (Docket No. 10 at p. 20) He seeks a monetary award of \$12,000,000 on behalf of himself and his family, for the "bitterness, deprivation of all kinds, [and] harassment that [he] has had to suffer 18 years [following the] illegal federal conviction of crimes of public corruption." (Docket No. 2. at p. 10)

The Court is cognizant that *pro se* litigants are entitled to a liberal construction of their pleadings. Although *pro se* litigants are held to less stringent standards, their motions must nevertheless meet certain fundamental requirements. See United States v. Nishnianidze, 342 F.3d 6, 18 (1st Cir. 2003). A generous reading of the complaint cannot, however, redeem this meritless litigation.

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

To survive a Rule 12(b)(6) motion, a complaint must contain sufficient factual material "to state a claim to relief that is plausible on its face." Bell Atl. Corp. v. Twombly, 550 U.S. 544, 570 (2007); Ashcroft v. Iqbal, 556 U.S. 662, 679 (2009). Courts adopt a two-step approach when resolving a motion to dismiss. First, a court "isolate[s] and ignore[s] statements in the complaint that simply offer legal labels and conclusions or merely rehash cause-of-action elements." Schatz v. Republican State Leadership Comm., 669 F.3d 50, 55 (1st Cir. 2012). Second, a court

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"take[s] the complaint's well-pled (i.e., non-conclusory, non-speculative) facts as true, drawing all reasonable inferences in the pleader's favor, and see[s] if they plausibly narrate a claim for relief." Id.

"The relevant question for a district court in assessing plausibility is not whether the complaint makes any particular factual allegations but rather, whether 'the complaint warrant[s] dismissal because it failed in toto to render plaintiffs' entitlement to relief plausible.'" Rodríguez-Reyes v. Molina-Rodríguez, 711 F.3d 49, 55 (1st Cir. 2013) (quoting Bell Atl. Corp. v. Twombly, 550 U.S. 544, 569 n.14 (2017)). An affirmative defense based on the statute of limitations "may be raised in a motion to dismiss under Federal Rule of Civil Procedure 12(b)(6)." Santana-Castro v. Toledo-Dávila, 579 F.3d 109, 113 (1st Cir. -2009) (citation and quotation omitted).

A. Section 1983

The only cause of action before the Court is Cruzado's section 1983 claim. This statute sanctions "a private right of action for violations of federally protected rights." Marrero-Gutiérrez v. Molina, 491 F.3d 1, 5 (1st Cir. 2007). The Supreme Court has held that section 1983 does not confer substantive rights, "but provides a venue for vindicating federal rights elsewhere conferred." Marrero-Sáez v. Municipality of Aibonito,

668 F. Supp. 2d 327, 332 (D.P.R. 2009) (Casellas, J.) (citing Graham v. M.S. Connor, 490 U.S. 386, 393-94 (1989)). To prevail on his section 1983 claim, Cruzado must demonstrate that: (1) he was deprived of a constitutional right; (2) that a "causal connection exists between [defendants' conduct] and the [constitutional deprivation]; and (3) that the challenged conduct was attributable to a person acting under color of state law." Sánchez v. Pereira-Castillo, 590 F.3d 31, 41 (1st Cir. 2009) (citing 42 U.S.C. § 1983).

Courts refer to state law to determine the statute of limitations for section 1983 causes of action. See Wilson v. García, 471 U.S. 261, 278-80, 85 (1985). Section 1983 is subject to a one-year limitations period pursuant to Puerto Rico law. P.R. Laws Ann. tit. 31, § 5298(2); Benítez-Pons v. Puerto Rico, 136 F.3d 54, 59 (1st Cir. 1998) ("Puerto Rico law establishes a one-year prescription period for the [section 1983] claims in this case."). Commencement of the limitations period "begins running one day after the date of accrual, which is the date plaintiff knew or had reason to know of the injury." Id. at 59.

III. Discussion

As a preliminary matter, the jury convicted Cruzado on June 7, 2002, approximately three years before the Office of the Comptroller published the audit report. (Criminal No. 01-690,

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Docket No. 89; Civil No. 20-1360, Docket No. 10, Ex. 7 at p. 1)

The harm allegedly sustained by Cruzado is the concealment of exculpatory evidence set forth in this document. He fails to identify, however, how the audit report proves his purported innocence. The complaint merely alleges that withheld information negates the evidence presented at trial. Failure to tether the delayed publication of the audit report to a constitutionally protected right is fatal to his section 1983 cause of action. See Soto v. Flores, 103 F.3d 1056, 1061 (1st Cir. 1997) (holding that a section 1983 claim "must have worked a denial of rights secured by the constitution or by federal law").

Not every perceived injustice or personal affront is a violation of the Constitution. Moreover, the applicable pleading standard "requires more than unadorned, the-defendant-unlawfully-harmed-me accusation." Iqbal, 556 U.S. at 678. The First Circuit Court of Appeals has noted potential "misuse" of section 1983 claims. Dewey v. Univ. of New Hampshire, 694 F.2d 1, 3 (1st Cir. 1982). The Court must "insist that the claim at least set forth minimal facts, not subjective characterizations, as to who did what to whom and why." Id.; see Rivera-Crespo v. González-Cruz, No. 13-1004, 2015 U.S. Dist. LEXIS 29773 at *9 (D.P.R. Mar. 9, 2015) (Vélez-Rivé, J.) Cruzado relies entirely on his subjective belief that the Office of the Comptroller has wronged him. (Docket

No. 2) Accordingly, dismissal is warranted pursuant to Rule 12(b)(6).

The complaint is also time barred. The statute of limitations began on November 22, 2005, the day after publication of the audit report. This is when Cruzado knew, or should have known, about the alleged conspiracy to withhold exculpatory evidence. Consequently, the final day for Cruzado to file a timely section 1983 cause of action was November 22, 2006. This action commenced on July 24, 2020, fourteen years after the statute of limitations expired.

Cruzado contends that the complaint is timely because the Office of the Comptroller released the audit report "while he was being held at the FCI Schuylkill federal prison in the State of Pennsylvania." (Docket No. 10 at p. 29.) The Court construes this argument to suggest that federal confinement prevented Cruzado from receiving notice of the audit report, tolling the statute of limitations. Even if this were an accurate recitation of the law, Cruzado's term of imprisonment concluded in September of 2007. (Docket No. 2 at p. 6) Thus, his section 1983 claim is untimely even if the Court prolongs its date of accrual.

IV. Order to Show Cause

Pursuant to 28 U.S.C. § 1651(a), federal courts "may issue all writs necessary or appropriate in aid of their respective

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jurisdictions and agreeable to the usages and principles of law. 28 U.S.C. § 1651(a); see In re McDonald, 489 U.S. 180, 184 (1989) ("A part of the Court's responsibility is to see that that Court's limited resources are allocated in a way that promotes the interest of justice. The continual processing of petitioner's frivolous filings does not promote that end.").

The First Circuit Court of Appeals has held that the judiciary "has the ability to enjoin a party - even a *pro se* party - from filing frivolous and vexatious motions." United States v. Gómez-Rosario, 418 F.3d 90, 101 (1st Cir. 2005); see Castro v. United States, 775 F.2d 399, 408 (1st Cir. 1985) ("In extreme circumstances involving groundless encroachment upon the limited time and resources of the court and other parties, an injunction barring a party from filing a processing frivolous and vexatious lawsuits may be appropriate.") (citation omitted).

Cruzado's affinity for frivolous litigation following his 2002 conviction is a strain on the Court's finite resources, and an abuse of the judicial process. The Court **FINDS** that Cruzado is a vexatious litigant, bent on pursuing meritless claims against past and present federal and state officials. Accordingly, **no later than June 18, 2021**, Cruzado is **ORDERED TO SHOW CAUSE** as to why the Court should not enjoin him from commencing any action of any type or description in the United States District Court for

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the District of Puerto Rico, in connection with his 2002 conviction for corruption without prior leave of the Court.

Failure to show cause will result in the issuance of a permanent injunction. This injunction will require Cruzado to request leave of the court by filing a summary of the putative claims (not to exceed one page per claim) together with an affidavit certifying that the claims are novel and have not been previously raised before this Court or any other federal court. Failure to certify or failure to certify truthfully may result in contempt of court and will be punished accordingly.

V. Conclusion

For the reasons set forth above, the Office of the Comptroller's motion to dismiss pursuant to Federal Rule of Civil Procedure 12(b)(6) is **GRANTED**. (Docket No. 6) This case is **DISMISSED WITH PREJUDICE**.

Cruzado is **ORDERED TO SHOW CAUSE, no later than June 18, 2021**, as to why the Court should not enjoin him from commencing any action of whatever type or description in the United States District Court for the District of Puerto Rico, in connection with his 2002 conviction for corruption without prior leave of the Court.

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IT IS SO ORDERED.

San Juan, Puerto Rico, May 26, 2021.

s/ Francisco A. Besosa
FRANCISCO A. BESOSA
UNITED STATES DISTRICT JUDGE