

## President Donald Trump Dismisses Five Members of the Financial Oversight and Management Board For Puerto Rico

### ATTORNEYS

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### PRACTICE AREAS

- Bankruptcy & Debt Restructuring
- PROMESA Task Force

### An McV PROMESA Task Force Alert

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On August 5, 2025, the Financial Oversight and Management Board for Puerto Rico (“FOMB”) issued a statement confirming that President Donald Trump terminated Arthur J. Gonzalez, Cameron McKenzie, Betty A. Rosa, Juan A. Sabater, and Luis A. Ubiñas from their positions as Board Members of the FOMB. The statement also communicated that the FOMB will continue to work to fulfill the mandate of PROMESA in the interest of the people of Puerto Rico.

Section 101 of the Puerto Rico Oversight, Management, and Economic Stability Act (“PROMESA”) authorizes the President to remove any member of the FOMB for cause. President Donald Trump’s action results in only two members remaining on the FOMB: Andrew Biggs and John Nixon.

PROMESA does not specifically establish a quorum requirement for the FOMB to execute the powers delegated in the law. Nonetheless, section 101 of PROMESA mandates that the FOMB adopt Bylaws, rules, and procedures governing its activities under the Act, including procedures for hiring experts and consultants. PROMESA establishes that an affirmative vote of a majority of the members of the Oversight Board’s full appointed membership shall be required in order for the Oversight Board to approve a Fiscal Plan under section 201, to approve a Budget under section 202, to cause a legislative act not to be enforced under section 204, or to approve or disapprove an infrastructure project as a Critical Project under section 503.

The FOMB approved and amended Bylaws establish quorum as a majority of the members of the Board for purposes of conducting the business of the FOMB and for all other purposes. Even though the Bylaws state that all actions of the FOMB shall be taken by an affirmative vote of no fewer than four (4) members of the Board, the Bylaws provide an exception in the event that the number of appointed members of the Board is at any time five (5) or less. In that circumstance any act to be taken shall require a majority of the Board’s appointed members, except as to the appointment by the Chair of an executive director and general counsel, which requires the consent of at least four (4) members.

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In summary, according to PROMESA and the Bylaws adopted by the FOMB, the current Board composed of two members acting jointly, is authorized to continue the daily operations of the FOMB and the execution of PROMESA. However, a two member FOMB does not have the necessary votes to appoint an Executive Director or general counsel, approve a fiscal plan, approve a Budget, cause a legislative act not to be enforced, nor approve or disapprove critical infrastructure projects.

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