DISTRICT COURT FOR THE VIRGIN ISLANDS, DIVISION OF ST. CROIX

EJP, LLC v. Banco Popular de Puerto Rico

EJP · No. No. 25-00013 · Decided December 16, 2025

SUMMARY

The District Court for the Virgin Islands grants Banco Popular de Puerto Rico's motion for judgment on the pleadings in a dispute over an uncompleted sale of St. Croix property. The court holds that the purchase agreement was not contingent on financing, did not require the seller to evict a tenant, and did not impose a duty to grant a further closing extension; therefore, the complaint failed to establish breach of contract or breach of the implied duty of good faith and fair dealing.

CASE DETAILS

COURT	District Court for the Virgin Islands, Division of St. Croix
WRITING FOR THE COURT	Savage, J.
JURISDICTION	District Court for the Virgin Islands, Division of St. Croix
DECIDED	December 16, 2025
DOCKET	No. 25-00013
DISPOSITION	other
PROCEDURAL POSTURE	Banco Popular removed EJP's breach-of-contract action from the Superior Court of the Virgin Islands and moved for judgment on the pleadings under Federal Rule of Civil Procedure 12(c).
STANDARD OF REVIEW	A Rule 12(c) motion for judgment on the pleadings is analyzed under the same standard as a Rule 12(b)(6) motion. The court accepts well-pleaded factual allegations as true, draws reasonable inferences in favor of the nonmovant, and may grant the motion only when there is no material issue of fact and the movant is entitled to judgment as a matter of law, such that the nonmovant cannot prevail under any set of facts that could be proved.
PRECEDENTIAL VALUE	unknown
PARTIES	EJP, LLC v. Banco Popular de Puerto Rico

TOPICS

motion for judgment on the pleadings | breach of contract | implied covenant of good faith | contract interpretation | commercial litigation

PRACTICE AREAS

contract law | real estate | civil procedure | commercial litigation

QUESTIONS PRESENTED

1. Whether EJP's complaint alleged facts sufficient to establish that Banco Popular breached the express terms of the purchase and sale agreement.
2. Whether EJP's complaint alleged facts sufficient to establish that Banco Popular breached the implied duty of good faith and fair dealing.
3. Whether Banco Popular was entitled to judgment on the pleadings under Rule 12(c).

HOLDINGS

1. EJP did not plead facts establishing a breach of the agreement because the agreement expressly made the sale noncontingent on EJP obtaining financing and did not require Banco Popular to evict the tenant or deliver vacant possession before closing.
2. EJP's inability to obtain financing did not excuse its failure to close because the agreement expressly stated that the sale was not contingent on financing.
3. EJP did not plead facts showing that Banco Popular acted fraudulently, deceitfully, or otherwise inconsistently with the purchase agreement's purpose or the parties' reasonable expectations.
4. Banco Popular had no express or implied duty to grant a second extension of the closing date or to comply with the lender's requests for another extension.

KEY QUOTATIONS

> *"The inability to obtain financing does not excuse EJP's failure to close. The sale was not contingent on financing. Banco Popular did not breach the agreement. EJP did."* (Analysis, The Express Terms of the Agreement)

> *"Viewing the facts alleged in the complaint and drawing all reasonable inferences in the light most favorable to EJP, we conclude the facts establish that Banco Popular did not breach the agreement or any implied duty of good faith and fair dealing. Therefore, Banco Popular is entitled to judgment as a matter of law."* (Conclusion)

FACTUAL BACKGROUND

Banco Popular obtained a foreclosure judgment concerning property in St. Croix, and EJP later entered into a purchase and sale agreement with Banco Popular on March 7, 2022, for $740,000. The agreement provided that EJP's obligations were not contingent on obtaining financing and that Banco Popular was not required to evict existing tenants before closing. After a holdover tenant prevented an appraisal, the parties extended the closing date to October 31, 2023, but EJP still could not obtain financing or close by that date. Banco Popular declined further extension requests and later sought EJP's consent to cancel the agreement.

PROCEDURAL HISTORY

EJP filed its complaint in the Superior Court of the Virgin Islands on January 13, 2025, alleging that Banco Popular breached a purchase and sale agreement and the implied duty of good faith and fair dealing. Banco Popular timely removed the action to the District Court for the Virgin Islands and moved for judgment on the pleadings. The court granted the motion and entered judgment for Banco Popular.

DISPOSITION

other

CASES CITED

- Bibbs v. Trans Union LLC, 43 F.4th 331, 339 (3d Cir. 2022)
- Wolfington v. Reconstructive Orthopaedic Assocs. II PC, 935 F.3d 187, 195 (3d Cir. 2019)
- Bedoya v. Am. Eagle Express Inc., 914 F.3d 812, 816 n.2 (3d Cir. 2019)
- Sikirica v. Nationwide Ins. Co., 416 F.3d 214, 220 (3d Cir. 2005)
- Wolf v. Ashcroft, 297 F.3d 305, 307 (3d Cir. 2002)
- Green v. Fund Asset Mgmt., L.P., 245 F.3d 214, 220 (3d Cir. 2001)
- Allstate Prop. & Cas. Ins. Co. v. Squires, 667 F.3d 388, 390 (3d Cir. 2012)
- Agueda v. Marcano, 79 V.I. 533, 543 (V.I. 2024)
- Phillip v. Marsh-Monsanto, 66 V.I. 612, 621 (V.I. 2017)
- Agueda v. Marcano, 79 V.I. 533, 552 (V.I. 2024)
- Chapman v. Cornwall, 58 V.I. 431, 441 (V.I. 2013)
- Matthews v. R&M Gen. Contractors, Inc., 72 V.I. 583, 594 (V.I. Super. Ct. 2020)
- Roebuck v. V.I. Hous. Auth. & Gov't of the V.I., 60 V.I. 137, 146 (V.I. Super. Ct. 2014)
- Alpha Energy v. GEC, LLC, 1:18 Civ. 58, 2024 WL 1138772, at *16 (D.V.I. Mar. 15, 2024)
- Fields v. Thompson Printing Co., Inc., 363 F.3d 259, 272 (3d Cir. 2004)
- Phillips v. Andrews, 332 F. Supp. 2d 797, 804 (D.V.I. 2004), aff'd, 128 F. App'x 935 (3d Cir. 2005)
- Finley v. Mole, Civil No. 2014-52, 2015 WL 1541126, at *5 (D.V.I. Apr. 1, 2015)