

United States Court of Appeals For the First Circuit

No. 25-1328

UNITED STATES,

Petitioner, Appellee,

v.

JUAN CARLOS REYNOSO,

Respondent, Appellant.

APPEAL FROM THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO

[Hon. Francisco A. Besosa, U.S. District Judge]

Before

Barron, Chief Judge,
Lipez and Rikelman, Circuit Judges.

Roy J. Kahn, with whom Roy J. Kahn, P.A. was on brief, for appellant.

Michael A. Rotker, Attorney, Appellate Section, United States Department of Justice, with whom W. Stephen Muldrow, United States Attorney, Matthew R. Galeotti, Acting Assistant Attorney General, Criminal Division, Jonathan Gottfried, Assistant United States Attorney, Ariel Glasner, Tamara Livshiz, Nicholas Cannon, and Jeremy Sanders were on brief, for appellee.

August 24, 2026

BARRON, Chief Judge. Juan Carlos Reynoso ("Reynoso") appeals from a final order of the U.S. District Court for the District of Puerto Rico holding him in civil contempt for failing to comply with a seizure warrant. He contends that the order must be vacated because the District Court abused its discretion in denying his request for an evidentiary hearing. We affirm.

I.

The following facts are not in dispute. On January 30, 2025, a federal prosecutor emailed Reynoso's attorney, Walter Reynoso ("Walter"¹), to find out whether Walter would be available the following day to discuss an update regarding a pending investigation. Walter confirmed that he would be and noted that he would be attending an event at his grandson's school.

On January 31, a magistrate judge signed a seizure warrant² in the District of Puerto Rico. The warrant authorized "119.65 [Bitcoin] currently stored on the wallet with root address bclqd02m2fgh82dcefymtpq3mxxqvydz29rfcgdgac" (the "Subject Assets") "be seized as being subject to forfeiture." It also "ordered" that Juan Carlos Reynoso "shall not obstruct, impede or interfere with the seizure of the Subject Assets" and that those

¹ Walter Reynoso and Juan Carlos Reynoso are not related. We use Walter Reynoso's first name for clarity. See United States v. Ponzo, 171 F.4th 507, 511 (1st Cir. 2026).

² The seizure warrant was issued in a separate, sealed proceeding that is not the subject of this appeal.

assets "must be transferred, within 24 hours from the date of service of this seizure warrant" to a specified government-controlled wallet address. The warrant further "commanded" that it be executed and the "Subject Assets" seized "on or before February 13, 2025." (Emphasis omitted.)

As planned, Walter and the prosecutors with whom he had been communicating had a phone call on January 31. During that call, the prosecutors asked whether he would accept service of a warrant on behalf of his client, Reynoso. Walter agreed to do so. Following the phone call, Walter confirmed in an email that he was "authorized to accept the . . . Seizure Warrant for Assets on behalf of" his client. Four minutes later, the prosecutors sent an email to Walter with the seizure warrant as an attachment.

On Saturday, February 1, almost twenty-six hours after the government sent that email, it sent another email to Walter. This email stated that the government was "confirm[ing] that the Subject Assets were not transferred to the Government wallet specified in the warrant within the time frame ordered by the Court."

On Monday, February 3, Walter sent an email to the prosecutors working on the case. In it, he explained that he had agreed "to accept service of what [he] presumed was simply a copy of a warrant to be provided to [his] client." He additionally noted that the prosecutors had not alerted him that the warrant

was a "time-sensitive matter," or that it "imposed any obligation on [him] or [his] client." (Emphasis omitted.) Walter further explained that due to "prearranged family commitments for the weekend," he did not open the email to which the seizure warrant had been attached until the morning of Sunday, February 2.

By that time, the twenty-four-hour deadline for compliance with the warrant that it had set forth had expired, and Walter "had not yet provided the warrant" to his client, Reynoso. Moreover, by the time Walter opened the email, "numerous transfers from the subject wallet address to different wallets had taken place between January 31, 2025[,] and February 1, 2025."

Walter notified the prosecutors that he would be filing a motion to quash the warrant. The prosecutors promptly responded, noting that they had tried to call him and wanted to know his availability to speak with them that day.

Walter responded the next day, informing the prosecutors that he intended to file the motion to quash the warrant. The prosecutors responded by warning that they would "consider any dissipation by [Reynoso] of the [Subject Assets] to be in violation of the order not to 'obstruct, impede or interfere with the seizure of the [Subject Assets].'" Meanwhile, transfers of the cryptocurrency from the wallet identified in the warrant continued on February 3 and February 5.

On February 7, the government initiated a new, miscellaneous action in the District Court by filing a motion to hold Reynoso in civil contempt for failing to comply with the January 31 warrant. In its motion, the government argued that Reynoso had violated the warrant by "failing to transfer the Subject Assets to the Government-controlled address as ordered, and by obstructing, impeding and interfering with the seizure of the Subject Assets" by transferring them to "other wallets after the Seizure Warrant was served." The government informed the District Court that, as of the date of filing, the "Subject Assets have been completely dissipated" from the address identified in the warrant.

On February 10, the District Court issued an order instructing Reynoso to show cause why he should not be held in civil contempt for failing to comply with the seizure warrant. On February 18, Reynoso filed a motion to quash service of the seizure warrant, and on February 24, he filed a response to the show-cause order.

In that response, Reynoso requested an evidentiary hearing "[i]n light of the significant issues of material fact in dispute." On February 28, the government filed an opposition to the motion to quash and a reply to Reynoso's opposition to the motion to hold Reynoso in contempt. In that reply, the government

argued that an evidentiary hearing was unnecessary because there were "no significant issues of material fact in dispute."

On March 4, the District Court issued an order denying Reynoso's motion to quash, granting the government's motion to hold Reynoso in contempt, and holding Reynoso in civil contempt of court. The District Court noted that, "[b]ecause the facts are not in dispute, a hearing is not necessary." Reynoso timely appealed from the civil contempt order, which had been issued in a standalone case.

II.

A district court may find civil contempt where clear and convincing evidence shows that: (1) "the alleged contemnor had notice that he was within the order's ambit"; (2) "the order was clear and unambiguous"; (3) "the alleged contemnor had the ability to comply" with the order; and (4) the order was violated. United States v. Saccoccia, 433 F.3d 19, 27 (1st Cir. 2005) (citation modified).

Reynoso raises only one issue on appeal in challenging the District Court's final order holding him in civil contempt: "Whether the District Court abused its discretion when it granted the government's motion to hold [him] in civil contempt without entertaining an evidentiary hearing to determine issues of fact." (Quotation modified.) He argues that an evidentiary

hearing was necessary to determine whether each of the four requirements for holding him in civil contempt had been met.

We review the denial of an evidentiary hearing for abuse of discretion. Hawkins v. Dep't of Health & Hum. Servs. for N.H., Comm'r, 665 F.3d 25, 35-36 (1st Cir. 2012). We have previously observed that an evidentiary hearing is not necessary for a contempt finding where the record "disclose[s] no genuine dispute of material fact." Goya Foods, Inc. v. Wallack Mgmt. Co., 290 F.3d 63, 77 (1st Cir. 2002); see also Morales-Feliciano v. Parole Bd. of P.R., 887 F.2d 1, 7 (1st Cir. 1989) (finding that a party was not entitled to an evidentiary hearing in civil contempt proceedings where the party did not identify facts in dispute); In re Grand Jury Procs., 871 F.2d 156, 160 (1st Cir. 1989) (holding contempt finding comported with due process despite lack of evidentiary hearing when contemnors had opportunity to respond to alleged non-compliance but failed to establish or present evidence indicating dispute of material fact).

A.

Reynoso argues as to the first requirement, which concerns notice, that an evidentiary hearing was required to determine "whether the government's attempted service on [his] counsel . . . was sufficient service of process to call into question whether [he] had actual notice of the warrant's demands."

The District Court disagreed because it determined that there was no factual dispute that "Reynoso received notice of the warrant on January 31, 2025[,] after [his] defense counsel accepted service on his behalf."

On appeal, Reynoso acknowledges that his attorney agreed to accept service of a seizure warrant on his behalf and that, on January 31, 2025, the government sent his attorney the warrant on which the District Court's civil contempt order depends. He also fails to identify any evidence in the record that creates a factual dispute as to whether the warrant in question was in fact sent to his counsel.

Reynoso does argue that there is a dispute concerning whether service of process on his attorney sufficed to provide him with "actual notice of the warrant's demands." But the District Court determined that the notice requirement could be satisfied even if Reynoso had not been personally served with the warrant in question, so long as that warrant had been served on his counsel. And Reynoso has not identified any facts that are in dispute concerning whether the warrant was so served. We therefore see no basis for concluding that the District Court abused its discretion in declining to hold an evidentiary hearing to determine any factual issues pertaining to whether the notice requirement had been satisfied.

Reynoso also argues that the District Court abused its discretion in declining to hold an evidentiary hearing because such a hearing was needed to resolve factual disputes pertaining to the three other requirements for holding him in civil contempt: (1) that there was a clear and unambiguous order (2) that he had the ability to comply with and (3) that he violated. See Saccoccia, 433 F.3d at 27. But Reynoso has not identified any evidence that either was already in the record or that he would put forward that would give rise to a factual dispute bearing on whether any of those three requirements had been met. Instead, to make the case that there were such material disputes of fact, he relies on little more than the conclusory assertions about the existence of such disputes that he makes in his briefs to our Court and that he made in his filings to the District Court.

The one possible exception concerns the penultimate of the four requirements, which concerns whether Reynoso had the ability to comply with the warrant. He contends that, in an evidentiary hearing, he "would have been able to provide evidence establishing that his movement of the bitcoin through various wallets was due to a commercial transaction, and not for intentionally avoiding the court ordered seizure warrant." Reynoso offers that explanation in furtherance of the argument that he did not have ownership, possession, or control over the assets such that he could comply with the warrant. However, he

neither explains why intent is relevant to the compliance prong, nor cites to any cases indicating as much.

Insofar as Reynoso contends there was a material dispute of fact as to his ownership of the assets and therefore his ability to comply with the warrant, in the opposition to Reynoso's motion to quash service of the warrant, the government submitted a declaration from a Federal Bureau of Investigation ("FBI") Special Agent. And that declaration explained how electronic items seized from Reynoso in 2024, including a cryptocurrency wallet, files found on his computer, and the public blockchain, established Reynoso's ownership and control over the cryptocurrency and corresponding wallet that are the subject of the warrant in the instant case. Moreover, in opposing Reynoso's request for an evidentiary hearing, the government noted that "much of the evidence in this case can be found on an immutable, public ledger." Yet Reynoso has not produced any evidence to dispute the FBI Special Agent's declaration; nor has he identified any evidence that he would have put forward at an evidentiary hearing to do so. We note, too, that there is nothing in the record to show that Reynoso was prevented from presenting any evidence that could have given rise to such a factual dispute in either his response to the order to show cause or otherwise. See United States v. Rylander, 460 U.S. 752, 757 (1983) ("It is settled . . . that in raising [the] defense [of inability to comply], the defendant has a burden

of production."); Hicks ex rel. Feiock v. Feiock, 479 U.S. 1305, 1306 (1986) (O'Connor, J., in chambers) ("In Rylander, this Court held that an alleged contemner has the burden of showing a current inability to comply with a court order, and that a contemner must overcome a presumption of ability to comply with a court order." (citing Rylander, 460 U.S. 752)).

B.

In sum, Reynoso "failed to contradict th[e] evidence" put forth by the government as to any prong required for a civil contempt finding. Goya Foods, 290 F.3d at 77. "The record, therefore, disclosed no genuine issue of material fact," and "[g]iven that void, an evidentiary hearing would have been a waste of time." Id.; see also Morales-Feliciano, 887 F.2d at 6-7. Accordingly, Reynoso has given us no reason to conclude that the District Court abused its discretion in denying his request for an evidentiary hearing.

III.

The order finding civil contempt is **affirmed.**