IN THE SUPREME COURT OF GUAM

GOVERNMENT OF GUAM,
Plaintiff-Appellee/Cross-Appellant,

v.

GERALDINE T. GUTIERREZ, in her capacity as Administratrix of the ESTATE OF JOSE MARTINEZ TORRES and the ESTATE OF JOSE MARTINEZ TORRES,
Defendants-Appellants/Cross-Appellees.

Supreme Court Case No.: CVA14-007
Superior Court Case No.: CV1124-09

OPINION

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Appeal from the Superior Court of Guam
Argued and submitted on September 29, 2014
Hagåtña, Guam

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BEFORE: KATHERINE A. MARAMAN, Presiding Justice;[1] DAVID A. WISEMAN, Justice *Pro Tempore*; J. BRADLEY KLEMM, Justice *Pro Tempore*.

MARAMAN, J.:

[1] This appeal concerns the ownership of certain real property seized by the United States Government following the Japanese occupation of the island during the Second World War and thereafter returned to the Government of Guam for transfer to its original owners. The present dispute centers on a deed for one such property granted by the Guam Ancestral Lands Commission ("GALC") to the Estate of Jose Martinez Torres. Defendants-Appellants/Cross-Appellees Geraldine T. Gutierrez, Administratrix of the Estate of Jose Martinez Torres, and the Estate of Jose Martinez Torres (collectively, "the Estate") appeal a decision and order from the trial court granting reformation of the Estate's deed and remanding determination of the Estate's land claims back to the GALC. The Estate alleges that the trial court lacked jurisdiction to reform the deed and erred in granting summary judgment based solely on evaluation of a transcript from the 2006 GALC hearing. The Estate further opposes the continued injunction levied against it and contends that the trial court erred in failing to address its motion for sanctions against Plaintiff-Appellee/Cross-Appellant Government of Guam ("the Government"). The Government cross-appeals, alleging that the GALC lacked authority to transfer the property to the Estate in the first instance and claiming that the trial court possessed jurisdiction to address its remaining claims of quiet title, declaratory judgment, and constructive trust. For the reasons set forth below, both the appeal and cross-appeal are affirmed in part and reversed in part, and the case is remanded for further proceedings in the Superior Court.

[1] Associate Justice Maraman, as the senior member of the panel, was designated as the Presiding Justice.

I. FACTUAL AND PROCEDURAL BACKGROUND

[2] This case arises from a dispute regarding a quitclaim deed to certain property in Dededo marked as lots AL002, AL002-1, and AL002-2 (the "Property"). According to the Estate, Mariquita Souder, an heir of the purported landowner Jose Martinez Torres, began filing applications with the GALC for the return of ancestral land in 2003. Although most of her applications were granted, the application as to the Property was denied because the GALC deemed the land to be former Spanish Crown Land. After Ms. Souder died, Evelyn O'Keefe assumed her role. O'Keefe hired experts to demonstrate that the land was not Spanish Crown Land, filed a Motion for Reconsideration, and presented the expert testimony at a hearing before the GALC in August 2006.

[3] In September 2006, the GALC held a hearing with five commissioners present, as well as Attorneys Rawlen Mantanona, Joseph Razzano, and Louis Yanza, who represented O'Keefe. After discussing the location of the lands at issue, the commission clarified the Estate's claim. According to a transcript provided by the Estate, the following conversation took place:

> MR. CHARFAUROS: I'd like to make a motion and my motion would be basically to be in line with the request of the family to recognize the claim to the estate of the lots mentioned herein on the record, which would also extinguish all claims to the Duarte Estate. And also that this be a conditional deed that you still have to go to the courts and go through the regular court proceedings to – and correct me if I'm wrong, is that going to the court proceedings to review this claim and the court will make the final judgment on the claim.
>
> MR. YANZA: That is correct Mr. Chairman. On behalf of the estate, neither I myself, Mr. Mantanona and Mr. Razzano or Mrs. O'Keefe can declare that we hereby terminate all future claims to ancestral lands. But, as we saw fit best [sic] for the estate, we are willing to go before the probate court and the probate estate of Mr. Torres and

request the court that they, the Court, approves the receipt of these ancestral lands and approve the final termination of future claims within the inventory of the commission.

MR. CHARFAUROS: And understand this, this is a conditional deed and if the Court comes back that says, that you will have absolutely no claim to this property, this property comes right back into the inventory of the Ancestral Lands Commission and that we are not going to rehear this case again. Unless you guys have convincing evidence that has not been reviewed by the Court to rehear the case. Do you understand exactly what this motion is?

MR. YANZA: Yes.

MR. MANTANONA: Yes, we do.

. . . .

MR. CHARFAUROS: Yeah. And understand, I'm not asking the family for permission for this extinguishment. My motion is not asking for permission, I'm making this motion. And this motion is to extinguish this claim and basically, it's up to the Courts and if the Court see fit that this motion is inappropriate then the Courts can rule against that and if the Court sees fit that this claim is invalid, this property would come back to the inventory of the Ancestral Lands Commission. But basically the Court is going to be the final say so. Do you understand that motion?

MR. MANTANONA: Yes.

MR. YANZA: Mr. Commissioner? Just to clarify.

MR. CHARFAUROS: Yeah.

MR YANZA: This present motion on the floor, this would be a conditional transfer of the properties so long as the court approves it and once the court approves it –

MR. CHARFAUROS: Yes. In other words, where it's a conditional deed that we're giving you. You still have to go to the courts and – if the Courts comes back and say yes –

MR. YANZA: Okay. We understand that. We accept that.

MS. ORLINO: And then it's going to not come before this commission again?

MR. MANTANONA: Right, yeah.

MR. YANZA:	No, no. If the court approves of the transfer –
MS. ORLINO:	Then it's a done deal.
	. . . .
MR: YANZA:	And then the condition would be satisfied?
MR. MANTANANE:	Yeah, right.
MR. CHARFAUROS:	If the court rules against it, then it comes – that property comes back into –
MR. ECLAVEA:	Into our inventory.

RA, tab 128, Ex. 1 at 26-30 (Guam Ancestral Lands Comm'n Hr'g, Sept. 26, 2006) ("GALC Hr'g"). The attorneys agreed to draft the deed for the GALC's review.

[4] On September 25, 2006, the Estate's attorneys sent a letter to the GALC and its commissioners. The letter stated:

> As per the GALC September 20, 2006 hearing, I enclose for your easy reference, a copy of our proposed Quitclaim Deed deeding from the GALC to the Estate. As you will note, I have essentially copied the same language in the GALC's Quitclaim Deed template. There are, however, a few changes. The changes are:
>
> 1. Decision: The decision by the Commission acknowledging the Estate's property (pp. 3-4).
> 2. Lot Descriptions (pp. 3-4 and 6-7).
> 3. *Condition: Pursuant to the motion approved by the Commission, I direct your attention to pages 11-12 in which the conditions of the Quitclaim Deed are set forth therein. As was decided, the transfer of the properties to the Estate is conditioned upon the Estate going before the probate court to approve the acceptance of the properties in exchange for the Estate to forego all other claims against the Commission for other properties held by the Commission.*

RA tab 134, Ex. G at 1-2 (Letter from Louie J. Yanza to GALC, Sept. 25, 2006) (emphasis added).

[5] The Final Written Decision and Order, issued by the GALC and signed by GALC Commissioners Orlino and Cruz, expressly stated that:

> The Commission . . . directs the Chairperson and Secretary of the Commission to condition the return of the properties to the Estate that the Estate shall request the probate court of the Jose M. Torres Estate to accept the return of the properties in exchange for the Estate terminating all future claims . . . .

RA tab 134, Ex. I at 4 (Final Written Dec. & Order, Dec. 26, 2006).

[6] On June 7, 2007, the Estate petitioned the Probate Court "to Compromise and to Confirm Quitclaim Deed and Real Property Received by the Estate [t]hrough the Ancestral Lands Commission." RA, tab 89, Ex. 2 at 1 (Pet. Compromise, June 12, 2007). The petition was approved by the probate court on August 31, 2007. The GALC thereafter filed a "Satisfaction and Release of Condition Placed on Deed" on September 26, 2007. RA, tab 66, Ex. A at 1 (Satisfaction & Release, Sept. 26, 2007). This release quotes the condition in the quitclaim deed, and declares it to be satisfied. The deed was signed on October 17, 2006.

[7] The Government, acting on behalf of the GALC,[2] filed a "Complaint for Reformation of Deed, for Declaratory Judgment, to Quiet Title, and for Imposition of a Constructive Trust" on July 24, 2009. RA, tab 2, at 1 (Compl. Reformation of Deed, July 24, 2009).[3]

[8] The court issued a preliminary injunction on February 10, 2009, "to enjoin [the Estate] from distributing the assets contained within the Estate . . . ." RA, tab 45 at 1 (Order, Feb. 10, 2010). The court stated that the injunction would be in effect "for ten (10) days from the date of this order." *Id.* at 3. The court held a hearing for a motion for a permanent injunction on February 22, 2010. It continued the injunction until a hearing on March 31, 2010. The Estate filed for dissolution of the injunction on March 18, 2011. The court ruled that the original

[2] It appears that the Government's representation of GALC was in dispute at one point. However, this is not an issue on appeal, and no party now contends that the Government is not the proper representative of the GALC.

[3] The Government attempted to intervene in the Estate's probate court case in 2008, but the court denied the Government's petition.

injunction expired on February 24, 2009, ten days after it was first ordered. However, the court then renewed and extended the injunction "until resolution of the issue of whether the [Government has] properly set forth claims as taken under advisement on February 17, 2012." RA, tab 163 at 5 (Dec. & Order, Mar. 6, 2012).

[9] After filing first and second amended complaints, the Government eventually filed a third amended complaint. The Government alleged reformation of the deed as its first cause of action, and it requested declaratory judgment, quiet title, and imposition of a constructive trust as its second cause of action. The Government thereafter moved for summary judgment on the complaint. The Estate filed an opposition and cross-motion for summary judgment. The trial court heard the matter on November 30, 2012. It issued a decision and order on September 30, 2013. The Estate timely filed an appeal, and the Government timely filed a cross-appeal.

II. JURISDICTION

[10] This court has jurisdiction over appeals from final judgments of the Superior Court pursuant to 48 U.S.C.A. §1424-1(a)(2) (Westlaw through Pub. L. 113-296 (2014)), and 7 GCA §§ 3107(b) and 3108(a) (2005).

III. STANDARD OF REVIEW

[11] We review decisions to dismiss for lack of subject matter jurisdiction *de novo*. *Core Tech Int'l Corp. v. Hanil Eng'g & Constr. Co.*, 2010 Guam 13 ¶ 16. We review a trial court's decision granting a motion for summary judgment *de novo*. *Taitano v. Lujan*, 2005 Guam 26 ¶ 11.

[12] This court generally considers the trial court's grant of a preliminary or permanent injunction for abuse of discretion. *Hongkong & Shanghai Banking Corp. v. Kallingal*, 2005 Guam 13 ¶ 17 (citing *Carlson v. Guam Tel. Auth.*, 2002 Guam 15 ¶ 15 n.3). Issues of law that

underlie the grant of an injunction are reviewed *de novo*, while findings of irreparable harm or likelihood of success on the merits are reviewed for abuse of discretion. *Id.*

[13] We review a court's decision to deny sanctions for abuse of discretion. *DFS Guam L.P. v. A.B. Won Pat Int'l Airport Auth.*, 2014 Guam 12 ¶ 10.

IV. ANALYSIS

A. Whether the Superior Court has Jurisdiction over the Dispute

1. Original jurisdiction over the Government's causes of action

[14] The Superior Court of Guam holds original jurisdiction over all causes of action and some appellate jurisdiction, not exclusively reserved for the Supreme Court, as provided by the legislature. 7 GCA § 3105 (2005). In addition, Guam law provides the trial court with jurisdiction to hear the claims at issue in this case. The court may reform contracts pursuant to its general jurisdiction under 7 GCA § 4101. *See* 7 GCA § 4101 (2005); *see also* 7 GCA § 11305(h) (2005); *Burkhart v. Miranda*, 2013 Guam 2 ¶¶ 15, 27 (discussing Superior Court's reformation of deed); *Exec. View Estate, Inc. v. Kamminga*, No. 95-00125A, 1996 WL 104469, at *2 (D. Guam App. Div. Mar. 1., 1996) (Superior Court sits in both law and equity); 66 Am. Jur. 2d *Reformation of Instruments* § 92 (2014) (reformation of an instrument is subject to court sitting in equity). Further, the Superior Court possesses jurisdiction to make a declaratory judgment involving a deed. *See* 7 GCA § 26801 (2005); *see also Hart v. Hart*, 2008 Guam 11 ¶¶ 13-14 (Superior Court may clarify ambiguous decrees pursuant to Section 26801). Finally, the Legislature has vested the court with jurisdiction to hear actions to quiet title. 21 GCA § 25101 (2005); *Taitano*, 2005 Guam 26 ¶ 23 (holding that a petition "to quiet title to real property [is] a matter the trial court obviously has jurisdiction over pursuant to 21 GCA § 25101 and 7 GCA §

3105 (2005)."). Thus, the Superior Court possesses the general authority under its original jurisdiction to rule on the claims at issue in this case.

[15] Despite the existence of independent jurisdiction over the claims presented in this case, the court must resolve whether an administrative remedy precludes the exercise of traditional jurisdiction and limits the trial court to review of the administrative decision. Case law from other courts addressing this question reveals a split of authority. Some cases hold that administrative deference prevents the court from exercising its original jurisdiction in cases over which an administrative body has authority. *See, e.g., Phillips v. Lowe's Home Ctr., Inc.*, 879 So. 2d 200, 203 (La. Ct. App. 2004) ("The grant of original exclusive jurisdiction of designated subject matters to an agency results in the removal of those matters from the [trial] court's jurisdiction."); *Pittsburgh Bd. of Pub. Educ. v. Pa. Human Relations Comm'n*, 820 A.2d 838, 841 (Pa. Commw. Ct. 2003) ("In matters involving administrative agencies, this court's original jurisdiction is limited to those actions not within its appellate jurisdiction."). However, other courts have determined that, with regard to administrative decisions, the existence of appellate jurisdiction does not foreclose a trial court from exercising its original jurisdiction. *See, e.g., City of Chicago v. Int'l Coll. of Surgeons*, 522 U.S. 156, 168-69 (1997) (claims requiring review of administrative determinations do not deny trial courts alternate avenues of jurisdiction); *Emp'rs Mut. Cos. v. Skilling*, 644 N.E.2d 1163, 1165 (Ill. 1994) (agencies may be given exclusive jurisdiction over certain matters, but "if the legislative enactment does divest the [trial] courts of their original jurisdiction through a comprehensive statutory administrative scheme, it must do so explicitly" (citations omitted)); *Tri-State Generation & Transmission Ass'n v. D'Antonio*, 249 P.3d 924, 931 (N.M. Ct. App. 2011) (in evaluating an administrative proceeding,

"the court's original jurisdiction may be exercised at the same time as its appellate jurisdiction" (citations omitted)). Accordingly, we hold that whether the Superior Court retains its jurisdiction to rule on the Government's claims depends on whether applicable legislation intended to grant exclusive jurisdiction over such claims to the GALC.

[16] The GALC is considered an administrative body subject to the rules and privileges of the Guam Administrative Adjudication Act. 21 GCA § 80104(b) (2005); 5 GCA § 9102 (2005). Under the Act, the commission has primary jurisdiction to make determinations of matters within its authority, and such decisions are entitled to deference unless contrary to law or unsupported by substantial evidence. *See* 5 GCA §§ 9239-9240 (2005). Based on these rules, the Estate claims that issuance of the deed represents a conclusive transfer of ancestral land rights to the Estate and that evaluation by the Superior Court improperly usurps the authority of the commission. However, notwithstanding the general rules regarding administrative bodies, analysis of the specific statutory provisions governing the GALC strongly suggests that it was designed to maintain concurrent original jurisdiction with the Superior Court. In creating the GALC, legislative findings traced the history of land seizure on Guam, noting the significant public policy interest in favor of obtaining due process through "impartial courts" and "independent" triers of fact. *See* Guam Pub. L. ("P.L.") 25-45:2(c) (June 9, 1999). In fact, the GALC itself was created to provide a means of remedy for those landowners who lacked litigation resources or whose claims could not be satisfied after conclusion of litigation under 48 U.S.C. § 1424. P.L. 25-45:2(d). Additionally, the Legislature stated explicitly that "[n]othing in this Act shall be interpreted to eliminate in whole or in part any remedy or procedure which may be utilized to further the just claim of any party to land." P.L. 25-45:7. Thus, it is clear that,

rather than impose exclusive administrative jurisdiction, the Legislature intended the GALC to exercise jurisdiction over land claims concurrent with the legal remedies available under the Superior Court's original jurisdiction. *See id.*; *see also Phillips*, 879 So. 2d at 203 ("[E]xclusive jurisdiction can be contrasted with concurrent jurisdiction where the [trial] court maintains original jurisdiction in certain matters at the same time that an agency or other court has been granted the same original jurisdiction." (citation omitted)).

[17] Furthermore, even if the Legislature had intended to provide statutory deference to the GALC, such deference would not apply to the specific actions brought in this case. Administrative deference and exhaustion requirements do not apply when a quiet title action is predicated upon an *ultra vires* challenge to the exercise of administrative jurisdiction. *Appraisal Review Bd. of Harris Cnty. Appraisal Dist. v. O'Connor & Assocs.*, 267 S.W.3d 413, 418-19 (Tex. App. 2008) ("[The general rule] is that courts do not interfere with the statutorily conferred duties and functions of an administrative agency. However, courts may intervene in administrative proceedings when an agency exercises authority beyond its statutorily conferred powers." (citations omitted)). Additionally, the existence of an administrative proceeding does not preclude the court's jurisdiction over remedies that cannot be adjudicated by the administrative body. *Comm'n on Human Rights & Opportunities v. Human Rights Referee of Comm'n on Human Rights & Opportunities*, 783 A.2d 1214, 1218 (Conn. App. Ct. 2001) (trial court has jurisdiction to hear claim for which no adequate administrative remedy is available).

[18] The GALC possesses authority only to hear ancestral land claims. 21 GCA § 80104(b). It is not a court in equity and thus possesses no jurisdiction to evaluate claims for contract reformation. *See Fed. Trade Comm'n v. Eastman Kodak Co.*, 274 U.S. 619, 627 (1927) (Federal

Trade Commission is not court of equity, because it was not given those powers by statute); *United States v. Milliken Imprinting Co.*, 202 U.S. 168, 174 (1906) ("Reformation is not an incident to an action at law, but can be granted only in equity."); *New Standard Pub. Co. v. Fed. Trade Comm'n*, 194 F.2d 181, 183 (4th Cir. 1952) ("[A]n administrative agency is not a court of equity . . . ."). Thus, the trial court is the only entity which may properly exercise independent jurisdiction on the issue of reformation and quiet title related to a challenge of administrative authority over the land claim. *See* 7 GCA §§ 3105, 4101; *see also* 21 GCA § 25101.

2. Appellate jurisdiction to remand to the GALC

[19] Remand is an appropriate remedy following appellate review of a lower proceeding. *See, e.g.*, *Sierra Club v. Van Antwerp*, 719 F. Supp. 2d 77, 79 (D.D.C. 2010) (stating that remand is proper when reviewing an administrative decision). In addition to its original jurisdiction, the Superior Court does possess limited appellate jurisdiction to review administrative determinations, including those made by the GALC. *See* 5 GCA §§ 9240-9241 (2005); *see also* 21 GCA § 80104(g). However, both parties concede that appellate jurisdiction is not applicable in this case because the action did not arise as an appeal of the commission's decision to convey the quitclaim deed to the Estate. *See* Appellee's Br. at 15-16 (June 18, 2014); Appellant's Br. at 14 (May 20, 2014). Thus, appellate jurisdiction is not implicated and cannot justify the Superior Court's use of remand as a remedy. Because the trial court did not obtain jurisdiction through an appeal of an administrative decision, it had no authority to remand the case to the GALC. Furthermore, even if this claim did arise pursuant to an appeal, remand may be ordered only when a lower adjudicative body possesses authority to comply with the instructions of the remanding court. *Olivier Plantation, LLC v. St. Bernard Parish*, 744 F. Supp. 2d 575, 590 (E.D.

La. 2010) (remanding to state court). As this court has established above, the GALC does not possess jurisdiction to reform the deed or to rule on challenges to its own authority. *New Standard*, 194 F.2d at 183 (administrative agency is not a court in equity); *O'Connor*, 267 S.W.3d at 418-19 (administrative exhaustion not required where challenge is to exercise of administrative jurisdiction). Therefore, the court erred to the extent that it remanded the Government's claims to the GALC.

B. Whether the Deed is Void as Exceeding the GALC's Authority

[20] In addition to challenging the terms of the deed at issue in this case, the Government alternately contends on appeal that the deed is void as a matter of law since the GALC did not possess jurisdiction to transfer the land in question. Appellee's Br. at 16-17. This claim is premised on the assertion that Jose Martinez Torres did not own the Property at the time it was seized by the United States. *Id.* at 10-13. According to the Estate, the land at issue belonged to Torres, who purportedly bought the land from Pedro M. Duarte in 1915. RA, tab 218, Ex. I at 1 (Supporting Aff. of Applicant, Apr. 23, 2001); Appellee's Br. at 4. The Government disputes that the Property was ever validly transferred from Duarte to Torres, claiming that after the latter had tendered partial payment for the lots, Duarte's property was put up for auction and ultimately adjudicated to the Government of Guam. RA, tab 127 at 3-4 (Mot. Summ. J., Dec. 3, 2010). However, it is alleged that Torres maintained ownership and hired several people to care for the Property and harvest copra until the land was taken by the Japanese army in 1941. RA, tab 218, Ex. I at 1 (Supporting Aff. of Applicant). This land was taken from the Japanese by the United States government in 1944. *Id.* The federal government returned this land to the Government of Guam in 2002. RA, tab 89, Ex. 1 at 1 (Quitclaim Deed, Oct. 17, 2006). The Government of

Guam then delivered this land to the GALC. *Id.*; *see also* Guam Pub. L. 22-145 (requiring federal properties reacquired by the Government of Guam be returned to the estates of original landowners); Guam Pub. L. 23-141 (same).

[21] It should initially be noted that the Government did not appeal the GALC's original *decision determining* that the Estate was the legitimate owner of the Property and entitled to its return. *See* RA, tab 218, Ex. C at 3 (GALC Final Written Dec. & Order, Dec. 22, 2006) ("The Commission, having reviewed the evidence presented, having considered testimony given under oath and having voted on the Application, determines by greater weight of the evidence that Jose Torres Martinez aka Jose Martinez Torres is the ancestral landowner of [the Property]."); 5 GCA § 9240 (procedure for appealing administrative decisions); 21 GCA § 80104(g) (authority to appeal issues before the GALC). Further, the Government's theory that the GALC never possessed *jurisdiction to transfer the Property* was presented for the first time on appeal, and the factual issues underpinning this claim were not presented to or ruled upon by the Superior Court. *See* Appellant's Reply Br. at 1-8 (Aug. 5, 2014); Appellee's Reply. Br. at 3 (Sept. 2, 2014). "[A]s a matter of general practice, 'this court will not address an argument raised for the first time on appeal.'" *Tanaguchi-Ruth + Assocs. v. MDI Guam Corp.*, 2005 Guam 7 ¶ 78 (quoting *Univ. of Guam v. Guam Civil Serv. Comm'n*, 2002 Guam 4 ¶ 20). Indeed, this court may only exercise discretion to review new issues "(1) when review is necessary to prevent a miscarriage of justice or to preserve the integrity of the judicial process; (2) when a change in law raises a new issue while an appeal is pending; and (3) when the issue is purely one of law." *Id.* ¶ 80 (quoting *Dumaliang v. Silang*, 2000 Guam 24 ¶ 12 n.1). None of these exceptions apply here. Additionally, resolution of factual issues not evaluated by the trial court is not an appropriate

function of an appellate court. *See Kloppenburg v. Kloppenburg*, 2014 Guam 5 ¶ 27 (factual inquiries are more appropriately addressed by a trial court in the first instance); *McNeil v. Pub. Defender Serv. Corp.*, No. 90–00044A, 1990 WL 320362, at *2 (D. Guam App. Div. Oct. 30, 1990) ("An appellate court has no fact-finding function. It cannot receive new evidence from the parties, determine where the truth actually lies, and base its decision on that determination." (emphasis omitted)).

[22] Finally, the court is not persuaded by the Government's argument that addressing this issue on appeal is necessary to determine the subject matter jurisdiction of the trial court. *See* Appellee's Reply Br. at 3 (citing *Taitano*, 2005 Guam 26; *Bank of Guam v. Del Priore*, 2007 Guam 7). As indicated above, the trial court possesses independent jurisdiction to hear an *ultra vires* challenge as well as appellate jurisdiction to review alleged errors of GALC decisions. *See* 7 GCA §§ 3105, 26801; *see also* 21 GCA § 80104(g). The failure of the Government to take advantage of these available channels of judicial review does not entitle them to adjudication in the first instance by this court. Therefore, this court will not address the Government's argument as to whether the GALC had jurisdiction to deed the Property to the Estate.[4]

C. Whether the Doctrine of Estoppel by Deed Applies

[23] The court next addresses whether the doctrine of estoppel by deed precludes the Government from attacking the deed's validity. The parties have argued at length as to whether the doctrine applies only to issues involving after-acquired title. *See* Appellee's Br. at 22-23;

[4] Similarly, the Government at times appears to argue that the deed was invalid due to failure of a condition precedent. Appellee's Br. at 17. Again, this argument attacking the validity of the deed could be made in a quiet title action in the Superior Court, but was never made at the trial court level, and neither party designates it as an issue for appeal. The existence of a condition precedent, as well as whether it was waived, is a factual matter. As discussed, we do not review new facts on appeal, and typically will not even address issues raised for the first time on appeal.

Appellant's Reply Br. at 25-26. However, determination of that question is unnecessary in this case.

[24] Regardless of whether the doctrine of estoppel by deed is limited to after-acquired title, it is established that the doctrine does not apply where a claim of invalidity exists. *Gordon v. City of San Diego*, 36 P. 18 (Cal. 1894) ("It is essential to an estoppel by deed that the deed itself should be a valid instrument . . . ");[5] *see also Dominex, Inc. v. Key*, 456 So. 2d 1047, 1057 (Ala. 1984); *Perkins v. Kerby*, 308 So. 2d 914, 917 (Miss. 1975); 31 C.J.S. *Estoppel and Waiver* § 56 (2014). Likewise, the doctrine does not apply where a deed has been procured through fraud or is the product of mistake. *See Vai v. Bank of Am. Nat'l Trust & Sav. Ass'n*, 364 P.2d 247, 256 (Cal. 1961) (en banc); *see also San Juan Basin Consortium, Ltd. v. EnerVest San Juan Acquisition Ltd. P'ship*, 67 F. Supp. 2d 1213, 1226 (D. Colo. 1999); *Levatino v. Levatino*, 506 So. 2d 858, 862 (La. Ct. App. 1987); *Kolker v. Gorn*, 67 A.2d 258, 261 (Md. 1949); 31 C.J.S. *Estoppel and Waiver* § 57 (2014). Here, the Government has asserted both fraud and mistake in its first cause of action and has alleged that the deed is invalid in its second cause of action. RA, tab 89 at 2-8 (Third Am. Compl., Aug. 30, 2010). Until these claims are resolved, the doctrine of estoppel by deed cannot apply in this case. Accordingly, the Government is not estopped from arguing that the deed is invalid, or from requesting reformation on the basis of mistake.

D. Whether the Trial Court Erred in Granting Summary Judgment in Favor of the Government Based on its Claim for Reformation

[25] Summary judgment is proper "'if the pleadings, depositions, answers to interrogatories, and admissions on file, together with the affidavits, if any, show that there is no genuine issue as

[5] This court finds California case law to be persuasive in determining matters of estoppel by deed. *See Taitano*, 2005 Guam 26 ¶¶ 36 n.10, 44.

to any material fact.'" *Gayle v. Hemlani*, 2000 Guam 25 ¶ 20 (quoting Guam R. Civ. P. 56(c)); *see also Bank of Guam v. Flores*, 2004 Guam 25 ¶ 8. A genuine issue exists where there is "sufficient evidence" which establishes a factual dispute requiring resolution by a fact-finder. *Gayle*, 2000 Guam 25 ¶ 20 (citing *Iizuka Corp. v. Kawasho Int'l, Inc.*, 1997 Guam 10 ¶ 7 (citation omitted)). However, the dispute must involve a "material fact." *Id.* "A 'material' fact is one that is relevant to an element of a claim or defense and whose existence might affect the outcome of the suit . . . Disputes over irrelevant or unnecessary facts will not preclude a grant of summary judgment." *Id.* (omission in original).

[26] In motions for summary judgment, a court must view the evidence and draw inferences in the light most favorable to the non-movant. *Id.* ¶ 21. If, however, there are no genuine issues of material fact, the non-movant may not simply rely on allegations in the complaint, but must provide some significant probative evidence supporting the complaint. *Id.* (citing *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 249 (1986)).

1. Unilateral mistake

[27] The Estate contends that the trial court erred in granting summary judgment in favor of the Government. Appellant's Br. at 22. The court held that the Government was entitled to reformation based upon unilateral mistake. RA, tab 219 at 10-13 (Dec. & Order, Sept. 30, 2013). In making this determination, the court reasoned that the Estate's attorney "knew or should have known" that submission to the probate court did not properly satisfy the intended condition. *Id.* at 13. However, this conclusion is not drawn from the appropriate standard for determining whether reformation is warranted. Unilateral mistake may, in some cases, justify rescission of a contract where the other party knew or should have known of the mistake. *See* 18 GCA § 89202

(2005) ("A party to a contract may rescind the same . . . [i]f the consent of the party rescinding, or of any party jointly contracting with him, was given by mistake."); *see also Mendiola v. Bell*, 2009 Guam 15 ¶ 32 n.5 ("Guam statutory law . . . recognizes a right of rescission for fraud [or] for mistake . . . ." (internal quotation marks omitted)); *ArcelorMittal Cleveland, Inc. v. Jewell Coke Co.*, 750 F. Supp. 2d 839, 848 (N.D. Ohio 2010) (applying Restatement (Second) of Contracts § 153). However:

> It has been pointed out that the difference between reformation and rescission of a written contract on account of a mistake of one of the parties is very distinct, for the reformation of a contract involves an effort to enforce it as reformed, whereas rescission involves an effort to abandon and recede from a contract which the party did not intend to make. One of the parties to a contract cannot have it reformed on account of mistake which is not mutual, for to do so would be to enforce the reformed contract which the other party had not intended to make.

Annotation, *Unilateral Mistake as Basis of Bill in Equity to Rescind the Contract*, 59 A.L.R. 809 (originally published in 1929).

[28] In light of these differences in remedy, "[a] unilateral mistake alone is not an adequate ground for reformation." *M Electric Corp. v. Phil-Gets (Guam) Int'l Trading Corp.*, 2012 Guam 23 ¶ 26; *see also ArcelorMittal*, 750 F. Supp. 2d at 848 ("Generally, a court will not reform a contract in the case of a unilateral mistake"); *Kopff v. Econ. Radiator Serv.*, 838 S.W.2d 449, 452 (Mo. Ct. App. 1992). Instead, only a "unilateral mistake accompanied by fraud or misrepresentation by the other party will warrant reformation." *M Electric Corp.*, 2012 Guam 23 ¶ 26. This requirement of wrongdoing by the party opposing reformation mirrors similar limitations articulated in other jurisdictions. *See, e.g., John John, LLC v. Exit 63 Dev., LLC*, 826 N.Y.S.2d 656, 657 (N.Y. App. Div. 2006) ("To reform a contract based on mistake, a plaintiff must establish that the contract was executed under mutual mistake or a unilateral mistake

induced by the defendant's fraudulent misrepresentation." (citation and internal quotation marks omitted)); *Poly Trucking, Inc. v. Concentra Health Servs., Inc.*, 93 P.3d 561, 563 (Colo. App. 2004) ("Reformation is generally permitted when . . . one party made a unilateral mistake and the other engaged in fraud or inequitable conduct." (citations omitted)); *Faivre v. DEX Corp. Ne.*, 913 N.E.2d 1029, 1036 (Ohio. Ct. App. 2009) ("[W]here the mistake occurred due to a drafting error by one party and the other party knew of the error and took advantage of it, the trial court may reform the contract." (citation omitted)); *Kish v. Kustura*, 79 P.3d 337, 339 (Or. Ct. App. 2003) ("To obtain reformation of a contract, a party must prove . . . that there was a mutual mistake or a unilateral mistake on the part of the party seeking reformation and inequitable conduct on the part of the other party . . . ." (citation and internal quotation marks omitted)).

[29] "'The elements of fraud include: 1) a misrepresentation; 2) knowledge of falsity (or scienter); 3) intent to defraud to induce reliance; 4) justifiable reliance; 5) resulting damages. The absence of any of these required elements will preclude recovery.'" *Wilkinson v. Jones*, 2004 Guam 14 ¶ 18 (quoting *Trans Pac. Exp. Co. v. Oka Towers Corp.*, 2000 Guam 3 ¶ 23). Here, the trial court did not make a finding that the Estate intentionally misrepresented the terms of the contract for the purpose of misleading the GALC. Rather, the court merely opined that "[t]he distinction between a 'probate court' and a court of general jurisdiction, competent to adjudicate the validity of the Defendants' ancestral claim . . . was clear to the Defendants' attorneys, or should have been so in the exercise of reasonable diligence." RA, tab 219 at 11 (Dec. & Order). As discussed above, this conclusion alone is insufficient for a grant of summary judgment under the reformation standard for unilateral mistake. The trial court's decision in this case makes no reference to evidence that the error was intentionally included for the purpose of

misleading the GALC or that the commissioners reasonably relied on such representation. *Id.* at 9-12. Thus, reformation was improper.

2. Dispute of material fact

[30] In addition to evaluating summary judgment under an improper standard, the trial court also erred in concluding that no dispute of material fact remained. "Summary judgment is generally proper in a contract dispute only if the language of the contract is wholly unambiguous." *Compagnie Financiere de CIC et de L'Union Europeenne v. Merrill Lynch, Pierce, Fenner & Smith Inc.*, 232 F.3d 153, 157-58 (2d Cir. 2000) (citations omitted). Further, if parties assert conflicting intentions about the meaning of the same contract language, then disputes of material fact remain and preclude summary judgment. *Atalla v. Abdul-Baki*, 976 F.2d 189, 195 (4th Cir. 1992). If a contract's terms remain ambiguous, summary judgment may be granted only "if the evidence presented about the parties' intended meaning [is] so one-sided that no reasonable person could decide the contrary." *Compagnie Financiere*, 232 F.3d at 158 (citing *3Com Corp. v. Banco do Brasil, S.A.*, 171 F.3d 739, 746-47 (2d Cir. 1999)). This presumption against summary judgment has been applied specifically to claims of unilateral mistake relating to the substance of a contact. *See, e.g., Bethlehem Steel Corp. v. Centex Homes Corp.*, 327 So. 2d 837, 838-39 (Fla. Dist. Ct. App. 1976).

[31] In this case, the Estate has presented multiple pieces of evidence regarding the intended meaning of the contract and whether a unilateral mistake occurred at all. For example, in a deposition provided by the Estate, Commissioner Mark Charfauros stated that some commissioners had concerns about the deed that were resolved, and that they were involved in the drafting of the deed. RA, tab 218, Ex. D at 5-8 (Mark Charfauros Dep., June 17, 2008). He

stated that he had no problems with the condition in the quitclaim deed as it was drafted and signed. *Id.* at 21. Moreover, he also stated that "[i]t was not the GALC's intent to have the Superior Court of Guam actually review whether the Estate actually owned the property or have the court review our decision." RA, tab 218, Ex. G at 2 (Decl. Mark C. Charfauros. Apr. 2008).[6] Additionally, one of the Estate's attorneys,[7] Louie Yanza, testified in writing that he "received comments and revised the Deed in accordance with the GALC's wishes." RA, tab 218, Ex. E at 2 (Decl. Louie Yanza, Aug. 17, 2009). He stated, "I had three conversations with Mr. Leon Guerrero all which resulted in amendments to the Deed." *Id.* According to Yanza, Joey Leon Guerrero finally approved the deed on October 16, 2006. *Id.* Further, the language of the condition stated in both the GALC's final decision and order and on the quitclaim deed supports the interpretation of the Estate. RA, tab 134, Ex. I at 4 (Final Written Dec. & Order, Dec. 26, 2006); RA, tab 89, Ex. 1 at 1 (Quitclaim Deed, Oct. 17, 2006). These documents are themselves evidence sufficient to create a dispute of material fact.

[32] Even assuming *arguendo* that a unilateral mistake occurred, the Estate has also presented evidence challenging several elements of the fraud allegation, a necessary component for reformation. On the issue of misrepresentation, Yanza sent a letter to the entire commission that directed its attention to the specific terms of the condition he included in the deed. RA, tab 134, Ex. G at 1-2 (Letter from Louie J. Yanza to GALC). This fact would suggest that the Estate's attorneys made no false representation with regard to the condition included in the deed. Further, in the deposition of Joey Leon Guerrero, Leon Guerrero affirmed that he "saw a

[6] The copy of this declaration in the Estate's Excerpts of Record is not signed or dated.

[7] Although the attorneys represented O'Keefe, and not the Estate, at the GALC hearing, they are now attorneys for the Estate as well and will be referred to collectively as the "Estate's attorneys."

problem" with the draft quitclaim deed, but failed to object or bring the issue to the attention of other commissioners. RA, tab 134, Ex. A at 2 (Joey G. Leon Guerrero Dep., Feb. 17, 2011). Additionally, one of the commissioners who signed the deed, Maria Cruz, stated that she did not review or even read the deed. RA, tab 134, Ex. D at 4, 7 (Maria G. Cruz Dep., Aug. 11, 2010). The fact that the commissioners were either explicitly aware of the condition or failed to read the deed, viewed in the light most favorable to the nonmoving party, would indicate that, even if a misrepresentation had occurred, reliance by the commissioners would not have been reasonable. *See Randas v. YMCA of Metro. L.A.*, 21 Cal. Rptr. 2d 245, 248 (Ct. App. 1993) (quoting 1 Witkin, Summary of Cal. Law (9th ed. 1987), § 120, at 145) ("Ordinarily, one who accepts or signs an instrument, which on its face is a contract, is deemed to assent to all its terms, and cannot escape liability on the ground that he has not read it."); *see also Stevens v. Illinois Cent. R.R. Co.*, 234 F.2d 562, 564 (5th Cir. 1956); *DSP Venture Grp., Inc. v. Allen*, 830 A.2d 850, 854 (D.C. 2003) (party "bore the risk of his mistake, because he knowingly did not bother to read the contract he signed."); *73 Park Ave. Acquisition LLC v. Shalov*, 964 N.Y.S.2d 533, 533 (N.Y. App. Div. 2013); *Torchia v. Aetna Cas. & Sur. Co.*, 804 S.W.2d 219, 224-25 (Tex. App. 1991) ("Parties to an agreement have a duty to read what they sign. Absent fraud in procuring the signing of the release, unilateral mistake is not grounds for rescinding or setting aside a release." (citations omitted)).

[33] Rather than concluding that a sufficient showing of factual dispute had been made, the trial court chose instead to ignore or dismiss the evidence presented by the Estate. In reference to the communications between Yanza and the commissioners, the court inferred that their status as non-lawyers rendered them incapable of comprehending the proposed condition they were

presented. RA, tab 219 at 11-13 (Dec. & Order). The court similarly discounted the language of the GALC's written decision and order simply because it was prepared by the Estate's attorneys. *Id.* at 13. Finally, the court disregarded Commissioner Charfauros's claim that the condition in the deed properly expressed the intent of the GALC, instead favoring what the court considered the objective meaning of the condition in the transcript. *Id.* at 11. These actions demonstrate that the trial court impermissibly assessed the credibility of declarations and compared the relative weight of competing evidence and inferences. *See Guam Sanko Transp., Inc. v. Pac. Modair Corp.*, 2012 Guam 2 ¶ 10 ("'Credibility determinations, the weighing of the evidence, and the drawing of legitimate inferences from the facts are jury functions, not those of the judge . . . .'" (quoting *Anderson*, 477 U.S. at 255)); *see also Jennifer G. v. Ariz. Dep't of Econ. Sec.*, 123 P.3d 186, 189 (Ariz. Ct. App. 2005) ("Summary judgment is not appropriate when a trial judge must pass on the credibility of witnesses with differing versions of material facts, weigh the quality of documentary or other evidence, or choose among competing or conflicting inferences." (internal quotation marks omitted)).

[34] Because the trial court did not apply the appropriate standard governing unilateral mistake in claims for reformation and impermissibly weighed competing evidence of material facts, summary judgment was not proper and must be reversed. As resolution of the Estate's evidentiary challenges regarding admissibility of the transcript is unnecessary to the outcome of this matter, this court declines to address them. *See SST Global Tech., LLC v. Chapman*, 270 F. Supp. 2d 444, 457 (S.D.N.Y. 2003) (declining to address an argument because it "is not necessary to resolution of the . . . claim"); *In re Byker*, 64 B.R. 640, 642 (Bankr. N.D. Iowa 1986) ("Since the resolution of that issue is not necessary to the decision in this case, this Court

declines to make any pronouncement on that issue . . . ."); *Kosmyna v. Botsford Cmty. Hosp.*, 607 N.W.2d 134, 138 (Mich. Ct. App. 1999) ("This Court may decline to address issues not necessary to the resolution of the case at hand." (citation omitted)).

E. Whether the Trial Court Erred in Granting an Injunction

[35] The Estate next asserts that the trial court erred in granting a preliminary injunction[8] in favor of the Government, which enjoined the Estate from distributing its assets to the heirs. Appellant's Br. at 29. We have held that "[an] injunction is a 'drastic remedy,' which serves to maintain the status quo ante litem." *Mack v. Davis*, 2013 Guam 13 ¶ 12 (quoting *Benavente v. Taitano*, 2006 Guam 20 ¶ 16). This court has stated that "the test for obtaining a preliminary injunction is for a movant to show: '(1) irreparable injury, and (2) the likelihood of succeeding on the merits.'" *Id.* (quoting *Sananap v. Cyfred*, 2009 Guam 13 ¶ 14). Both of these findings are reviewed for abuse of discretion. *Id.* ¶ 11.

1. Likelihood of irreparable harm

[36] In its first order granting the injunction, the court found that there was a likelihood of irreparable harm. RA, tab 45 at 2 (Order, Feb. 10, 2010). It found that "[the Government] has demonstrated that money is being collected for disbursement to the heirs of Jose Martinez Torres for certain parcels of property, which may not be properly included as part of the Estate . . . ." *Id.* The Estate argues that monetary loss alone is not sufficient to satisfy the irreparable harm

[8] The Government claims that, while the injunction was initially characterized as preliminary, it became permanent following a dispositive final judgment by the Superior Court. *See* Appellee's Br. at 24-25. However, this distinction is immaterial to the court's analysis, since both require a showing of irreparable harm which cannot be remedied through monetary compensation. *Id.* (citing *Marangi v. Gov't of Guam*, 319 F. Supp. 2d. 1179, 1186 (D. Guam 2004)); *see also eBay Inc. v. MercExchange, L.L.C.*, 547 U.S. 388, 391 (2006) (adequacy of monetary compensation is a sufficient remedy at law to defeat a permanent injunction).

prong. Appellant's Br. at 30-31. The Government has not provided any argument to contradict this assertion. *See* Appellee's Br. at 25.

[37] "A determination of irreparable harm typically focuses on categories of harm that do not easily lend themselves to monetary compensation." *Sule v. Guam Bd. of Exam'rs for Dentistry*, 2011 Guam 5 ¶ 12. Irreparable harm exists where "pecuniary compensation would not afford adequate relief or [where] it would be extremely difficult to ascertain the amount that would afford adequate relief." *Id.* (quoting *DVD Copy Control Ass'n, v. Kaleidescape, Inc.*, 97 Cal. Rptr. 3d 856, 876 (Ct. App. 2009)). In *Kaleidescape*, the California court found no irreparable harm where the moving party "failed to prove that pecuniary compensation would be inadequate or extremely difficult to calculate." 97 Cal. Rptr. 3d at 877.

[38] The Government contends that the injunction is necessary to "protect the funds" acquired through the land sale from disbursement by the Estate. Appellee's Br. at 25. However, the Estate has affirmed that it possesses "tens of millions of dollars' [sic] worth of assets" from which potential compensation could be collected. Appellant's Br. at 31. In this case the remedy for the quiet title action—the proceeds from the sale of the Property—is extremely easy to calculate. There is also no reason to conclude that monetary damages in an amount equaling the proceeds would be inadequate.

[39] Because of the general practice of not granting injunctions relating to monetary relief and because the Government made no showing that the Estate would have insufficient funds to cover any recovery by the Government in the absence of an injunction, the trial court erred in finding irreparable harm.

2. Likelihood of success on the merits

[40] Regardless of whether the trial court erred in finding irreparable harm, it undoubtedly abused its discretion because the "likelihood of success on the merits" requirement is not satisfied. *See PHG Techs., LLC v. St. John Cos.*, 469 F.3d 1361, 1365 (Fed. Cir. 2006) ("[A] movant cannot be granted a preliminary injunction unless it establishes both . . . likelihood of success on the merits and irreparable harm."); *see also Sule*, 2011 Guam 5 ¶ 21. "The appellate court may affirm the trial court's grant of an injunction as long as the record produces any ground on which it may appear that the seeking party may recover on the merits." *Kallingal*, 2005 Guam 13 ¶ 27.

[41] In its first decision and order relating to the injunction, the court stated that it could not resolve whether there was a likelihood of success on the merits because the Estate was not a party at the time. RA, tab 45 at 2, 15 (Dec. & Order). However, in the same order, it ruled *sua sponte* to join the Estate as a party and granted the injunction. *Id.* at 3. The court's failure to provide any specific finding of a likelihood of success constituted an error. *See Sule*, 2011 Guam 5 ¶ 30 ("[T]he trial court necessarily had to address, at least to some extent, the merits of the complaint itself in order to determine whether Dr. Sule has established both irreparable harm and a likelihood of success on the merits.").

[42] For the same reasons, the trial court erred in the January 17, 2014 judgment stating that the injunction remained in effect. RA, tab 233 (Judgment, Jan. 17, 2014). Even though the court found in favor of the Government on the reformation claim, the pertinent claims for granting injunctive relief were the claims for quiet title and declaratory judgment. The trial court never made a finding of a likelihood of success on the merits of these arguments, because it dismissed

the claims for lack of subject matter jurisdiction. RA, tab 45 at 2 (Dec. & Order). Where a court does not make a finding of likelihood of success on the merits, it should not grant an injunction. *See Small v. Kiley*, 567 F.2d 163, 164 (2d Cir. 1977); *see also Cadicamo v. Alite*, 4 So. 3d 699, 700 (Fla. Dist. Ct. App. 2009).

[43] Because the trial court did not make any findings on the likelihood of the Government's success on the merits of its quiet title and declaratory judgment action, and because it did not have a sufficient basis to find irreparable harm, the Superior Court abused its discretion in granting an injunction.

F. Whether the Trial Court Erred in Failing to Address the Estate's Rule 11 Motion

[44] The Estate argues that the trial court erred in failing to address its Guam Rules of Civil Procedure ("GRCP") Rule 11 motion for sanctions. Appellant's Br. at 32-35. It argues that sanctions are warranted because the Government's case for fraud or mistake is directly contradicted by the evidence, showing that the GALC failed to review the deed. *Id.* at 33-34. However, the Estate does not specify which GRCP 11 motion the court purportedly ignored. In fact, the only motion for sanctions on the record involves the Government's alleged act of "purposefully violat[ing] the established Rules of Civil Procedure" in filing the tape recording of the September 2006 GALC proceedings. RA, tab 212 at 4 (Obj. & Mot. Strike Recording, June 7, 2013). This motion for sanctions was based upon General Rule 2.1 of the Local Rules of the Superior Court of Guam ("Local Rules"), which implicates a violation of civil procedure. *Id.* However, in the Estate's reply to the Government's opposition, it suggested that sanctions should also be imposed based upon Civil Rule 7.1(k) of the Local Rules, because the Government's argument is frivolous. RA, tab 215 at 5 (Def.'s Reply to Pl.'s Opp'n, July 19, 2013). The trial

court did not address the Estate's argument for sanctions at all. *See* RA, tab 219 at 14 (Dec. & Order).

[45] Courts may find no abuse of discretion where a trial court does not rule on a motion for sanctions if it finds that a denial of sanctions would not be an abuse of discretion. *See Justofin v. Metro. Life Ins. Co.*, 372 F.3d 517, 526 (3d Cir. 2004) (leaving failure to address sanctions within the trial court's discretion). Here, because the trial court ruled against the Estate, this court may assume that it denied the sanctions motion, even though it did not mention it in the decision and order. *See Pearson v. Pearson*, 946 P.2d 1291, 1297 (Ariz. Ct. App. 1997) ("The failure to rule implies that the respective motions for fees were denied."); *Mercede Equip. Rental, Inc. v. Rick's Equip. Rental, Inc.*, 559 So. 2d 339, 340 (Fla. Dist. Ct. App. 1990) (declining to address motion to amend).

[46] The Superior Court would not have abused its discretion in denying sanctions in this case. Sanctions may be imposed under GRCP 11(c) for presenting pleadings that are made to harass, that are frivolous, or that have no evidentiary support. GRCP 11(b)-(c). A pleading is frivolous if it is objectively "both baseless and made without a reasonable and competent inquiry." *In re Oka Towers Corp.*, 2000 Guam 16 ¶ 9 (citations omitted); *Nateroj v. Haruyama*, No. 91–00039A, 1992 WL 97207, at *3 (D. Guam App. Div. Apr. 16, 1992). "[A] 'reasonable inquiry' means an inquiry reasonable under all the circumstances of a case." *In re Oka Towers Corp.*, 2000 Guam 16 ¶ 9 (citation omitted).

[47] In this case, there is no evidence that the pleadings were made to harass the Estate or for another improper purpose. Likewise, the Estate's claims have some evidentiary support in the GALC hearing from 2006. For the same reasons, the claims were not frivolous. *See In re Estate*

of Concepcion, 2003 Guam 12 ¶ 35 ("Although the handling of this case in the probate court and on appeal . . . may be questioned, the issues presented show that the appeal was not frivolous."). Therefore, it was not an abuse of discretion for the trial court to decline to impose sanctions upon the Government.

V. CONCLUSION

[48] In light of the facts and arguments presented, we reverse the trial court's grant of summary judgment on the reformation claim and remand. Additionally, we reverse the trial court's continuance of the injunction. However, we affirm that the trial court did not abuse its discretion in declining to grant the Estate's motion for sanctions.

[49] On the Government's cross-appeal, we reverse the dismissal of the Government's claims for quiet title, declaratory judgment, and constructive trust, and remand for further proceedings. Further, we decline to rule on the *ultra vires* challenge presented for failure to seek initial disposition in the trial court.

[50] Accordingly, we **REVERSE** in part, **AFFIRM** in part, and **REMAND** for proceedings not inconsistent with this opinion.

Original Signed by: David A. Wiseman
DAVID A. WISEMAN
Justice *Pro Tempore*

Original Signed By: J. Bradley Klemm
J. BRADLEY KLEMM
Justice *Pro Tempore*

Original Signed By: Katherine A. Maraman
KATHERINE A. MARAMAN
Presiding Justice