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FILED  
SUPERIOR COURT  
OF GUAM

2018 NOV 29 PM 4: 28

CLERK OF COURT

By: \_\_\_\_\_

4 **Attorneys for Plaintiff**

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6  
7 IN THE SUPERIOR COURT OF GUAM

8  
9 MARGARET A. BENGZON,

Plaintiff,

11 vs.

12 GUAM HEALTHCARE DEVELOPMENT,  
INC., doing business as GUAM REGIONAL  
13 MEDICAL CITY

Defendant.

CIVIL CASE NO. **CV 1154-18**

**COMPLAINT FOR TEMPORARY  
RESTRAINING ORDER AND  
PRELIMINARY AND  
PERMANENT INJUNCTION**

15 1. This Court has jurisdiction of this action pursuant to Title 7, G.C.A. §§ 3105  
16 and 20301, *et seq.*

17 2. Plaintiff, MARGARET A. BENGZON ("Plaintiff"), is, and at all times herein  
18 mentioned was, a resident of the Philippines.

19 3. Defendant is the GUAM HEALTHCARE DEVELOPMENT, INC. ("GHDI" or  
20 "Corporation"), a Guam corporation licensed to do business in the territory of Guam and  
21 operator of the Guam Regional Medical City.

22 4. GHDI is primarily owned by Professional Services, Inc. ("PSI"), through its  
23 wholly-owned subsidiary, PSI Healthcare Development Services Corp. ("PSI Health"). PSI  
24 is a Philippine corporation, which operates medical facilities in Dubai, Philippines and  
25 Guam, including the Guam Regional Medical City ("GRMC"), through GHDI.

26 5. Disputes have arisen regarding the ownership and operation of PSI and  
27 correspondingly, that of its subsidiaries, including GHDI.

28 6. Plaintiff has been the Chief Executive Officer of GUAM HEALTHCARE

ORIGINAL

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1 DEVELOPMENT, INC. ("GHDI") since its incorporation, originally as President of the  
2 corporation and then as Chairman of the Board.

3 7. Outside corporations ("Outsiders") have acquired majority shares of PSI, and  
4 have sought to solidify their control of PSI Health and its subsidiary medical facilities,  
5 including the GRMC. The acquisition of shares was done without compliance with  
6 regulations of the Philippine Security and Exchange Commission ("SEC") and a complaint  
7 has been lodged with the SEC.

8 8. The SEC has jurisdiction to determine the validity of the acquisition of stock  
9 in PSI under the Philippine Securities Regulation Code ("SRC"). Acting, *en banc*, the SEC  
10 created a Special Hearing Panel ("SHP") to investigate and to resolve the rightful  
11 ownership of the shares of PSI.

12 9. In response the PSI Board of Directors sought to postpone the Annual  
13 Stockholder's Meeting ("ASM") until the SHP had completed its investigation, and had  
14 decided the issues raised regarding the validity of the share acquisitions of the Outsiders.

15 10. Thereafter, one of the Outsiders petitioned the SEC to compel PSI to  
16 conduct its ASM. On September 11, 2018, the SEC's Office of General Counsel ("OGC")  
17 suspended hearings on the ASM case until the SHP issues its decision on the ownership  
18 of PSI shares, and urged the parties to maintain the status quo in the meantime.

19 11. The Outsiders ignored the SEC and went forward with a Special  
20 Shareholders Meeting on September 13, 2018, and elected and installed a new set of  
21 Directors and Officers of PSI.

22 12. On November 8, 2018, the SHP issued a formal charge against the  
23 Outsiders for three (3) violations of the SRC, including Section 26, which declares as  
24 unlawful "... any act, transaction, practice or business which operates or would operate as  
25 a fraud or deceit upon any person." The SHP gave the Outsiders fifteen (15) days to show  
26 cause why they should not be held liable for violation of the law. The show cause hearing  
27 process is ongoing. It is expected that the SHP will issue a decision sometime in mid-  
28 December.

1           13.    On November 22, 2018, Plaintiff was informed by letter that GHDI had held  
2 a Shareholders and Board of Director's meeting on November 19, 2018 and that the  
3 shareholders had voted Plaintiff off the Board of Directors. Plaintiff was further informed  
4 that at the Board of Directors meeting she was removed as the Chief Executive Officer and  
5 the Chairman of the Board.

6           14.    The actions of November 19, 2018 by the alleged Shareholders and Board  
7 of Director's is void or voidable since the shareholder interest is disputed and before the  
8 Philippine SEC for resolution. Plaintiff has requested copies of the Notices for the GHDI  
9 meeting and minutes of the meeting and has not received said documents, thus,  
10 questioning compliance with the Corporation's Articles and Bylaws..

11           15.    The actions of November 19, 2018 by the alleged Shareholders and Board  
12 of Director's caused irreparable harm to Plaintiff personally and the GHDI. Plaintiff has  
13 been instrumental in guiding the GRMC from creation to its present status as a well-  
14 respected accredited medical institution which also returns a profit. Removing Plaintiff in  
15 such a controversial manner casts a cloud over her credibility and reputation in the medical  
16 community, as well as causing intentional emotional distress and mental anguish.

17           16.    The actions of the alleged Shareholders and Board of Directors caused  
18 irreparable harm because a change in hospital leadership in such an abrupt and  
19 questionable manner erodes morale and confidence in the organization, causes confusion,  
20 anxiety and uncertainty among employees in the hospital where critical, life-saving work  
21 is performed, and staff and patient confidence and safety cannot be compromised.

22           17.    The actions of the alleged Shareholders and Board of Directors also  
23 irreparably harms the financial status of the GHDI. The Defendant corporation is in the  
24 process of completing a significant financing exercise involving Korean and U.S. lenders  
25 intended to provide much needed working capital. Korea Investment Management (KIM),  
26 one of the financial arrangers, is aware of the shareholder dispute and has already warned  
27 the corporation to maintain the *status quo* and preserve investor confidence, lest the  
28 financing exercise be jeopardized.

1           18. Further harm is caused by the questionable legality of the actions of the  
2 Shareholders and Board of Directors, the constitution of the new Board, the appointment  
3 of officers and directors, the change in corporate signatories on bank accounts, and  
4 enforceability of loan documents. The above actions put at risk the vital ongoing financing  
5 process as a whole and, ultimately, threatens the financial viability of the hospital.

6           19. This Court should grant a Temporary Restraining Order and schedule a  
7 hearing for a preliminary injunction to maintain the status quo before the November 19,  
8 2018 actions of the corporations alleged shareholders and board of Directors and until  
9 such time as the issue of shareholder ownership may be resolved by the SEC or Philippine  
10 Courts.

11           20. The members of the Board of Directors owe a fiduciary duty to the  
12 Corporation.

13           21. Presently, GHDI has an outstanding loan commitment of Two Hundred  
14 Twenty-Five Million Dollars (\$225,000,000.00) with restrictive covenants, including cash  
15 ratio requires and CMS compliance. To date GHDI Tranche 1 for One Hundred Fifty-Five  
16 Million Dollars (\$155,000,000.00) and part of Tranche 2 for Twelve Million Dollars  
17 (\$12,000,000.00) have closed. The loan agreement includes covenants which preclude  
18 certain unilateral actions by GHDI. Those covenants also include actions that require  
19 disclosure and approval by the lender. Failure to comply can result in a default.

20           22. The lender, Korea Investment Management Company, Ltd., of Seoul Korea,  
21 ("KIM") has indicated that GHDI "any changes in leadership would not only delay, but could  
22 put at risk" the balance of the Two Hundred Twenty-Five Million Dollars (\$225,000,000.00)  
23 syndication.

24           23. The actions of the Defendant in calling a special meeting to change the  
25 leadership and signatories on corporate accounts causes irreparable injury to the  
26 corporations business structure, financials and breaches the fiduciary duty owed by  
27 Defendant and the Board of Directors to the Corporation.

28           24. Plaintiff seeks a temporary restraining Order to enjoin the Board of Directors

1 from conducting a meeting on October 4, 2018 and, for so long as an injunction shall lie,  
2 so that the Corporation's attorney can review the issues represented in the Agenda  
3 impacting the loan covenants and legal obligations of the corporation and the fiduciary  
4 duties of the members of the Board of Directors of the Corporation.

5 25. There is no adequate remedy at law for the injuries currently being suffered  
6 and threatened and it is impossible for Plaintiff or the Corporation to determine the precise  
7 amount of damage the Corporation will suffer if Defendant's actions and the Board of  
8 Directors meeting are not restrained.

9 WHEREFORE, Plaintiff prays for Judgment against Defendant, as follows:

10 1. For an Order requiring Defendant to show cause, if any, why it should not be  
11 enjoined as set forth in this action, from changing the composition of the Defendant's  
12 Board of Directors or Officers of the Corporation;

13 2. For a Temporary Restraining Order, Preliminary Injunction and a Permanent  
14 Injunction, enjoining Defendant, its agents, servants and employees, Shareholders, Board  
15 members and all persons acting under and in concert with, or for them;

16 3. For an Order staying the actions of the November 19, 2018 Shareholders  
17 and Board of Directors meetings until such time as the SEC can resolve the ownership  
18 issue of the shareholders presently before it.

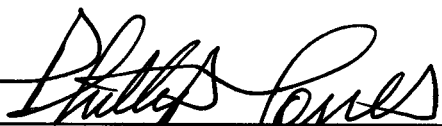
19 4. For an Order that the Defendant and Board of Directors cease any actions  
20 that breach their fiduciary duties, the loan covenants and ongoing obligations.

21 5. For damages and costs of suit incurred;

22 6. For such other and further relief as the Court deems proper.

23 DATED at Hagåtña, Guam, on November 29, 2018.

24 **TORRES LAW GROUP**

25  
26  
27 By   
28 **PHILLIP TORRES, ESQ.**

*Attorneys for Plaintiff*