

FILED
SUPERIOR COURT
OF GUAM

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CLERK OF COURT

BY: 

1 **LAW OFFICE OF CHRISTOPHER D. ANDERSON**
551 Route 10 Apt 101 PMB 866
2 Mangilao, GU 96913
3 (671) 685-1625

4 Attorney for Plaintiffs Terrence Leon Guerrero
& Nayoung Leon Guerrero

6 **IN THE SUPERIOR COURT OF GUAM**

7 **TERRENCE LEON GUERRERO &**
8 **NAYOUNG LEON GUERRERO,**

9 Plaintiffs,

10 vs.

11 **CALVO'S SELECTCARE,**

12 Defendant.

CIVIL CASE NO.

CV

0077-26

COMPLAINT

13 COME NOW Plaintiffs Terrence Leon Guerrero and Nayoung ("Naia") Leon
14 Guerrero (collectively, "Plaintiffs"), by and through undersigned counsel, to file this
15 Complaint and allege as follows:
16

17 **JURISDICTION**

- 18 1. Jurisdiction is vested in this Court pursuant to the Organic Act of Guam and 7 GCA §
19 3105.

20 **PARTIES**

- 21 2. Plaintiffs Terrence Leon Guerrero and Naia Leon Guerrero are and were at all times
22 mentioned herein, Guam residents.
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24 3. Upon information and belief, Defendant Calvo's SelectCare is, and was at all times
25 mentioned herein, a Guam corporation.
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FACTUAL HISTORY

4. In August of 2022, Plaintiffs Terrence and Naia Leon Guerrero had their first miscarriage. Plaintiff Naia Leon Guerrero was under the care of Dr. Underwood and the visit was paid for by Calvo's SelectCare.
5. On September 2023, Plaintiffs Terrence and Naia Leon Guerrero had their second miscarriage and sought treatment at the Guam Regional Medical Center Emergency Room which was paid for by Calvo's SelectCare.
6. In March 2023, Plaintiff Naia Leon Guerrero had a conversation with Francesca Calvo Ambrose of Calvo's SelectCare wherein Ms. Calvo recommended acupuncture treatment to help with fertility issues and was informed that three visits were covered under the Plaintiffs' SelectCare plan.
7. In December 2023, Plaintiffs sought treatment at the Cedars Sinai Center for Fertility and Reproductive Medicine in Los Angeles, California. This treatment was approved by Calvo's SelectCare.
8. In April 2024, Plaintiffs Terrence and Naia Leon Guerrero had their third miscarriage.
9. Baby M.L.G. was born pre-term on January 19, 2025.
10. Immediately following birth, baby M.L.G. was taken to the Guam Memorial Hospital (GMH) Neonatal Intensive Care Unit (NICU).
11. M.L.G. endured 47 days at the Guam Memorial Hospital Neonatal Intensive Care Unit where he was on a feeding tube, was on oxygen and was unable to breathe on his own.
12. While still at the Guam Memorial Hospital Neonatal Intensive Care Unit, Plaintiffs were informed by registered nurse Zoraida Hitois, that Calvo's SelectCare would not cover the one month stay for baby M.L.G.

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13. On February 1, 2025, Plaintiff Naia Leon Guerrero was evaluated at the Guam Memorial Hospital Emergency Department due to stress after giving birth to baby M.L.G.
14. On March 1, 2025, Plaintiffs wrote to Calvo's SelectCare and attached a letter from their telemedicine doctor, Dr. Gulati, advising that the NICU stay at GMH for baby M.L.G. was not due to a congenital condition, Klinefelter's Syndrome, but due to oligohydramnios and pre-term labor.
15. As of March 7, 2025, the amount demanded by Guam Memorial Hospital Authority in its Notice of Legally Enforceable Debt is \$198,914.42.
16. On or about March 7, 2025, Calvo's SelectCare reinstated coverage for the NICU stay of baby M.L.G. at GMH NICU but indicated "any medical services relating to his congenital condition will be subject to the maximum coverage limit of \$15,000 per plan year."
17. Since approximately April 2025, Plaintiffs have been trying to set appointments off island with the XXY Clinic at Cedars Sinai in Los Angeles, California and Denver Children's Hospital.
18. Medfirst Pediatrics sent a referral to SelectCare on April 2, 2025. There was never any confirmation of coverage from SelectCare.
19. Plaintiffs themselves first attempted to coordinate an appointment at Cedars Sinai on April 25, 2025. On October 11, 2025, Plaintiffs confirmed an appointment for December 9, 2025.
20. Plaintiff Naia Leon Guerrero again requested an off-island referral from One Love Pediatrics on October 8, 2025. SelectCare did not provide any confirmation of coverage.

- 1 21. At no time since April 25, 2025 did SelectCare confirm coverage for any off-island
2 treatments for baby M.L.G.
- 3 22. Denver Children’s Hospital would not communicate with Plaintiffs any further as
4 insurance could not be confirmed.
- 5 23. Children’s Hospital Los Angeles requires a pre-authorization form from SelectCare,
6 which includes a referral from baby M.L.G.’s pediatrician. Dr. Um of One Love
7 Pediatrics sent a referral in late October 2025. SelectCare has been uncooperative in
8 providing said pre-authorization.
- 9 24. Baby M.L.G. had appointments with a geneticist and an endocrinologist at Cedars
10 Sinai in Los Angeles, California on December 9, 2025.
- 11 25. Plaintiffs have been insured with Calvo’s SelectCare since August 2022, dutifully
12 paying premiums since August 2022 until 2025.
- 13 26. Plaintiffs have been damaged in the amounts to be determined at trial. Additional
14 amounts due for interest, late charges, attorney’s fees, court costs, and all other
15 expenses for which the insurance contracts attach liability will be established at time
16 of dispositive motion or trial.

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19 **FIRST CAUSE OF ACTION**
20 **BREACH OF CONTRACT**

- 21 27. Plaintiffs repeat and realleges the preceding paragraphs as though fully set forth in this
22 cause of action.
- 23 28. Plaintiffs complied with every condition precedent before bringing this action.
24 Further, Plaintiffs have paid out significant premiums over the years for the coverage
25 being denied.
- 26 29. Under the terms of the insurance contract, Defendant was obligated to pay out for
27 Plaintiffs’ medical care.
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30. Defendant breached its contract with Plaintiffs by failing to pay the amounts due under the insurance policy.

31. As a direct and proximate cause of Defendant's breach, Plaintiffs have been damaged by Defendant in the amounts to be determined at trial. Additional amounts due for interest, late charges, attorney's fees, court costs, and all other expense for which the insurance contracts attach liability will be established at the time of dispositive motion or trial.

SECOND CAUSE OF ACTION
CONTRACTUAL BREACH OF IMPLIED COVENANT
OF GOOD FAITH AND FAIR DEALING

32. Plaintiffs repeat and reallege the preceding paragraphs as though fully set forth in this cause of action.

33. The implied covenant of good faith and fair dealing in Guam requires parties to act honestly and fairly, attaching to every contract, and ensuring that contractual obligations are met without hindrance. This principle is supported by both case law and statutory provisions, which provide detailed guidelines and applications in various legal scenarios.

34. Calvo's SelectCare and Plaintiffs are parties to a written contract, to wit, the insurance policy documents.

35. Defendant owes Plaintiffs a duty of good faith and fair dealing in the performance and enforcement of its duties arising out of the documents, to avoid injuring Plaintiffs' rights to receive the benefits of the contract, and to avoid self-dealing.

36. Plaintiffs relied on Calvo's SelectCare's representations and was led to believe the insurance product Calvo's SelectCare sold was appropriate for their needs and concerns.

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37. Calvo's SelectCare breached the implied covenant of good faith and fair dealing with Plaintiffs by selling an insurance product Defendant knew was not appropriate or applicable to Plaintiffs' circumstances.

38. Defendant violated this covenant by failing to exercise reasonable care in their dealings with Plaintiffs, relying on speculation and failing to conduct any investigation, in denying Plaintiffs' claim.

39. Defendant denied Plaintiffs' claim without conducting a thorough investigation or gathering comprehensive evidence.

40. Defendant acted in bad faith and disregarded evidence provided in support of Plaintiffs' claim.

41. As a direct and proximate cause of Defendant's breach, Plaintiffs have been damaged by Defendant in the amounts to be determined at trial. Additional amounts due for interest, late charges, attorney's fees, court costs, and all other expenses for which the insurance contracts attach liability will be established at time of dispositive motion or trial.

THIRD CAUSE OF ACTION
TORTIOUS BREACH OF IMPLIED COVENANT
OF GOOD FAITH AND FAIR DEALING

42. Plaintiffs repeat and realleges the preceding paragraphs as though fully set forth in this cause of action.

43. Defendant breached its duties of good care, good faith, and fair dealing. These duties include the duty to fairly investigate, process, and evaluate Plaintiffs' claim.

44. Defendant failed to fairly and fully investigate Plaintiffs' claim, disregarding evidence Plaintiffs provided that was contrary to its interpretation.

1 45. Defendant unreasonably relied on an incomplete and speculative investigation to deny
2 Plaintiffs' claim, disregarding evidence Plaintiffs provided that was contrary to its
3 interpretation.

4 46. Because of this unreasonable reliance, there is no genuine dispute as to coverage
5 liability.

6 47. Instead of conducting a full and fair investigation as required by its duty of good faith,
7 Defendant unreasonably and in bad faith seized upon the first opportunity to
8 wrongfully justify denial of Plaintiffs' claim.

9 48. Defendant violated its duty of good faith with conscious disregard of Plaintiffs' right
10 to receive benefits due under the insurance contract. Plaintiffs are therefore entitled to
11 punitive damages.
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14 **FOURTH CAUSE OF ACTION**
15 **TORTIOUS BREACH OF GOOD FAITH AND FAIR DEALING AND BAD FAITH**
16 **BY CALVO'S SELECT CARE INSURANCE**

17 49. Plaintiffs repeat and reallege the preceding paragraphs as though fully set forth in this
18 cause of action.

19 50. The Calvo's SelectCare Insurance policy, like all contracts, is subject to a duty of
20 good faith and fair dealing.

21 51. Defendant Calvo's SelectCare Insurance owed Plaintiffs a duty of good faith and fair
22 dealing in its performance of the contract, including its handling of the subject
23 insurance claim. These violations constituted unfair claims settlement practices.

24 52. Defendant Calvo's SelectCare Insurance is a large, local company with great resources
25 that has used these resources to avoid clear contractual responsibilities while violating
26 every tenet of good-faith claims handling.
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53. Defendant Calvo's SelectCare Insurance has acted in bad faith by breaching its duty of good faith and fair dealing by, among other things:

- a. Unduly delaying payments where it knew money was owed;
- b. Misrepresenting policy provisions;
- c. Failing to respond in a timely manner to the inquiries of the insured;
- d. Relying upon adjusters or other professionals without minimal professional qualifications;
- e. Refusing to consider information prepared by competent medical professionals when these findings were adverse to the position it wished to maintain;
- f. Failing to communicate with reasonable promptness;
- g. Failing to act in good faith;
- h. Failing or refusing to respond in a timely fashion to the submission of information adverse to the position it wished to maintain;
- i. Failing to provide explanation or justification for claims positions.

54. As a result of Defendant Calvo's SelectCare Insurance's breach of the duty of good faith and fair dealing, Plaintiffs have been forced to retain the services of consultants and attorneys, which should be compensated by Defendant.

55. Plaintiffs are also incurring interest and other expenses as a result of Defendant Calvo SelectCare Insurance's breach of the duty of good faith and fair dealing.

56. In acting in bad faith, Defendant Calvo's SelectCare Insurance acted with malice, fraud and oppression in that their deliberate refusal and failure to timely and effectively adjust Plaintiffs' claims and to pay the amounts properly due on such claims were carried on by Defendant Calvo's SelectCare Insurance with a willful and

1 conscious disregard of the rights of the Plaintiffs under their health insurance policy.
2 Plaintiffs are entitled to an award of punitive damages sufficient in magnitude, as shall
3 be established at trial, to effectively punish Defendant Calvo's Select Care for its
4 despicable conduct and to deter Defendant Calvo's Select Care Insurance and other
5 insurance carriers from engaging in like and similar conduct to avoid paying insured in
6 Guam amounts property due.
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8 **FIFTH CAUSE OF ACTION**
9 **NEGLIGENT MISREPRESENTATION**

10 57. Plaintiffs repeat and reallege the preceding paragraphs as though fully set forth in this
11 cause of action.

12 58. The elements of negligent misrepresentation are (1) a misrepresentation of a past or
13 existing material fact; (2) without reasonable grounds for believing it to be true; (3)
14 with intent to induce another's reliance on the fact misrepresented; (4) ignorance of
15 the truth and justifiable reliance thereon by the party to whom the misrepresentation
16 was directed, and (5) damages.
17

18 59. Calvo's SelectCare knew that Plaintiffs required a policy which covered medical care.

19 60. Calvo's SelectCare knew that the Policy it sold to Plaintiffs, under its own
20 interpretations, would not meet Plaintiffs requirements and protect their client's
21 insured interests.

22 61. Calvo's SelectCare misrepresented to Plaintiffs that the Policy would appropriately
23 address their needs in order to induce Plaintiffs to purchase the Policy.
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25 62. Plaintiffs relied on Calvo SelectCare's representations and purchased the Policy.

26 63. Plaintiffs were unaware that the policy may not cover all birth related expenses for the
27 birth of baby M.L.G.
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64. As a direct and proximate cause of Defendant’s breach, Plaintiffs have been damaged by Defendant in the amounts to be determined at trial. Additional amounts due for interest, late charges, attorney’s fees, court costs, and all other expenses for which the insurance contracts attach liability will be established at time of dispositive motion or trial.

SIXTH CAUSE OF ACTION
NEGLIGENCE

65. Plaintiffs repeat and realleges the preceding paragraphs as though fully set forth in this cause of action

66. Calvo’s SelectCare had a duty to exercise reasonable care in its dealings with Plaintiffs, including recommending insurance products and evaluating claims.

67. Calvo’s SelectCare had a duty to conduct a thorough investigation and gather comprehensive evidence in evaluating Plaintiffs’ claim.

68. Calvo’s SelectCare breached that duty by relaying on an incomplete and speculative investigation to deny Plaintiffs’ claim, disregarding evidence Plaintiffs provided that was contrary to its interpretation.

69. Calvo’s SelectCare’s negligence led to the denial of Plaintiffs’ claim.

70. As a direct and proximate cause of Defendant’s negligence, Plaintiffs have been damaged by Defendant in the amounts to be determined at trial. Additional amounts due for interest, late charges, attorney’s fees, court costs, and all other expenses for which the insurance contracts attach liability will be established at time of dispositive motion or trial.

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his conduct posed an unreasonable risk of causing distress that might result in illness or bodily harm.

76. Calvo’s SelectCare knew that Plaintiffs required a policy which covered medical care.

77. Calvo’s SelectCare knew that Plaintiffs suffered three prior miscarriages.

78. Despite Calvo’s SelectCare’s knowledge of Plaintiffs three prior miscarriages, Calvo’s SelectCare denied coverage for baby M.L.G.’s NICU stay while he was still hospitalized with life-threatening non congenital conditions and informed Plaintiffs through Guam Memorial Hospital nursing staff that coverage was denied.

79. The aforementioned conduct was extreme and outrageous and Calvo’s SelectCare should have realized its conduct posed an unreasonable risk of causing distress that resulted in illness or bodily harm, specifically an evaluation at the Guam Memorial Hospital Authority Emergency Department on or about February 1, 2025.

80. As a direct and proximate cause of Defendant’s extreme and outrageous conduct, Plaintiffs have been damaged by Defendant in the amounts to be determined at trial. Additional amounts due for interest, late charges, attorney’s fees, court costs, and all other expenses for which the insurance contracts attach liability will be established at time of dispositive motion or trial.

PRAYER FOR RELIEF

WHEREFORE, Plaintiffs pray for judgment in their favor and against Defendant as follows:

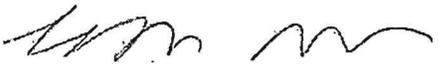
- 1. For compensatory and consequential damages in an amount to be proven at trial;
- 2. For punitive damages for Defendant’s tortious bad faith actions;
- 3. For reasonable attorney’s fees and costs of suit;

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- 4. For pre- and post-judgment interest as allowed by law;
- 5. For such other and further relief as the Court may deem proper.

Respectfully submitted this 20th day of February, 2026.

LAW OFFICE OF CHRISTOPHER D. ANDERSON

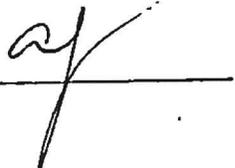
By: 

CHRISTOPHER D. ANDERSON, ESQ.
ATTORNEY FOR PLAINTIFFS
TERRENCE AND NAIA LEON GUERRERO

FILED
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BY: 

1 **MICHAEL A. PANGELINAN, ESQ.**
2 **GENEVIEVE P. RAPADAS, ESQ.**
3 **CALVO JACOB & PANGELINAN LLP**
4 Attorneys at Law
5 259 Martyr Street, Suite 100
6 Hagåtña, Guam 96910
7 Telephone: (671) 646-9355
8 Facsimile: (671) 646-9403

9 Attorneys for Defendant
10 Calvo's SelectCare Insurance, Inc.

11 **IN THE SUPERIOR COURT OF GUAM**

12 **TERRENCE LEON GUERRERO &**
13 **NAYOUNG LEON GUERRERO,**

14 Plaintiffs,

15 vs.

16 **CALVO'S SELECTCARE, INC.,**

17 Defendant.

CIVIL CASE NO. CV0077-26

**CALVO'S SELECTCARE INSURANCE,
INC.'S MEMORANDUM OF POINTS
AND AUTHORITIES IN SUPPORT OF
MOTION TO DISMISS AND COMPEL
ARBITRATION**

1 Comes now Defendant Calvo's SelectCare Insurance, Inc. ("Defendant" or "SelectCare"),
2 by and through its attorneys, and files this motion to dismiss and compel arbitration under Guam
3 Rules of Civil Procedure Rule 12(b)(1) and 12(b)(3).

4 I. INTRODUCTION

5 Plaintiffs' Complaint arises entirely from the insurance policy issued to them by
6 SelectCare and from SelectCare's application of the Policy's express limitations on coverage for
7 congenital conditions related to the hospitalization of Plaintiffs' newborn child. As reflected in
8 the allegations set forth in the Complaint, each of Plaintiffs' causes of action depends on the terms
9 of that Policy and SelectCare's alleged failure to provide benefits under it. The Policy, however,
10 contains a *broad* and *mandatory* arbitration clause requiring that "[a]ny dispute or controversy
11 between the parties arising under this Policy must be submitted to binding arbitration."
12 (Declaration of Frank Campillo ("Campillo Decl."), filed concurrently herewith, Decl. Ex. A
13 at 33.)

14 Guam law – which embodies a well-established public policy strongly favoring arbitration
15 and mandating the enforcement of valid arbitration agreements, as consistently recognized by the
16 Guam Supreme Court – requires the Court to refer this matter to arbitration and dismiss the
17 Complaint unless the arbitration agreement is "null and void, inoperative or incapable of being
18 performed." 7 G.C.A. § 42A202(a). None of those narrow exceptions applies here. To the
19 contrary, Plaintiffs' own pleading relies on and incorporates the Policy, confirms their contractual
20 relationship with SelectCare, and expressly alleges breach of duties arising under the Policy.

21 Because this case falls squarely within the scope of the parties' binding arbitration
22 agreement, and because Guam law requires courts to enforce such agreements at the earliest
23 possible opportunity, dismissal under GRCP Rules 12(b)(1) and 12(b)(3) is appropriate.
24 SelectCare therefore respectfully moves the Court to dismiss the Complaint and compel
25 arbitration in accordance with the parties' contract.

26 II. FACTUAL BACKGROUND

27 On or around August 26, 2024, SelectCare issued an insurance policy to Plaintiffs'
28 employer Island Eateries, LLC (the "Policy"). The Policy covered the period from September 1,

1 2024 to August 31, 2025. Section XIV of the Policy provides:

2 Any dispute or controversy between the parties arising under this Policy must be
3 submitted to binding arbitration. Arbitration is initiated and required by giving
4 notice specifying the matter to be arbitrated. If action is already pending on any
5 matter concerning which the notice is given, the notice is ineffective unless given
6 before the expiration of ten (10) days after service of process on the person giving
7 the notice. The arbitration shall be in conformity with and subject to the following
8 rules and procedures: ...

9 Following the premature birth and hospitalization of Plaintiffs' son in January 2025,
10 Plaintiffs submitted a claim for coverage of expenses incurred at Guam Memorial Hospital in the
11 sum of \$198,914.42. (Compl. ¶ 15.) On or around March 7, 2025, SelectCare informed Plaintiffs
12 that the claim was covered but based on its investigation, their son's hospitalization was related to
13 a congenital condition and thus subject to a maximum coverage limit of \$15,000 per plan year
14 under the terms of the Policy. (*Id.* ¶ 16.)

15 Following its initial determination of coverage, SelectCare and Plaintiffs continued to
16 communicate regarding Plaintiffs' insurance coverage and the claim limitations. (Campillo Decl.
17 ¶ 3.) SelectCare subsequently reprocessed the claim, and on or around December 23, 2025,
18 remitted the remaining payment for the hospitalization expense in the amount of \$182,384.64.
19 (Campillo Decl. ¶ 4.) Despite SelectCare's payment of Plaintiffs' entire hospitalization claim
20 Plaintiffs still filed the Complaint before this Court.

21 **III. ARGUMENT**

22 **A. GRCP Rule 12(b) is the Appropriate Mechanism for Enforcing an 23 Arbitration Agreement**

24 While the express language of GRCP Rule 12(b) does not include enforcement of an
25 arbitration agreement on the list of defenses that may be made by motion, Circuit Courts of
26 Appeal applying the analogous Federal Rule of Civil Procedure have established that a Rule
27 12(b)(3) motion (improper venue) and, in certain circumstances, a Rule 12(b)(1) motion (lack of
28 subject matter jurisdiction) are the appropriate methods for seeking dismissal of a case in favor of
arbitration. *See McDonnell Grp., L.L.C. v. Great Lakes Ins. SE, UK Branch*, 923 F.3d 427, 430 n.5
(5th Cir. 2019), *as revised* (June 6, 2019) ("We have ... accepted Rule 12(b)(3) as a proper

1 method for seeking dismissal in favor of arbitration.”) (citation omitted); *Johnson v. Orkin, LLC*,
2 556 F. App’x 543, 544 (7th Cir. 2014) (“An arbitration clause is simply a type of forum-selection
3 clause [citation] and a motion seeking dismissal based on an agreement to arbitrate therefore
4 should be decided under Rule 12(b)(3).”) (citation omitted); *Gilbert v. Donahoe*, 751 F.3d 303,
5 306 (5th Cir. 2014) (“We have held that a district court lacks subject matter jurisdiction over a
6 case and should dismiss it pursuant to [FRCP] 12(b)(1) when the parties’ dispute is subject to
7 binding arbitration.”). Under Guam law, this interpretation is persuasive authority. *Macris v.*
8 *Richardson*, 2010 Guam 6 ¶ 11, n.5 (citing *McGhee v. McGhee*, 2008 Guam 17 ¶ 12) (“[F]ederal
9 court interpretation of the analogous federal rules is persuasive authority”).

10 Further, because “[a] motion to enforce a forum-selection clause is treated as a motion
11 pursuant to Federal Rule of Civil Procedure 12(b)(3)..., the pleadings need not be accepted as
12 true, and facts outside the pleadings properly may be considered.” *Kukje Hwajae Ins. Co. v. M/V*
13 *HYUNDAI LIBERTY*, 408 F.3d 1250, 1254 (9th Cir. 2005) (citing *Argueta v. Banco Mexicano,*
14 *S.A.*, 87 F.3d 320, 324 (9th Cir.1996)); *see also Grasty v. Colorado Tech. Univ.*, 599 F. App’x
15 596, 597 (7th Cir. 2015) (citing cases) (“Under Rule 12(b)(3) the district court still was free to
16 consider the materials submitted with the university’s motion, including the arbitration clause.”);
17 *Thompson v. Isagenix Int’l LLC*, 849 F. App’x 712 (9th Cir. 2021) (citing *Warren v. Fox Fam.*
18 *Worldwide, Inc.*, 328 F.3d 1136, 1141 n.5 (9th Cir. 2003); *Ashbey v. Archstone Prop. Mgmt., Inc.*,
19 785 F.3d 1320, 1323 (9th Cir. 2015)) (“A court may consider evidence outside the pleadings
20 when ruling on a Rule 12 (b)(1) motion to dismiss and a motion to compel arbitration.”).

21 Here, SelectCare seeks to dismiss the Complaint under both GRCP Rules 12(b)(1) and
22 12(b)(3) based on the arbitration agreement in the insurance policy at issue, which is valid and
23 enforceable under Guam law.

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1 **B. Guam Law Requires Enforcement of Valid Arbitration Agreements**

2 It is well-established that Guam has a strong and liberal policy favoring arbitration.¹ *See*
3 *Perez v. Monkeypod Enters., LLC*, 2022 Guam 12 ¶ 22 (“We therefore resort to our well-
4 established judicial policy favoring alternative dispute resolution. As prior cases explain, we
5 construe arbitration agreements broadly in favor of arbitrability.”) (citing cases).

6 Pursuant to 7 Guam Code Annotated Section 42A202²:

7 A court before which an action is brought in a matter which is the subject of an
8 arbitration agreement *shall*, if a party so requests not later than when submitting
9 his or her first statement on the substance of the dispute, refer the parties to
10 arbitration unless it finds that the agreement is null and void, inoperative or
11 incapable of being performed.

12 7 GCA § 42A202(a) (emphasis added). “This requirement is mandatory.” *Ass’n of Apartment*
13 *Owners of Guam Yamanoi Condo. v. Guam Yamanoi Inc.*, 2019 Guam 14 ¶ 14 (citations omitted).

14 “The resolution of ‘[w]hether a dispute is within the scope of an arbitration clause should
15 be determined at the earliest possible moment” *Id.* ¶ 13 (quoting *Brown v. Dillingham*
16 *Constr. Pac. Basin Ltd.*, 2003 Guam 2 ¶ 12 (alteration in original) (quotation marks omitted).

17 “[A] court may not deny a party’s request to arbitrate an issue ‘unless it may be said with positive
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19 ¹ Guam’s policy favoring arbitration aligns with the federal statutory framework set forth by the Federal Arbitration
20 Act (“FAA”). Because the GIAC substantively mirrors the FAA, the Guam Supreme Court has held that “federal
21 case law interpreting the FAA can be considered especially persuasive in situations where, the GIAC applies.” *See*
22 *Asia Pac. Hotel*, 2011 Guam 18 ¶ 19. The Supreme Court of the United States has long recognized and enforced a
23 “liberal federal policy favoring arbitration agreements.” *Moses H. Cone Mem’l Hosp. v. Mercury Constr. Corp.*, 460
24 U.S. 1, 24-25 (1983)); *see also AT&T Mobility LLC v. Concepcion*, 563 U.S. 333, 339 (2011) (Section 2 of the
25 Federal Arbitration Act reflects “a liberal federal policy favoring arbitration and the fundamental principle that
26 arbitration is a matter of contract. In line with these principles, courts must place arbitration agreements on an equal
27 footing with other contracts, and enforce them according to their terms.” (Internal citations and quotation marks
28 omitted).) As a result, the FAA requires that courts “rigorously enforce agreements to arbitrate.” *Dean Witter*
Reynolds Inc. v. Byrd, 470 U.S. 213, 218, 221 (1985) (“By its terms, the [FAA] leaves no place for the exercise of
discretion by a district court, but instead mandates that district courts *shall* direct the parties to proceed to arbitration
on issues as to which an arbitration agreement has been signed.” (emphasis in original).)

29 ² 7 Guam Code Annotated Chapter 42-A, also known as the Guam International Arbitration Chapter (“GIAC”),
provides a comprehensive territorial system of laws governing commercial arbitration in Guam. *See* 7 GCA § 42101.
The Supreme Court of Guam has stated that 7 GCA § 42101 subsections (d) and (e) establish that the entire GIAC
may apply to *both* “domestic” and “international” arbitrations which take place in Guam. *Asia Pac. Hotel Guam, Inc.*
v. Dongbu Ins. Co., Ltd., 2011 Guam 18 ¶ 12 and n3. The Supreme Court has further stated that “[p]arties who
conduct arbitrations in Guam should presume, as a default, that the GIAC applies to their arbitrations” and that “in
situations where (as here) “Guam law” is designated to control the proceedings, the GIAC serves as the default
governing authority.”

1 assurance that the arbitration clause is not susceptible of an interpretation that covers the asserted
2 dispute.” *Id.* (quoting *Guam Hous. & Urban Renewal Auth. v. Pac. Superior Enters. Corp.*, 2004
3 Guam 22 ¶ 31) (quotation marks omitted).

4 Here, under this express law and strong policy favoring arbitration, a valid and
5 enforceable arbitration agreement exists which encompasses the causes of action raised in the
6 Complaint and mandates dismissal of this action.

7 **C. An Enforceable and Valid Arbitration Agreement Exists that Encompasses**
8 **the Dispute Between the Parties**

9 Because of Guam’s strong policy favoring arbitration, a party seeking to
10 compel arbitration only needs to show the existence of a written agreement to arbitrate and that
11 the subject disputes are covered by the agreement. *See Towa Real Estate Devt. Co., Towa Reef*
12 *Hotel, Inc. v. Ada*, Civil Case No. CV0231-00, Decision and Order, (Super. Ct. Guam Aug. 15,
13 2000) at 2:22-3:2; *see also Rosenthal v. Great Western Financial Securities Corp.*, 14 Cal.4th
14 394, 413-414 (1996). SelectCare and the Policy easily satisfy these requirements.

15 **1. The Arbitration Provision in the Policy is Valid and Enforceable**

16 “An agreement to arbitrate is valid unless grounds exist at law or in equity for the
17 revocation of any contract, such as fraud or unconscionability.” *Brown*, 2003 Guam 2 ¶ 16.
18 Moreover, “[a]ny doubts about the scope of an arbitration clause should be resolved in favor of
19 arbitration.” *Id.* (citation omitted).

20 Here, there is no dispute that the arbitration agreement in the Policy is in writing and
21 provides for binding arbitration of the type of claims in this case. (Campillo Decl., Ex. A at 33.)
22 Nor can there be any dispute that the parties voluntarily and contractually agreed to arbitration.
23 Indeed, the existence of and Plaintiffs’ agreement to the Policy, which contains the arbitration
24 agreement, is fundamental to the Complaint and Plaintiffs’ allegations that SelectCare improperly
25 denied or delayed coverage. (*See* Compl. ¶¶ 28-30) (“Plaintiffs have paid out significant
26 premiums over the years for the coverage being denied... Under the terms of the insurance
27 contract, Defendant was obligated to pay out for Plaintiffs’ medical care... Defendant breached its
28

1 contract with Plaintiffs by failing to pay the amounts due under the insurance policy.”).
2 Accordingly, the arbitration provision in the Policy is valid and enforceable.

3 **2. The Dispute Falls within the Policy’s Arbitration Provision**

4 A broad arbitration provision compels arbitration of any dispute within the provision’s
5 scope. *See Brown*, 2003 Guam 2 ¶ 17. “In interpreting a written contract, ‘the intent of the parties
6 is ascertained from the writing alone,’” but “any doubts concerning the scope of arbitrable issues
7 should be resolved in favor of arbitration.” *Yamanoi*, 2019 Guam 14 ¶ 13 (quoting *GHURA*, 2004
8 Guam 22 ¶¶ 30, 31) (quotation marks omitted); *see also Perez*, 2022 Guam 12 ¶ 22.

9 Here, Section XIV of the Policy broadly provides that the parties agree to submit to
10 binding arbitration: “Any dispute or controversy between the parties arising under this Policy
11 must be submitted to binding arbitration.” (Campillo Decl., Ex. A at 33.) Given the broad nature
12 of the arbitration provision, SelectCare is entitled to resolve the dispute pursuant to the
13 mechanism *provided for and agreed upon by the parties*.

14 This applies to both Plaintiffs’ contract claims and tort claims as all of Plaintiffs’ causes of
15 action arise under the Policy and from the same set of operative factual allegations concerning
16 SelectCare’s claimed improper processing of Plaintiffs’ insurance claim. *See Brown*, 2003 Guam
17 2 ¶ 18 (“[W]e find Circle A’s argument unpersuasive for two reasons. The first reason is that
18 ‘[t]he fact that a claim sounds in tort does not necessarily take it out of a clause requiring
19 arbitration of a contract dispute.’” [citation.]”); *see also Sw. Health Plan, Inc. v. Sparkman*, 921
20 S.W.2d 355, 358 (Tex. App. 1996) (“Our Texas Supreme Court has made it clear that where tort
21 claims are so interwoven that they cannot stand alone, an arbitration clause will encompass those
22 claims as well as the ones for breach of contract.”); *Ex parte Dyess*, 709 So.2d 447, 454
23 (Ala. 1997); *N. River Ins. Co. v. Allstate Ins. Co.*, 866 F.Supp. 123, 126-27 (S.D.N.Y. 1994);
24 *Svedala Indus., Inc. v. Home Ins. Co.*, 921 F.Supp. 576, 579-80 (E.D. Wis. 1995); *Houston Gen.*
25 *Ins. Co. v. Realex Grp., N.V.*, 776 F.2d 514, 516 (5th Cir. 1985).

26 Indeed, on their face, Plaintiffs’ tort claims are all derived and contingent on the alleged
27 breach of contract and improper denial underlying Plaintiffs’ contract claims. (*See Compl.* ¶ 48
28 (“Defendant violated its duty of good faith with conscious disregard of Plaintiffs’ right to receive

1 benefits due under the insurance contract.”); ¶ 53 (“Calvo’s SelectCare misrepresented to Plaintiffs
2 that the Policy would appropriately address their needs in order to induce Plaintiffs to purchase
3 the Policy.”); ¶ 61 (“Calvo’s SelectCare’s negligence led to the denial of Plaintiffs’ claim.”); ¶ 63
4 (“Knowingly representing that an agreement confers or involves rights, remedies, or obligations
5 which it does not have or involve ...”); ¶ 68 (“Calvo’s SelectCare knew that Plaintiffs required a
6 policy which covered medical care.”.) As such, arbitration of all Plaintiffs’ claims is mandatory.
7 *See Brown*, 2003 Guam 2 ¶ 19 (“[W]e find that Circle A’s negligence claim is grounded upon
8 Dillingham’s breach of the Subcontract because of the similarities that exist in the allegations that
9 support both the negligence and breach of contract claims.”).

10 Accordingly, because this dispute and all resulting claims fall within the scope of a valid,
11 enforceable arbitration agreement, the Court should respectfully dismiss the Complaint and
12 compel arbitration of Plaintiffs’ claims.

13 **IV. CONCLUSION**

14 For the foregoing reasons, the Court respectfully should grant SelectCare’s motion,
15 dismiss the Complaint, and compel arbitration.

16
17 Respectfully submitted this 16th day of March, 2026.

18 **CALVO JACOB & PANGELINAN LLP**
19 Attorneys for Defendant
20 Calvo’s SelectCare Insurance, Inc.

21 By: 
22 **GENEVIEVE P. RAPADAS**

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