

FILED
SUPERIOR COURT
OF GUAM

2025 MAY -8 AM 11: 28

CLERK OF COURT

BY: 

IN THE SUPERIOR COURT OF GUAM

CW HOLDINGS, LLC,

Plaintiff,

vs.

**GUAM HEALTHCARE DEVELOPMENT,
INC. dba GUAM REGIONAL MEDICAL
CITY,**

Defendant.

CIVIL CASE NO. CV0535-23

**ORDER DENYING
DEFENDANT'S MOTION TO
DISMISS
and
ORDER FOR STAY**

This matter came before the Honorable John C. Terlaje on April 14, 2025, for a Motion Hearing on Defendant's Motion to Dismiss. Present were Attorneys Jon R. Ramos and Rawlen Mantanona on behalf of Plaintiff CW Holdings, LLC ("CWH") and Attorneys G. Patrick Ceville and Dean Manglona on behalf of Defendant Guam Healthcare Development, Inc. ("GHDI"). After reviewing the record, relevant law, and arguments from the parties, the Court now issues this Decision and Order on Defendant's Motion to Dismiss.

BACKGROUND

This matter stems from a breach of lease claim brought by CWH against Defendant GHDI on August 30, 2023. GHDI's Answer to the Complaint on September 28, 2023 raised numerous defenses, but did not address whether CWH had the required business license for the rental or to bring the claim. On January 17, 2025, GHDI filed a Motion to Dismiss with this

Court, alleging that CWH could not bring or maintain the claim without the proper business license. Plaintiff CWH claims that it obtained the proper license on January 24, 2025.

Declaration of Cesar C. Cabot, Exhibit E (February 14, 2025). However, Defendant GHDI alleges that this license was obtained fraudulently and without a Guam Fire Department fire inspection, and was therefore unlawfully issued. GHDI's Memorandum in Support of Motion to Stay Briefing (February 25, 2025).

On February 3, 2025, CWH made two Motions for Summary Judgment, covering its claim for breach of contract against GHDI and GHDI's three counterclaims against CWH for breach of contract, restitution, and accounting. On February 14, 2025, CWH filed its Opposition to Defendant's Motion to Dismiss. On February 25, 2025, GHDI filed a motion requesting that the Court stay the briefing on CWH's motions for summary judgment until the issues of the motion to dismiss and discovery issues raised by the discovery master were addressed, which the Court granted on March 19, 2025.

Defendant GHDI filed its Reply to Plaintiff's Opposition to Motion to Dismiss on February 28, 2025. Defendant also filed multiple declarations and Supplemental Authorities containing evidence supporting the Motion during March and April 2025. The Court held a Motion hearing on the issue on April 15, 2025, during which counsel for GHDI informed the Court that Guam agencies were reviewing CWH's license and would have a decision on whether to revoke the license by April 30, 2025. On May 6, 2025, Defendant filed its Third Supplemental Authority in Support of Defendant's Motion to Dismiss, which several exhibits including a letter dated April 30, 2025 from the Director of DRT to CWH notifying them that CWH's commercial/rental license was revoked effective that day. The Court now addresses the business license issue and Defendant's Motion to Dismiss.

DISCUSSION

This law for this case rests almost entirely on 11 GCA § 70131 as interpreted by the Guam Supreme Court in *Hemlani v. Hemlani*, 2015 Guam 16. 11 GCA § 70131(b) states that “[a]ny person engaging in, transacting, conducting, continuing, doing, or carrying on a business on Guam without a business license...may not maintain a proceeding in any Court on Guam until it obtains a business license...” 11 GCA § 70131(d) goes on to further state that if the Court determines that the person, their successor, or assignee requires a business license, “the Court may further stay the proceeding until [the party] obtains the business license...” Section 70131(e) demonstrates that agreements entered into by a party without a business license remain valid.

A. The Motion to Dismiss is Denied

Hemlani v. Hemlani, 2015 Guam 16 involved a Promissory Note where the debtor appealed the trial court’s decision, asserting that the court did not have jurisdiction to resolve the parties’ dispute as their agreement was void because Plaintiff failed to possess a required business license at any time prior to bringing the suit, including the time the note was executed. *Hemlani v. Hemlani*, 2015 Guam 16. The Guam Supreme Court ruled that because 11 GCA § 70131 (b) and (d) do not explicitly identify the requirement as jurisdictional, the lack of business license does not divest the court of subject matter jurisdiction. *Id.* at ¶ 37. The Court further states that because this law allows the court to stay a proceeding until a license is obtained, it can’t impose a jurisdictional requirement which would immediately dismiss the case. *Id.* The Court specifically instructs that the “licensing requirements do not implicate subject matter jurisdiction and should instead be evaluated as timely asserted affirmative defenses to recovery under the agreement contained in a promissory note.” *Id.* According to the Court, failure of

Plaintiff to possess the proper business license does not entitle the Defendant to dismissal of the action or voiding of a contract. *Id.* at ¶ 46.

While there have been factual disputes in this case as to whether or not Plaintiff currently holds a valid business license, it is clear that either way, the law does not allow the Court to dismiss this case on this issue alone. Therefore, Defendant's Motion to Dismiss is denied.

B. The Court Issues a Stay

In *Hemlani v. Hemlani*, 2015 Guam 16, the Guam Supreme Court states that as long as a party possesses a valid business license while maintaining a claim, it does not matter when the license was obtained. *Id.* at ¶ 46. Under the law, the proper procedure when a party does not have the required business license is not dismissal, but staying the proceeding until that party obtains the license. 11 GCA § 70131(d) permits the Court to "stay the proceeding until [the party] obtains the business license..." because under the law, a party engaging in business and lacking such a license "may not maintain a proceeding in any Court on Guam until it obtains a business license..." As discussed above, Guam courts have determined that dismissal is not an appropriate resolution for the lack of a business license.

Based on recently submitted evidence in Defendant's Third Supplemental Authority in Support of Defendant's Motion to Dismiss filed on May 6, 2025, CWH's license was revoked by the DRT effective April 30, 2025. The letter from DRT identifies the reason for this revocation, in significant part, to be erroneous approval from the Guam Fire Department. Based on these facts, as of April 30, 2025, CWH does not have a valid business license and as such may not maintain this claim. Therefore, the Court believes the proper procedure in this case is to grant a Stay in this case until such time as CWH can accurately represent to the Court that it has obtained the proper business license.

CONCLUSION

Based on the above analysis, the Court hereby **DENIES** Defendant's Motion to Dismiss and **GRANTS** a stay in this case until such time as the Plaintiff obtains the required business license. Discovery will remain ongoing throughout the duration of the Stay.

SO ORDERED, this 5/8/25.



HON. JOHN C. TERLAJE
Judge, Superior Court of Guam

SERVICE VIA E-MAIL

I acknowledge that an electronic copy of the original was e-mailed to:

Civille & Tang, Cabot,
& Camacho Valero

Date: 5/8/25 Time: 11:28

S.M. Aguiar

Deputy Clerk, Superior Court of Guam