



I Mina'Trentai Kuáttro Na Liheslaturan
BILL STATUS

BILL NO.	SPONSOR	TITLE	DATE INTRODUCED	DATE REFERRED	CMTE REFERRED	PUBLIC HEARING DATE	DATE COMMITTEE REPORT FILED	FISCAL NOTES	NOTES
196-34 (COR)	Dennis G. Rodriguez, Jr. Joe S. San Agustin	AN ACT TO ADD A NEW ARTICLE 4 TO CHAPTER 23 OF TITLE 7 OF THE GUAM CODE ANNOTATED, RELATIVE TO HALTING RECALCITRANT JUDGMENT DEBTORS FROM AVOIDING TO PAY THEIR GUAM COURT JUDGMENTS.	10/6/17 4:25 p.m.						

I MINA' TRENTAI KUÁTTRO NA LIHESLATURAN GUÁHAN
2017 (FIRST) Regular Session

Bill No. 196-34 (COR)

Introduced by:

D. G. Rodriguez, Jr. 
Joe S. San Agustin 

**AN ACT TO ADD A NEW ARTICLE 4 TO CHAPTER 23 OF
TITLE 7 OF THE GUAM CODE ANNOTATED, RELATIVE
TO HALTING RECALCITRANT JUDGMENT DEBTORS
FROM AVOIDING TO PAY THEIR GUAM COURT
JUDGMENTS.**

2017 OCT - 6 PM 4: 25

BE IT ENACTED BY THE PEOPLE OF GUAM:

Section 1. Legislative Findings and Intent. *I Liheslaturan Guáhan* finds there are many foreign corporations who wish to, and do, avail themselves of Guam markets, businesses and customers, however, some of the foreign corporations specifically structure their business operations to avoid being subject to Guam courts. Therefore, if disputes occur, it is difficult to satisfy a court judgment rendered against them.

The Legislature further finds that in order to protect Guam businesses and the people of Guam from recalcitrant persons or entities who refuse to satisfy judgments against them, while still availing themselves of the Guam marketplace, additional precautions are required.

Section 2. A new Article 4 of Chapter 3, Title 7, Guam Code Annotated, is added to read:

“ARTICLE 4.

PROTECTION AGAINST RECALCITRANT JUDGMENT DEBTORS

1 **§ 23401. Definitions.** For purposes of this Article:

2 (a) 'assets' means any item of economic value owned by a person as
3 defined in this Section. Examples include but are not limited to cash, securities,
4 accounts receivable, inventory, office equipment, real estate, a car, and other
5 property.

6 (b) 'judgment creditor' means a party to which a debt is owed, that has
7 proved the debt in a legal proceeding, and that is entitled to use judicial process to
8 collect the debt; the owner of an unsatisfied court decision.

9 (c) 'judgment debtor' means a party against which an unsatisfied court
10 decision is awarded; a person who is obligated to satisfy a court decision.

11 (d) 'person' can include, but is not limited to, natural person, firms, labor
12 organizations, partnerships, associations, corporations, legal entity, legal
13 representatives, or trustees.

14 **§ 23402. Contents of Petition for Turnover.** The judgment creditor shall
15 initiate the special proceeding with an order to show cause supported by an
16 affidavit attesting to the following: (1) the actual amount of the judgment;

17 (2) efforts taken to enforce the judgment;

18 (3) efforts taken by the judgment debtor to avoid satisfaction of the
19 judgment;

20 (4) a statement of why the turnover order is needed; and

21 (5) a certified copy of the judgment, or if it is a foreign judgment, proof of
22 its domestication in the territory of Guam.

1 **§ 23403. Assets on Guam.** A Guam judgment creditor is specifically
2 authorized to file a motion for an order to show cause against a judgment debtor in
3 an effort to compel the turnover of assets or, when the assets that are sought are not
4 in the possession of the judgment debtor himself, to compel any person who holds
5 the assets of the judgment debtor to turnover those assets. Guam courts are hereby
6 authorized to issue a ‘delivery order’ or ‘turnover order.’

7 With respect to a person who holds the assets of the judgment debtor, a
8 Guam court *may* issue an order requiring any person to deliver any such assets, or
9 to convert said assets to money for payment of the judgment. The court *shall*
10 require any Person to turnover the assets, or so much of it as is sufficient to satisfy
11 the judgment, to the judgment creditor. Disobedience of a turnover order is
12 contempt of court and punishable as such.

13 **§ 23404. Assets Outside of Guam.** A judgment creditor is specifically
14 authorized to file a special proceeding and seek an order to show cause against any
15 person who purchased property from a judgment debtor, whether or not such
16 property is currently within Guam’s jurisdiction. Such a person shall receive notice
17 and opportunity to be heard. The Guam Superior Court shall, upon filing of the
18 special proceeding, set the matter for a hearing no more than thirty (30) days after
19 service of the person who purchased the assets from the judgment debtor. At the
20 hearing the person shall be afforded the opportunity to produce evidence of its cost
21 in acquiring the assets. Said person shall be entitled to reimbursement of this
22 amount. Thereafter, the Guam court shall issue a turnover order pertaining to any
23 such purchased assets with a lien in favor of the person who originally purchased it
24 from the judgment debtor for the purchase price of the turnover property. Upon the
25 judgment creditors’, or his designated agent’s, sale of the turnover property, all
26 proceeds above the lien amount shall be used to retire the judgment debtor’s

1 obligation. Any judgment creditor who uses this Article to collect or enforce its
2 judgment is entitled to all costs and attorneys' fees expended in the collection
3 effort.

4 **§ 23405. Enforcement.** If the Guam court has personal jurisdiction over a
5 judgment debtor or a person in possession of the turnover property, a turnover
6 order issued by a Guam court is still effective even when the property sought is
7 outside of Guam. Any order compelling a party to bring property into the territory
8 of Guam that is ignored is contempt of court and punishable as such.

9 **§ 23406. Application.** This Article *shall* apply to all Guam judgment
10 creditors that have judgments against foreign persons or entities.”

11 **Section 3. Severability.** If any provision of this Act or its application to any
12 person or circumstance is found to be invalid or contrary to law, such invalidity
13 shall not affect other provisions or applications of this Act which can be given
14 effect without the invalid provisions or application, and to this end the provisions
15 of this Act are severable.

16 **Section 4. Effective Date.** This Act shall take effect upon enactment into
17 law.