

2nd *3rd*
5/19/05 *5/20/05*

MINA' BENTE OCHO NA LIHESLATURAN GUÅHAN
2005 (FIRST) Regular Session

Bill No. 118 (EC)

As substituted by the Committee
on General & Omnibus Matters

Introduced by:

Mark Forbes
Mike Cruz

AN ACT TO AUTHORIZE INTEREST ONLY
PAYMENTS AND TO ADD A NEW SUBSECTION
8137(h). TO 4 GCA, ALL FOR THE PURPOSE OF
PERMITTING EMPLOYEES ELIGIBLE TO RETIRE
FROM THE DEPARTMENT OF EDUCATION AND
THE GUAM MEMORIAL HOSPITAL AUTHORITY
TO RETIRE IN FACT.

BE IT ENACTED BY THE PEOPLE OF GUAM:

Section One. Special Retirement Provisions for DOE and GMHA. On
the First Day of the First Month following the enactment hereof and every First Day
of every month thereafter, with a grace period of no more than 10 days, the Treasurer
of Guam shall pay "interest only" payments in the sum of One Hundred Ninety-two
Thousand Nine Hundred and Fifty-five Dollars and Seven Cents (\$192,955.07) for the
Department of Education (DOE) deficiency to the Government of Guam Retirement
Fund (GGRF) and The Treasurer of Guam is further authorized to pay interest only
payments in the sum of One Hundred Ninety Thousand Five Hundred and One
Dollars and Nineteen Cents (\$190,501.19) for the Guam Memorial Hospital Authority
(GMHA) deficiency to the GGRF on the First Day of the First Month following the
enactment hereof and every First Day of every month thereafter. These interest only
payments shall be paid automatically each month in the form of a cash draw down.

1 The interest only payments shall continue until satisfaction of both DOE's
2 deficiency, in the amount of \$17,154,608.75, and GMHA's deficiency, in the amount
3 of \$16,860,142.22, from a General Obligation Bond or alternate means. In the event
4 the DOE and GMHA deficiencies are not satisfied within five (5) years following
5 enactment hereof, payments for DOE and GMHA principal shall resume and proceed
6 as provided in 4 G.C.A. § 8137.

7 After the Treasurer of Guam has made the first monthly payment pursuant to
8 this section, the Government of Guam Retirement Fund shall accept and approve for
9 retirement any eligible employee of the Department of Education or the Guam
10 Memorial Hospital Authority upon the condition that the respective agency's
11 employer and employee contributions to the Fund for the applicable Fiscal Year are
12 current and paid in full as provided in P.L. 27-106, Chapter VI, Section 13, including
13 interest and penalties pursuant to 4 GCA § 8137 (c) and interest at the actuarial rate
14 determined in the latest completed actuarial valuation prepared for the Board of
15 Trustees by the actuary appointed by the Board, which is ~~currently 9.3% plus 1% plus~~
16 7.5%. If the Treasurer of Guam fails to make current payments as required by this
17 section or if DOE or GMH fails to make current payments for the applicable fiscal
18 year, the Fund shall cease processing applications from employees of that agency until
19 payment is made in full."

20 **Section Two.** A new section 8137(h) is added to Title 4 G.C.A. to read as
21 follows:

22 "§8137(h) 1. **Board's Power to Enforce.** The Board of the Government of
23 Guam Employees' Retirement Fund may file in Superior Court a Petition for Writ of
24 Mandate to compel any government official who is so obligated to pay or transfer
25 money to the Retirement Fund for employee or employer contributions to the Fund.

26 **2. Remedies.** At the court's discretion, failure to comply with a Writ of Mandate

1 issued pursuant to this Section after notice and a hearing shall be subject to contempt
2 of court proceedings. **3. Costs and Attorney Fees.** If the Board's petition is granted,
3 the court shall award costs and a reasonable attorney's fee, which shall be paid from
4 funds of the official's agency. **4. Dismissal After Payment.** If payment of the
5 delinquent amount is made within fifteen (15) days after filing the petition for Writ,
6 the petition shall be dismissed.



I Mina' Bente Ocho Na Liheslaturan Guahan
The 28th Guam Legislature

155 Hesler Place
Hagatna, Guam 96910
Office (671) 472-3409 • Fax (671) 472-3510

Speaker Mark Forbes

May 2, 2005

Speaker Mark Forbes
I Mina' Bente Ocho Na Liheslaturan Guahan
155 Hesler Place
Hagatna, Guam 96910

The Committee on General & Omnibus Matters to which Bill No. 118 was referred, wishes to report its findings and recommendations **TO DO PASS BILL No. 118 (EC): "An Act To Authorize Interest Only Payments And To Add A New Subsection 8137(h). To 4 GCA, All For The Purpose Of Permitting Employees Eligible To Retire From The Department Of Education And The Guam Memorial Hospital Authority To Retire In Fact"**.

Transmitted herewith for your consideration and action is our committee report on the above subject matter.

The voting record is as follows:

 4 TO PASS
 NOT TO PASS
 1 TO REPORT OUT ONLY
 ABSTAIN
 INACTIVE FILE

Copies of the Committee Report and other pertinent documents are attached. Thank you and si Yu'os ma'ase for your attention to this matter.


MARK FORBES

Attachments

MEMORANDUM

TO: Committee Members

FROM: Chairman 

SUBJECT: Committee Report- BILL No. 118 (EC): "An Act To Authorize Interest Only Payments And To Add A New Subsection 8137(h). To 4 GCA, All For The Purpose Of Permitting Employees Eligible To Retire From The Department Of Education And The Guam Memorial Hospital Authority To Retire In Fact".

Transmitted herewith for your information and action is the report on BILL No. 118 (EC) from the Committee on General and Omnibus Matters.

This memorandum is accompanied by the following:

1. Committee Voting Sheet
2. Committee Report
3. BILL No. 118 (EC)
4. Public Hearing Sign-In Sheet
5. Fiscal Note/ Fiscal Note Waiver
6. Notice of Public Hearing

Please take the appropriate action on the voting sheet. Your attention and cooperation in this matter is greatly appreciated.

Should you have questions regarding the report or accompanying documents, please do not hesitate to contact me.

Thank you and si Yu'os ma'ase.

MARK FORBES

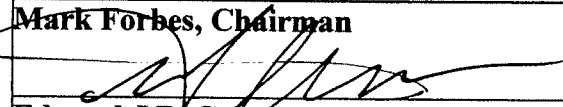
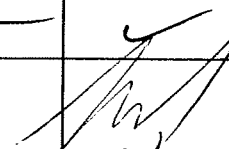
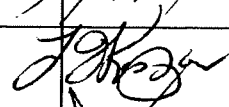
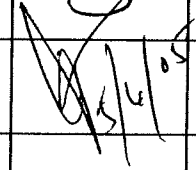

Attachments

COMMITTEE ON GENERAL AND OMNIBUS MATTERS

I MINA'BENTE OCHO NA LIHESLATURAN GUÅHAN
155 HESLER PLACE, HAGÅTNA, GUAM 96910

An Act To Authorize Interest Only Payments And To Add A New Subsection 8137(h). To 4 GCA, All For The Purpose Of Permitting Employees Eligible To Retire From The Department Of Education And The Guam Memorial Hospital Authority To Retire In Fact.

VOTING SHEET

	SIGNATURE	TO PASS	NOT TO PASS	TO REPORT OUT OF COMMITTEE	ABSTAIN	INACTIVE FILE
Mark Forbes, Chairman		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Edward J.B. Calvo		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Lawrence F. Kasperbauer, Ph.D.		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Jesse A. Lujan		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ray Tenorio		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Michael Cruz, M.D.		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Lou A. Leon Guerrero		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Judith T. Won Pat		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Benjamin J.F. Cruz		<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

MINA' BENTE OCHO NA LIHESLATURAN GUÅHAN
2005 (FIRST) Regular Session

Bill No. 118 (EC)

Introduced by:

Mark Forbes

Mike Cruz
L.F. KASPER BAUGH JR

**AN ACT TO AUTHORIZE INTEREST ONLY
PAYMENTS AND TO ADD A NEW SUBSECTION
8137(h). TO 4 GCA, ALL FOR THE PURPOSE OF
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The interest only payments shall continue until satisfaction of both DOE's

1 deficiency, in the amount of \$17,154,608.75, and GMHA's deficiency, in the amount
2 of \$16,860,142.22, from a General Obligation Bond or alternate means. In the event
3 the DOE and GMHA deficiencies are not satisfied within five (5) years following
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11 current and paid in full as provided in P.L. 27-106, Chapter VI, Section 13, including
12 interest and penalties pursuant to 4 GCA § 8137 (c) and interest at the actuarial rate
13 determined in the latest completed actuarial valuation prepared for the Board of
14 Trustees by the actuary appointed by the Board, which is currently 9.3% plus 1% plus
15 7.5%. If the Treasurer of Guam fails to make current payments as required by this
16 section or if DOE or GMH fails to make current payments for the applicable fiscal
17 year, the Fund shall cease processing applications from employees of that agency until
18 payment is made in full."

19 **Section Two.** A new section 8137(h) is added to Title 4 G.C.A. to read as
20 follows:

21 **"§8137(h) 1. Board's Power to Enforce.** The Board of the Government of
22 Guam Employees' Retirement Fund may file in Superior Court a Petition for Writ of
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24 money to the Retirement Fund for employee or employer contributions to the Fund.
25 **2. Remedies.** At the court's discretion, failure to comply with a Writ of Mandate
26 issued pursuant to this Section after notice and a hearing shall be subject to contempt

1 of court proceedings. **3. Costs and Attorney Fees.** If the Board's petition is granted,
2 the court shall award costs and a reasonable attorney's fee, which shall be paid from
3 funds of the official's agency. **4. Dismissal After Payment.** If payment of the
4 delinquent amount is made within fifteen (15) days after filing the petition for Writ,
5 the petition shall be dismissed.

**I MINA' BENTE OCHO NA LIHESLATURAN GUÅHAN
COMMITTEE ON GENERAL & OMNIBUS MATTERS
SPEAKER MARK FORBES, CHAIRMAN**

COMMITTEE REPORT

ON

BILL NO. 118 (EC)

**AN ACT TO AUTHORIZE INTEREST ONLY PAYMENTS AND TO
ADD A NEW SUBSECTION 8137(H). TO 4 GCA, ALL FOR THE
PURPOSE OF PERMITTING EMPLOYEES ELIGIBLE TO RETIRE
FROM THE DEPARTMENT OF EDUCATION AND THE GUAM
MEMORIAL HOSPITAL AUTHORITY TO RETIRE IN FACT.**

I. OVERVIEW

The Committee on General and Omnibus Matters held a public hearing at 2:00 p.m. on April 27, 2005 in the Public Hearing Room, I Liheslaturan Guåhan. Public notice was given to all media (see facsimil confirmation page) on April 20 and April 25, 2005 and posted in the Government Meetings Section in the April 26, 2005 edition of the PDN.

Senators present at the public hearing were:

Speaker Mark Forbes, Chairman
Senator Lawrence F. Kasperbauer, Ph.D., Member
Senator Lou A. Leon Guerrero, Member
Vice Speaker Joanne M.S. Brown
Senator Robert Klitzkie
Senator Adolpho B. Palacios, Sr.

II. SUMMARY OF TESTIMONY

Individuals that appeared before the Committee to present oral and written testimony on the bill were as follows:

Karen Watabayashi, Educator, oral and written testimony in support of Bill No. 118. Ms. Watabayashi read her written testimony before the committee stating that "It is very important that employees such as my husband and me be allowed to retire because we have been teaching all of these years and have received our paychecks with the deductions listed, firmly believing that those monies were being contributed into the Retirement Fund".

Joe T. San Agustin, Government of Guam Retirement Fund (GGRF) Board, Chairman, oral and written testimony in support of Bill No. 118. The Chairman of the GGRF Board read his written testimony before the committee stating that "the Retirement Fund will accept and approve individuals who are eligible to retire provided that three conditions are met:

- 1) The monthly interest payments (provided by Bill 118) be made on a timely basis (first of each month).
- 2) DOE & GMH agencies are current with their employer/employee contributions for FY 2005.
- 3) All employer/employee contributions including interest and penalties are remitted on behalf of the eligible employee seeking to retire".

Wilfred Aflague, GGRF, Director, oral testimony in support of Bill No. 118. The Director of GGRF spoke briefly before the committee stating that Chairman Joe San Agustin's testimony suffices for the position of the Retirement Fund. He expressed concerns of the Fund's annuity.

James Taylor, GGRF Board, member, oral testimony in support of Bill No. 118. In his oral testimony before the committee, Mr. Taylor expressed his appreciation to the author for introducing legislation that would resolve the GGRF Board dilemma since his taking of office as a member of the elected GGRF Board. He asked that the legislature act swiftly on Bill No. 118's passage.

George Bamba, Office of the Governor, oral testimony in support of Bill No. 118. The Senior Advisor to the Governor of Guam spoke before the committee, he said that the Office of the Governor, DOE, GMHA,

Retirement Fund and the legislature has worked collaboratively in addressing the retirement issues of DOE and GMHA retirement applicants. He stated that although this temporarily addresses the problem, it's a start to resolving the long term issues of the retirement members, both active current members and retirees.

Vince Leon Guerrero, Educator, oral and written testimony in support of Bill No. 118. Mr. Leon Guerrero briefly read from his written testimony before the committee stating, "I am being denied the opportunity to plan towards retirement because someone chose to divert the money that was taken from my paycheck in FY 2003, which was supposed to go to the Retirement Fund, and instead used it for other purposes".

Peter John Camacho, Guam Memorial Hospital Authority (GMHA), Acting Administrator, oral and written testimony in support of Bill No. 118. The acting Administrator read his testimony before the committee expressing his concerns of the inability of DOE and GMHA employees to retire. He further stated "Bill 118 would enable those who have not yet been able to fully retire and those contemplating leaving government service to do so as long as certain conditions are met". He stated that in his acting capacity he will ensure that GMHA remain current in its contributions.

Dennis Zermeno, private citizen, oral testimony in support of Bill No. 118. In his brief remarks to the committee, Mr. Zermeno stated that he considers the retirement situation "Death in Trust", stating its illegality and unconscionable nature. He expressed concerns over the GGRF's portfolio performance.

III. FINDINGS AND RECOMMENDATION

The Committee on General and Omnibus Matters finds that the intent of Bill No. 118 is to allow for the processing of retirement applicants from DOE and GMHA. This measure authorizes the treasurer of Guam to make interest-only payments to the Government of Guam Retirement Fund (GGRF) for the payments owed by DOE and GMHA to the GGRF. It is the finding of this committee that this measure is a step towards resolving the crisis experienced by the retirement applicants from DOE and GMHA. The committee recognizes the services provided by such individuals from DOE and GMHA and such employees should not have to be burdened by the government negligence in making monthly contributions to the GGRF. The committee has acted upon the contribution problems of DOE and GMHA by remedial steps involving the Office of the Treasurer of Guam and legal alternatives to address any delay in contributions to the GGRF and the processing of retirement applicants from DOE and GMHA.

Accordingly, the Committee on General and Omnibus Matters to which BILL No. 118 (EC) was referred does hereby submit its findings and recommendations to I Mina' Bente Ocho Na Liheslaturan Guåhan **TO DO PASS BILL No. 118 (EC)**, "An Act To Authorize Interest Only Payments And To Add A New Subsection 8137(h). To 4 GCA, All For The Purpose Of Permitting Employees Eligible To Retire From The Department Of Education And The Guam Memorial Hospital Authority To Retire In Fact."

IV. PUBLIC HEARING AGENDA

AGENDA COMMITTEE ON GENERAL & OMNIBUS MATTERS, and EXECUTIVE COMMITTEE

**Public Hearing
Wednesday, April 27, 2005, 2:00 p.m.**

Governor's Appointment of Mr. Lawrence P. Perez to serve as the Director of the Department of Public Works.

Lai Priniponi. 58 (EC) - *Inintrodusi Nu As Mark Forbes*

Un Ákto Na U Ta Na'dañña' Nuebu Na Seksion 834.2. (Ocho Tres Kuattro Punto Dos) Para I '1GCA' Ni' Para U Ma Desikna I Chalan 'Route 4' Tât Kumu Chalan Chamorro Ni' Para U Ta Onra I Manchamorro Espesiátmente Ayu Siha Na Taotâogues Ni' Manma Sá'pet, Manmesngon Yan Manggai Ánimu Yan Espiritu Gi Duránten I Gera II.

(An Act To Add A New Section 834.2. To 1GCA To Designate Route 4 As "Chalan Chamorro" To Honor The Chamorro People Of Guam, Especially Those Who Suffered And Demonstrated Such Fortitude, Courage And Strength Of Spirit During The Second World War).

Bill No. 94 (EC) - *by L. A. Leon Guerrero*

An Act To Transfer The Barrigada Public Library Building From The Guam Public Library System To The Office Of The Mayor Of Barrigada For The Purpose Of A Barrigada Senior Citizen Center.

Bill No. 97 (EC) - *by Mark Forbes*

An Act To Repeal And Re-Enact Sections 10305. And 10306 Of Chapter 10, 5GCA To Require Each Government Department Or Agency To Post And Maintain An Internet Home Page Or Web-Site And Provide Information To The General Public, Otherwise To Be Known As The Transparency Act Of 2005.

Bill No. 101 (EC) - *by L. F. Kasperbauer*

An Act To Amend Chapter 58 To Title 5 Of The Guam Code Annotated; Relative To Establishing A Means For Education Facilities Construction.

Bill No. 111 (EC) - *by J. A. Lujan*

An Act To Repeal Sections 2 And 3 Of Public Law 24-259, Relative To Leasing A Portion Of Lot No. 10142 New PTN Tract 100, Also Known As The Dededo Sports Complex, And To Authorize And Direct The Governor Of Guam To Lease A Portion Of Paseo De Susana For A Baseball/Softball Training Center

Bill No. 118 (EC) - Mark Forbes

An Act To Authorize Interest Only Payments And To Add A New Subsection 8137(h). To 4 GCA, All For The Purpose Of Permitting Employees Eligible To Retire From The Department Of Education And The Guam Memorial Hospital Authority To Retire In Fact.

Permitting Employees Eligible To Retire From The Department Of Education And The Guam Memorial Hospital Authority To Retire In Fact.

NAME (please print)	AGENCY/ ORGANIZATION	ORAL TESTIMONY	WRITTEN TESTIMONY	IN FAVOR	NOT IN FAVOR	CONTACT NUMBER
Vince Leon Guerrero	Personal		✓	✓		477-2220 (h)
Juan Flores	DOE	✓		✓		

Committee on General & Omnibus Matters, and
Executive Committee

Public Hearing
April 27, 2005
2:00 p.m.

I Liheslaturan Guahan, Hagåtña

Bill No. 118 (EC) - An Act To Authorize Interest Only Payments And To Add A New Subsection 8137(h). To 4 GCA, All For The Purpose Of Permitting Employees Eligible To Retire From The Department Of Education And The Guam Memorial Hospital Authority To Retire In Fact.

NAME (please print)	AGENCY/ ORGANIZATION	ORAL TESTIMONY	WRITTEN TESTIMONY	IN FAVOR	NOT IN FAVOR	CONTACT NUMBER
George Ramirez	Govt Office	✓		✓		875-9571
Peter John Comas	Govt	✓	✓	✓		697-2211
Dennis Zermeno	Self	✓		✓		853-0064

Committee on General & Omnibus Matters, and
Executive Committee

Public Hearing
April 27, 2005
2:00 p.m.

I Liheslaturan Guahan, Hagåtña

Bill No. 118 (EC) - An Act To Authorize Interest Only Payments And To Add A New Subsection 8137(h). To 4 GCA, All For The Purpose Of Permitting Employees Eligible To Retire From The Department Of Education And The Guam Memorial Hospital Authority To Retire In Fact.

NAME (please print)	AGENCY/ ORGANIZATION	ORAL TESTIMONY	WRITTEN TESTIMONY	IN FAVOR	NOT IN FAVOR	CONTACT NUMBER
Karen Watabayashi	DOE	X	X	X		789-2411
Joe F San Agustin	Rep. Bd	✓	✓	✓		
W. L. Lopez	Rep. Bd Rep. Fund	X		X		975-8700

IV. SIGN IN SHEET



I Mina' Bente Ocho Na Liheslaturan Guahan
The 28th Guam Legislature

155 Hesler Place
Hagatna, Guam 96910
Office (671) 472-3409 • Fax (671) 472-3510

Speaker Mark Forbes

WAIVER OF FISCAL NOTE

In accordance with §9105 Title 2 GCA, I hereby certify that prompt committee action on Bill 118 is necessary to the proper conduct of legislative business. Therefore, I am waiving requirement of a fiscal note on Bill 118.

MARK FORBES
Speaker and Chairman,
Committee on General and Omnibus Matters

VI. PUBLIC HEARING NOTICES

To PDN Government Meetings Section, April 20, 2005

Transmission Report

Date/Time: 4-20-05; 5:13PM
 Local ID: 4723510
 Local Name: Guam Legislature
 Company Logo:

This document was confirmed.
 (reduced sample and details below)
 Document Size Letter-S



I Mina' Berta Ocho Na Liheshaturan Guahan
The 25th Guam Legislature
 186 Heater Place
 Hagatna, Guam 96910
 Office (671) 472-3400 • Fax (671) 472-3810
Speaker Mark Forbes

FACSIMILE

Date: April 20, 2005 Time: _____
 Fax No.: 477-3479 No. of Pages: _____
 To: PDN Government Meetings
 From: The Office of Speaker Mark Forbes
 Re: Public Hearing Notice- April 21, 2005
 Note: We would like to reserve space in the government meeting notice section of the Pacific Daily News for Thursday, April 21 and Friday, April 22 to read:
"Committee on General and Oversight Matters & Executive Committee Public Hearing, Wednesday, April 21, 2005, 2:00 P.M., Public Hearing Room, Temporary Legislative Building, Hagatna, Guam. To be heard:
Governor's Appointment of Mr. Lawrence P. Pava to serve as the Director of the Department of Public Works.
Lal Prinsipal, SR (EC) - Amatorial Na lo Mark Forbes
Un Alas Na U To Malimato' Nukua Na Salasa 2042, (Ocho Yon Knatta Pato Day) Pasa I TOGA' NI Pasa U Ma Damban I Chikan 'Rasta 4' Ti Kasa Chikan Chikaso NI Pasa U To Ocho I Manuharawa Suplementado Aga Nin Ma Tostogosa NI Manua Myn, Manuagosa Yon Munggal Anon Yon Kapita Gi Damban I Ocho.
(An Act To Add A New Section 2042 To TOGA To Designate Rasta 4 As "Chikan Chikaso" To Honor The Chikaso People Of Guam, Especially Those Who Suffered And Demonstrated Such Fortitude, Courage And Strength Of Spirit During The Second World War).

Total Pages Scanned : 2 Total Pages Confirmed : 2

No.	Doc	Remote Station	Start Time	Duration	Pages	Mode	Comments	Results
1	633	94773079	4-20-05; 5:12PM	1'04"	2 / 2	EC		CP 14.4

Notes :

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|--------------------|-----------------------|--------------------------|------------------------|
| EC: Error Correct | RE: Resend | PD: Polled by Remote | MB: Receive to Mailbox |
| BC: Broadcast Send | MP: Multi-Poll | PG: Polling a Remote | PI: Power Interruption |
| CP: Completed | RM: Receive to Memory | DR: Document Removed | TM: Terminated by user |
| HS: Host Scan | HP: Host Print | FO: Forced Output | WT: Waiting Transfer |
| HF: Host Fax | HR: Host Receive | FM: Forward Mailbox Doc. | WS: Waiting Send |

To All Media, Poll Report, April 20, 2005

Broadcast Report

Date/Time
Local ID
Local Name
Company Logo

4-20-05; 6:20PM
4723510
Guam Legislature

Document Size Letter-S



I Mina' Banta Ocho Na Lheolaturan Guahan
The 28th Guam Legislature

105 Hender Place
Hagatna, Guam 96910
Office (671) 472-3408 • Fax (671) 472-3640

Speaker Mark Forbes

April 20, 2005

MEMORANDUM

TO: All Media:
Pacific Daily News 477-3879 KJMM 637-6678
Marianas Variety 646-3887 K-52/Power-96 477-3882
E-Stream 477-6411 FM Radio 100 472-7643
Guam Business 648-8883 Advertiser World Radio 565-2883
Hervey Family Radio 477-3136 KFMG 724-3558
KMM 477-6411

FROM: Speaker
Chairman, Committee on General & Ordinance Matters, and
Executive Committee

SUBJECT: Notice of Public Hearing- April 27, 2005

Please be informed that I have scheduled a public hearing on Wednesday, April 27, 2005, 2:00 p.m., at the Public Hearing Room, Temporary Legislative Building, on the following appointments and bills.

Governor's Appointment of Mr. Lawrence P. Parris to serve as the Director of the Department of Public Works.

Lei Privilegiad. 08 (EC) - *Impruvidad Na An Mark Forbes*
Us Ahas Na U Ta Nohohohi Number Na Solosion 024.2. (Cabo Dos Kamtra Panto Dos) Pasa I
'OGCA' MF Pasa U Ma Doolina I Cholin. *Termin 0* T8 Elara Cholin. *Chomorra NF Pasa U Ta*
Chon I Manohancora Espadillanta Aya Sila Na Thoolagosa 10' Manna 00'pa, Manohangot
Yas Mangal Ahas Van Hapirin 01 Doolina I Gasa B.

Bill No. 94 (EC) - *By L. A. Lora Guerrero*
An Act To Transfer The Hagatna Public Library Building From The Guam Public Library System To The
Office Of The Mayor Of Hagatna For The Purpose Of A Hagatna Under Cities Comm.

Bill No. 97 (EC) - *By Mark Forbes*
An Act To Regulate And Standardize Sections 18001, And 18006 Of Chapter 18, SOCA To Regulate Bank
Government Department Or Agency To Post And Maintain An Internet Home Page Or Web-Site And
Provide Information To The General Public, Otherwise To Be Known As The Transparency Act Of 2005.

No.	Doc	Remote Station	Start Time	Duration	Pages	Mode	Comments	Results
1	636	pdn	4-20-05; 5:18PM	1'00"	2 / 2	EC	BC	CP 14.4
2	636	marianas variety	5:19PM	1'19"	2 / 2	EC	BC	CP 14.4
3	636	kuam	5:21PM	32'27"	- / 2	EC	BC	83A3 14.4
4	636	hit radio	5:54PM	1'02"	2 / 2	EC	BC	CP 28.4
5	636	kuam	5:59PM	56"	2 / 2	EC	RE	CP 14.4
6	636	power ninety eight	6:16PM	0"	- / 2	BC	BC	056B
7	636	guam business	6:17PM	0"	- / 2	BC	BC	056B

To All Media, Poll Report, April 25, 2005

Broadcast Report

Date/Time
Local ID
Local Name
Company Logo

4-25-05:10:22AM
4723510
Guam Legislature

Document Size Letter-S



I Misa' Bente Ocho Na Lihelaturan Guahan
The 25th Guam Legislature

165 Healer Place
Hagatna, Guam 96910
Office (671) 472-3408 • Fax (671) 472-3610

Speaker Mark Forbes

Facsimile

Date: April 25, 2005 Time: _____
To: ALL MEDIA:
Fax No.: Pacific Daily News: 477-3679 KUAM: 672-6878
Marianas Variety: 648-2887 K-57/Power 96: 477-3982
E. Star: 477-6411 KH Radio 106: 472-7660
Glopost: 646-8883 Advertiser World Radio: 367-2880
Parvett Family Radio: 477-7136 K290: 794-2888
K291: 477-6411 K290 Live: 477-7845
From: The Office of Speaker Mark Forbes
Re: Public Hearing Notice- April 27, 2005
Note: Attached is a public hearing notice for April 27, 2005 and for your parcel.
Should there be a problem with the transmittal of this fax please contact our office at 472-3408.
Sender:
No. of Pages:

No.	Doc	Remote Station	Start Time	Duration	Pages	Mode	Comments	Results
1	770	pdn	4-25-05; 9:51AM	1'43"	3/ 3	EC	BC	CP 14.4
2	770	marianes variety	9:53AM	2'55"	3/ 3	EC	BC	CP 14.4
3	770	kuam	9:58AM	2'29"	3/ 3	EC	BC	CP 12.0
4	770	hit radio	9:59AM	1'22"	3/ 3	EC	BC	CP 28.8
5	770	power ninety eight	10:18AM	0"	-/ 3		BC	0568
6	770	guam business	10:19AM	0"	-/ 3		BC	0568
7	770	k stereo/kish	10:19AM	0"	-/ 3		BC	0568

LOCAL

GOVERNMENT MEETINGS

▲ Continued from Page 6

Commercial Complex, Route 10, Mangilao. Call Jane Diego, 735-7406/11.

▲ GUAM MENTAL HEALTH PLAN-NING COUNCIL: Noon, April 26, Guam Identified Families' Terrific Strength, or GIFTS, office (left side), Mangilao mayor's office. Call 482-2560.

▲ SOUTHERN SOIL & WATER CONSERVATION DISTRICT: 7 p.m. April 26, University of Guam Experiment Station, Marjan. Call 735-2080.

▲ ALCOHOL BEVERAGE CONTROL BOARD: 5 p.m. April 27, Compliance Branch Office, second floor, Pacific News Building, Archbishop Flores St., Hagåtña. Call 475-1802.

▲ CHAMORRO LAND TRUST COMMISSION: Rescheduled meeting 4 p.m. April 27, Department of Land Management conference room, first floor, Antigua. Call 475-4251.

▲ COMMITTEE ON GENERAL AND OMNIBUS MATTERS AND EXECUTIVE COMMITTEE: Public hearing 2 p.m. April 27, Legislature's public hearing room, Hagåtña. Governor's appointment of Lawrence P. Perez to serve as director of the Department of Public Works. Bill 58, designating Route 4 as Chalan Chamorro honoring the Chamorro people of Guam, especially those who suffered and demonstrated such fortitude, courage and strength of spirit during World War II; Bill 94, transferring the Bart-gada Public Library building from the Guam Public Library System to the purpose of a Bartgada Senior Citizens Center; Bill 97, requiring each government department or agency to post and maintain an internet home page or Web site and provide information to the general public — the Transparency Act of 2005; Bill 101, establishing a means for education facilities construction; Bill 111, leasing a portion in Dededo, also known as the Dededo Sports Complex, and to authorize and direct the governor to lease a portion of Paseo de Susana for a baseball/softball training center; Bill 118, permitting employees eligible to retire from the Department of Education and Guam Memorial Hospital Authority to retire in fact.

April 27
guampdn.com Pacific Daily News, Tuesday, April 26, 2005

April 26, 2005

Speaker Mark Forbes
Committee on General and Omnibus Matters and Executive Committee

Speaker Forbes:


Thank you very much for introducing Bill 118 which would permit Department of Education (DOE) and Guam Memorial Hospital Authority (GMHA) employees who are eligible to retire actually retire. This is a deplorable and illegal situation and hopefully through your hard work will soon be alleviated.

My husband I have been Department of Education teachers since 1976 and had planned to retire this August. Last year in June we went to the Retirement Office to start the retirement process and were told that at that time retirement was on a case by case basis. In January I found out that employees from DOE and GMHA were unable to retire due to the monies owed the retirement fund. It was at that time that I started emailing senators with the hope that something could be done.

It is very important that employees such as my husband and me be allowed to retire because we have been teaching all of these years and have received our paychecks with the deductions listed, firmly believing that those monies were being contributed into the Retirement Fund.

It is also very imperative that matter be resolved as expediently as possible as school year 2004-05 is coming to an end and teachers and administrators who wish to retire must be able to retire by the end of the school year, so that the Department of Education can work to fill these vacant positions.

Sincerely,



Karen Lee Watabayashi
Home phone no. 789-2411

Email: wata@guam.net

Felix P. Camacho
Governor

Kaleo S. Moylan
Lieutenant Governor

Wilfred G. Aflague
Director

Paula M. Blas
Deputy Director



424A Route 8, Maite, Guam 96910
Telephone Nos. 671.475.8900/8901
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Joe T. San Agustin
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Dr. Wilfred G. Leon Guerrero
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James J. Taylor, Ph.D.
Secretary
Katherine T.E. Taitano
Trustee
George A. Santos
Trustee
Anthony C. Blas
Trustee
Gerard A. Cruz
Trustee

GOVERNMENT OF GUAM RETIREMENT FUND
BOARD OF TRUSTEES' POSITION STATEMENT REGARDING BILL 118

April 27, 2005

Good Afternoon Speaker Mark Forbes and committee members of the Committee on General and Omnibus Matters. We, myself, Wilfred Aflague (Director) and Pete Tajalle, Jr. (Controller) appear before you on behalf of the Retirement Fund Board of Trustees in support of Bill 118 in concept because we are cognizant of the serious and negligent action taken on the part of DOE and GMH officials by the non-remittance of retirement contributions on behalf of their employees.

For more detailed discussions on the fiduciary liabilities of the members of the Retirement Fund Board of Trustees, you are invited to review the various attachments to this testimony: (1) Letter to Senator Mike Cruz dated April 4, 2005; (2) Letter to Senator Eddie Calvo dated April 6, 2005 ; (3) "What would constitute detrimental to the Fund?", dated January 18, 2005.

For years, the Retirement Fund has aggressively sought to collect from DOE and GMH for the past due retirement contributions. The amount of interest and penalties on outstanding balances that DOE and GMH have incurred continues to accumulate in the millions – monies, I'm sure, that could be better spent in the schools or on hospital needs. As important as it is to sustain the operations of DOE and GMH, it is unequivocally and more importantly fundamental to remit obligated retirement contributions on earned wages paid to these employees. The failure to remit these contributions is "criminal" and poses hardships for the employees wanting to retire in addition to those survivors of active employees who have since passed on. Employees wishing to apply for disability retirement – can't.

In accordance with 4 G.C.A., Article 1, §8139.1 Fiduciary Duties: The Board of Trustees stand in a fiduciary relationship with the beneficiaries of the Retirement Fund in regards to the management and operation of the Fund. Violation of their fiduciary duties is subject to the members of the Board to be held "personally liable" to the Retirement Fund for losses incurred by the Fund (4 G.C.A., Article 1, §8139.2).

In February 2003, a court order prohibited the Retirement Fund from entertaining applications for retirement from eligible employees seeking to retire whose agencies' retirement contributions are in arrears.

In FY 2004, the Retirement Fund Board of Trustees complied with P.L. 27-29 and started to accept applications for retirement provided the agency met two conditions: 1) employer and employee retirement contributions remained current for the current fiscal year; and 2) all employer and employee contributions inclusive of interest and penalties were paid on behalf of the employee seeking to retire.

In FY 2005, the Retirement Fund Board took a more stern fiduciary approach and acknowledged that agencies remained current for the fiscal year, however, DOE and GMH were not making any additional payments on the past due contributions. As a result, continued to accrue interest and penalties at an alarming rate and resulting in increasing the outstanding balances due to the Retirement Fund. Consequently, effective 10.01.04 all applications for retirement for DOE and GMH employees and their survivors eligible to retire ceased and the Retirement Fund continued to deny accepting any retirement applications. This resulted in a public outcry.

In collaboration with the Governor's Office, Guam Legislature, DOE and GMH, Bill 118 was negotiated to provide a method of permitting employees eligible to retire from DOE and GMH to actually retire. Bill 118 attempts to provide a resolution for GMH and DOE deficiencies by calling for capitalized interest only payments to be made on behalf of DOE and GMH on the first of every month as a direct "cash" drawdown from the Treasurer of Guam. Bill 118 also recognizes that these are "interest only" payments and that the principal amounts owed by DOE and GMH will be satisfied from a General Obligation Bond or alternate means.

With the passage of Bill 118, the Retirement Fund will accept and approve individuals who are eligible to retire provided that three conditions are met:

- 1) The monthly interest payments (as provided by Bill 118) be made on a timely basis (first of each month); and
- 2) DOE and GMH agencies are current with their employer and employee contributions for FY 2005; and
- 3) All employee and employer contributions including interest and penalties are remitted on behalf of the eligible employee seeking to retire.

Failure to meet any of the above conditions will result in the Retirement Fund ceasing to process any applications for retirement until payment is made in full.

Furthermore, I must recognize the efforts of Senator B.J. Cruz who is mindful of the conscious decisions carried out by DOE and GMH officials in their failure to remit retirement contributions on behalf of their employees. Senator Cruz calls for the Attorney General to hold DOE and GMH officials accountable for their "criminal" actions to selectively *not* pay the retirement contributions. The entire public outcry has the Public Auditor questioning where the retirement contributions taken from employees' paychecks went.

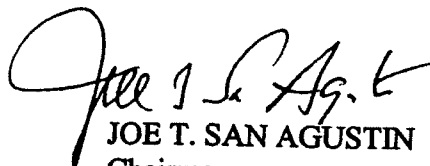
Currently, the Retirement Fund law mandates that the Attorney General shall represent the Board in all litigation or shall designate the attorney for the Board as a Special Assistant Attorney General for this purpose. Bill 118 grants power to the Retirement Fund Board to file in Superior

Court a Writ of Mandate to compel any government official who is obligated to pay or transfer money to the Retirement Fund for employee and employer contributions to the Fund. This provision will give the Board direct authority to pursue such an action without having to obtain permission from the Attorney General's Office.

Lawmakers and government leaders must not allow agencies to exercise discretion in remitting retirement contributions. These are retirement contributions taken from wages earned by hardworking government employees who have entrusted their employers to remit the retirement contributions on their behalf. These are retirement contributions that, statutorily, employees do not have the option of walking into the Retirement Fund and making the payment themselves. These are retirement contributions that are set aside for future benefits of these hardworking employees that are not available to the employees who are eligible to retire now.

The financial impact of the non-remittance of contributions coupled with other factors have a multiplying effect on the Retirement Fund's ability to meet operational requirements resulting in the Retirement Fund's need to drawdown on current assets. The continuance of this process compromises and jeopardizes the Retirement Fund's financial stability.

In closing, I ask you, Mr. Speaker and Senators of the 28th Guam Legislature to stop the bleeding from the Retirement Fund and provide a temporary solution to a long time dilemma through the passage of Bill 118.


JOE T. SAN AGUSTIN
Chairman

Vincent T. Leon Guerrero
P.O. Box 3818
Hagatña, GU 96932

April 27, 2005

Speaker Mark Forbes
Mina' Bente Ocho Na Liheslaturan Guåhan
Hagatña, Guam

Dear Speaker Forbes,

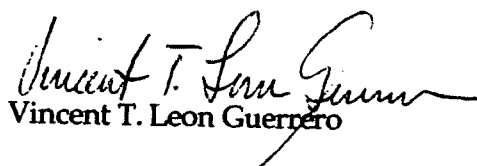
I am writing in support of the legislation before this Committee. I am preparing to retire from Government of Guam service after more than 27 years of actual service. However, as a Department of Education employee, I and others from my department, are being prevented from planning for our retirement. I am being denied the opportunity to plan towards retirement because someone chose to divert the money that was taken from my paycheck in fiscal year 2003, which was supposed to go to the Retirement Fund, and instead used it for other purposes. For the record, this is all DOE owes to the Retirement Fund, plus accrued interest and penalties, which is added each day that the entire debt is not paid in full.

I am aware that someone needs to be accountable for the diversion of funds taken from employee's paychecks in Fiscal Year 2003 and not remitted to the Retirement Fund, which is what employee's like myself authorized to have deducted from our paychecks. However, that task is for someone else to do and I am not here today to discuss this matter, as important as that is to me also.

I am here to ask this Legislature to do whatever it takes, whether it is the ideas in this bill, or the ideas from any input from today's hearing, or a combination of ideas, to make this wrong right. I don't really care how it is done, as long as it is done. If this bill is the proper mechanism for achieving this goal, then I am in total support of this bill.

Si Yu'os Ma'ase for your interest and intent to make this wrong right.

Sincerely,


Vincent T. Leon Guerrero



Guam Memorial Hospital Authority Aturidåt Espetåt Mimuriåt Guåhan



850 GOV. CARLOS CAMACHO ROAD
OKA, TAMUNING, GUAM 96913
TEL: 647-2444 or 647-2330
FAX: (671) 649-0145

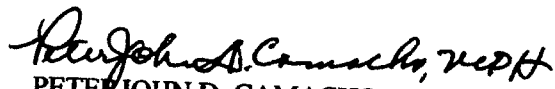
Testimony on Bill 118: AN ACT TO AUTHORIZE INTEREST ONLY PAYMENTS AND TO ADD A NEW SUBSECTION 8137(h) TO 4 GCA, ALL FOR THE PURPOSE OF PERMITTING EMPLOYEES ELIGIBLE TO RETIRE FROM THE DEPARTMENT OF EDUCATION AND THE GUAM MEMORIAL HOSPITAL AUTHORITY TO RETIRE IN FACT

Good afternoon Mister Chair and member of the Committee:

My name is PeterJohn Camacho, Acting Administrator for the Guam Memorial Hospital Authority and I am here to present testimony on Bill 118. As we all know, there has been much discussion and angst expressed over the inability of employees of the hospital and the Department of Education to effectuate their retirement from the Government of Guam, especially after many years of faithful and dedicated service to the people of our island home. It is a situation that, I am sure, is extremely frustrating and disheartening to these public servants.

There is an opportunity today to address this situation and one that will hopefully not be repeated in the future. Bill 118 would enable those who have not yet been able to fully retire and those contemplating leaving government service to do so as long as certain conditions are met.

The Authority is very supportive of the intent of Bill 118. We are extremely appreciative of the efforts of the honorable Governor Felix P. Camacho, the members of the Retirement Fund Board, the authors of Bill 118 and the Legislature's desire to address and rectify this problem. There are some specifics of Bill 118 that need further discussion, as its implementation will impact the Authority as we move forward. We respectfully request the opportunity to participate in dialogue with the members of this august body and the Administration that will provide clarity and ensure success in this very important endeavor. Put respetu!


PETER JOHN D. CAMACHO, MPH
Acting

Felix P. Camacho
Governor

Kaleo S. Moylan
Lieutenant Governor

Wilfred G. Aflague
Director

Paula M. Blas
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GOVERNMENT OF GUAM RETIREMENT FUND
BOARD OF TRUSTEES' POSITION STATEMENT REGARDING BILL 118

April 27, 2005

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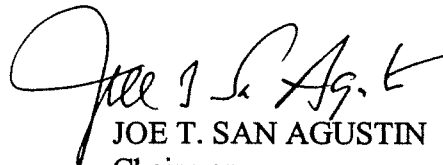
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JOE T. SAN AGUSTIN
Chairman

R
GOVERNMENT OF GUAM
RETIREMENT FUND
STABILITY · SECURITY · REWARDS

April 4, 2005

Senator Mike Cruz M.D.
Chairman Committee on Health & Human Services
I Mina'Bente Ocho Na Liheslaturan Guahan
155 Hessler Pl
Hagatna, GU 96910

Dear Senator Cruz,

The Fund is in receipt of your letter dated March 1, 2005. The Fund has attached the following items for your review:

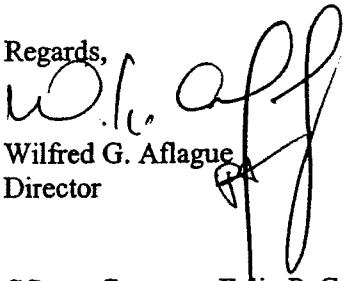
1. Copy of "Settlement Agreement" between GGRF and GMHA.
2. GMHA Contribution Summary
3. GMHA Note Payment Summary

Review of our records indicates that GMHA paid off promissory note #1 during fiscal year 1998. GMHA made payments against promissory note #2 (resulting from the settlement agreement), however payments per the terms of the note ceased in fiscal year 2000 (only one quarter was paid in fiscal year 2000).

Lastly, GMHA has been sporadic in their contribution payments as can be seen in the attached contribution summary.

We hope that this information provides an insight into the problems associated with GMHA. Please contact us here at the Fund at 475-8900 should you have any questions.

Regards,


Wilfred G. Aflague
Director

CC: Governor Felix P. Camacho
Speaker Mark Forbes, GGRF Oversight Chair
GGRF Board of Trustees
Phillip Flores, GMHA Board Chairman

Felix P. Camacho
Governor

Kaleo S. Moylan
Lieutenant Governor

Wilfred G. Aflague
Director

Paula M. Blas
Deputy Director

Trustees:

Joe T. San Agustin
Chairman

Dr. Wilfred P. Leon Guerrero
Vice-Chairman
Investment Committee, Chairman

James J. Taylor, Ph.D.
Secretary
Investment Committee, Vice-Chairman

Katherine T.E. Taltano
Trustee
Treasurer

George A. Santos
Trustee
Members' & Benefits Committee, Chairman

Anthony C. Blaz
Trustee
Audit & Operations Committee, Chairman

Gerard A. Cruz
Trustee

424 Route 8
Maite, Guam 96910
Tel: 671.475.8900
Fax: 671.475.8922
www.ggrf.com

SETTLEMENT AGREEMENT

This Settlement Agreement is entered into between the **GOVERNMENT OF GUAM RETIREMENT FUND** (hereinafter "Fund"), through its counsel **HOGAN & BRONZE**, by Jacques G. Bronze, Esq. and **GUAM MEMORIAL HOSPITAL AUTHORITY** (hereinafter "GMHA") through its counsel the Law Offices of Horecky & Associates by David W. Hopkins, concerning the dispute made the subject of Superior Court Special Proceedings Case No. SP0213-97.

RECITALS:

A. The Fund filed a verified Petition for Writ of Mandate in the Superior Court of Guam against the Board of Trustees of the Guam Memorial Hospital Authority entitled The Board of Trustees of the Government of Guam Retirement Fund vs. The Board of Trustees of the Guam Memorial Hospital Authority, Special Proceedings Case No. SP0213-97 in which the Fund sought a writ of mandate commanding the Board of Trustees of the Guam Memorial Hospital Authority to pay the Fund, all the members' and employer's contribution in arrears, including interest and penalties and to pay future retirement obligations to the Government of Guam Retirement Fund in a timely manner.

B. On November 24, 1993, GMHA executed a promissory note in favor of the Fund for \$3,047,946.68, which is annexed hereto as Exhibit "1." GMHA has defaulted on the note and \$820,806.59 is currently due and payable. See, Exhibit "2."

C. The parties desire to settle the issues raised in the verified petition for writ of mandate filed in the Superior Court of Guam as well as the defaulted Note and the Fund shall partially release GMHA from liability to the extent that GMHA has paid the amounts owed under this Agreement and Note.

NOW, THEREFORE, in consideration of the mutual agreements, the parties

hereto do hereby agree as follows:

1. Amounts owed by GMHA: As of the 28th day of February, 1998, GMHA owed the Fund \$820,806.59 under the Promissory Note including interest and penalties. In addition, as of the 28th day of February, 1998, GMHA owed the Fund, employees' and employer contributions under the Defined Benefits Plan and Defined Contribution Plan, including interest and penalties, in the total sum of \$17,385,720.12 See, Exhibit "2."

2. Payment to the Fund: Upon execution of this Agreement by GMHA and the performance of all conditions precedent by GMHA, GMHA shall cause to be paid to the Fund a check or draft in the sum of \$8 million. The balance of \$9,385,720.12 shall be secured by a Promissory Note identical in form and substance to that attached hereto as Exhibit "3."

(a) The term of the note shall be amortized over ten (10) years and installment payments shall be paid quarterly until the 5th year, however, on the last installment payment on the 5th year, a payment in the amount necessary to repay the unpaid principal amount of the Note shall be due and payable.

(b) GMHA shall pay interest to the Retirement Fund on the outstanding principal amount of the note at the rate per annum as follows:

(1) At the rate per annum equal to 1% (if any) over the rate of interest announced by the Bank of Hawaii from time to time at its principal office as its prime commercial lending rate, which rate is not intended to be the lowest rate of interest charged by the Bank to its borrowers ("Prime Rate"); but

(2) In no event shall the rate of interest payable to the Fund decline below 8% per annum.

3. **Partial Release of Claims:** Upon completion of all acts required under this Agreement, the Fund for itself and its successors and assigns, and as further consideration of the promises herein, do, only to the extent that GMHA has paid the amounts owed under this Agreement and Note, release GMHA as well as its respective predecessors, successors and all officers, directors and employees from any and all rights and duties, including claims, demands, damages, debts, liabilities, costs, expenses, liens, actions, suits, whether now known or unknown, suspected or unsuspected, which the Fund hereto and its legal successors and assigns may now have, own, hold or which at any time thereafter may ever have or could, shall may or thereafter have own or hold which may relate to in any way arise out of the Superior Court action or the facts and transaction underlying this action.

From and after the date hereof, the Fund hereto and its successors or assigns, shall have claims of any kind or nature, only to the extent that GMHA has not paid the amount owed under the Settlement Agreement and Note.

4. **Dismissal without Prejudice:** The Fund shall file with the Clerk of the Superior Court of Guam a duly executed request for dismissal without prejudice of the said action. It is the agreement of the parties, that once this agreement has been executed and the other conditions have been met, that the Fund has waived its claims only to the extent that GMHA has paid the claims and/or monies owed pursuant to this Agreement and the Promissory Note, and that the Fund will not be barred from pursuing any of its claims against GMHA by a Writ of Mandate or any other remedies available to the Fund.

5. **Events of Default.** The following shall constitute an event of default and shall constitute a breach of the Settlement Agreement.

(a) Failure to pay an installment of interest and/or principal on the due

date as contained in the Promissory Note;

(b) Failure of GMHA to promptly remit the employer and member contributions under the Defined Benefits Plan and the Defined Contribution Plan every pay period or as provided by law.

6. **Remedies in the event of breach.** GMHA knowingly agrees that in the event it breaches § 5, the Fund shall have the right to reinstitute suit against it in the form of a writ of mandate. In addition, the rights and remedies provided hereunder are cumulative, and not exclusive of any other rights, powers, privileges or remedies, now or hereafter existing at law or in equity or otherwise.

7. **Waiver of Defenses.** GMHA waives any and all defenses of sovereign immunity as well as 5 G.C.A. § 6101 et. seq. which requires GMHA to submit its contractual claims according to the claims procedures of the Government of Guam Claims Act; however, all of the Fund's rights under this section is personal in nature and may not be assigned, transferred or endorsed to any party.

8. **Entire Agreement:** This agreement constitutes the entire understanding between the parties concerning the subject matter hereof and supersedes and replaces any and all prior negotiations and proposed agreements, written and oral, relating thereto.

9. **Authority and Capacity:** Each of the parties or person undersigned represents that he, she or it has the authority and legal capacity to enter into this Agreement.

10. **Counterparts:** This Agreement may be executed in counterparts which, taken together, shall constitute one and the same agreement and shall be effective as of the date first written above.

11. **Integration:** This Agreement, together with all agreements, instruments

and documents executed pursuant to the Agreement, (i) integrate all the terms and conditions mentioned herein or therein or incidental hereto or thereto, (ii) supersede all oral negotiations and prior writings with respect to the subject matter hereof and thereto, and (iii) are intended by the parties as the final expression of the agreement with respect to the terms and conditions set forth in this Agreement and any such agreement, instrument or document and as the complete and exclusive statement of the terms agreed to by the parties.

12. **Independent Counsel:** Each party hereto acknowledges to the other that it has been represented by independent legal counsel of its own choice throughout all of the negotiations which preceded the execution of this Agreement and that they have executed this Agreement after receiving the advice of such independent legal counsel, and without reliance upon any promise or representation of any person or person acting for or on behalf of the other party, except as expressly set forth in this Agreement. Each party further acknowledges that it and its counsel have had adequate opportunity to make whatever investigation or inquiry that may deem necessary or desirable in connection with the subject matter of this Agreement prior to the execution of this Agreement. Counsel for all parties have read and approved the language of this Agreement and advised their respective clients to execute the same.

13. **Severability:** If any provision of this Agreement is determined by a Court of competent jurisdiction to be illegal or unenforceable, said provision shall be deemed to be severed, deleted and neither such provision, severance nor deletion shall affect validity of the remaining provision of this Agreement.

14. **Order of Paragraphs:** The order in which the paragraphs appear in this Agreement has no significance whatsoever.

15. **Language:** All words used in this Agreement shall be construed to

include the plural as well as the singular number and vice versa. Words used in this Agreement in the present tense shall include the future as well as the present, and words used in this Agreement in the masculine gender shall include the feminine and neuter genders, whenever the context so requires.

16. **Headings:** The headings appearing in this Agreement have been inserted for convenience of reference only, and in no way defined, limit or enlarge the scope of meaning of the provisions of this Agreement.

17. **Attorneys Fee and Costs:** Each of the parties hereto shall bear his, her and/or its own costs and attorneys' fees to date.

18. **Construction of Agreement:** The parties agree that this Agreement was jointly drafted by their respective counsel, and that any uncertainty in this Agreement shall not be interpreted more strongly against either of them.

19. **Delay or Omission Not a Waiver:** No delay or omission on the part of the Fund in exercising any rights under this Agreement or under any other agreement upon breach default by GMHA shall operate as a waiver of such right or any other right under any other agreements.

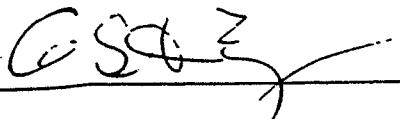
20. **Notices:** Any notice required to be given under this Agreement may be given by personal delivery in writing or by registered or certified United States mail, postage pre-paid, return receipt requested. Notice shall be deemed communicated as of fifteen (15) days after the date of mailing. Mailed notices shall be addressed as set forth below, but each party may change his address by written notice in accordance with this paragraph.

TO: GOVERNMENT OF GUAM RETIREMENT FUND
P.O. Box 3-C
Agana, Guam 96932

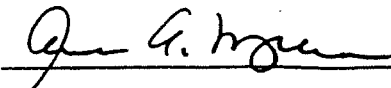
TO: GUAM MEMORIAL HOSPITAL AUTHORITY
Hospital Administrator
850 Gov. Carlos g. Camacho Rd.
Tamuning, Guam 96911

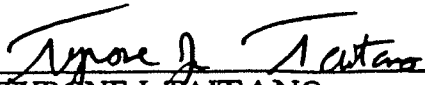
Executed on this 19 day of March, 1998.

**GOVERNMENT OF GUAM
RETIREMENT FUND**

By: 
Chairman of the Board of Trustees


**GUAM MEMORIAL HOSPITAL
AUTHORITY**

By: 
Chairman of the Board of Trustees

By: 
TYRONE J. CAITANO
GMHA Hospital Administrator


APPROVED AS TO FORM
AND CONTENT

HOGAN & BRONZE, P.C.


By: 
JACQUES G. BRONZE
Attorney for the Government of Guam
Retirement Fund

APPROVED AS TO FORM
AND CONTENT

LAW OFFICES OF
HORECKY & ASSOCIATES

By: 
DAVID W. HOPKINS
Attorney for Guam Memorial
Hospital Authority

OFFICE OF THE ATTORNEY GENERAL

By: 
ATTORNEY GENERAL OF GUAM

PROMISSORY NOTE

\$3,047,946.68 with interest as shown in Schedule A,

For Value Received, The Guam Memorial Hospital Authority, promises to pay to the order of the Retirement Fund, Government of Guam, the principal sum of **THREE MILLION FORTY-SEVEN THOUSAND NINE HUNDRED FORTY-SIX DOLLARS AND SIXTY-EIGHT CENTS (\$3,047,946.68)**, in lawful money of the United States, together with interest at a rate of eight point zero percent (8.0%) per annum on the declining balances thereof; principal and interest being payable monthly in the amount of **NINETY FIVE THOUSAND FIVE HUNDRED ELEVEN DOLLARS AND SIXTY-EIGHT CENTS (\$95,511.68)** for thirty-six (36) equal monthly installments with the first payment being due on October 30, 1993. ~~Thereafter, payments shall be made on the last day of each month and the last payment to be paid on September 30, 1996.~~

In the event of default in the payment of any of the said installments as hereinabove provided, time being of the essence hereof, the Retirement Fund, Government of Guam may, without notice or demand declare, the entire principal sum then unpaid immediately due and payable.

In the event the Guam Memorial Hospital Authority should fail to make payment within five (5) days from the due date, a penalty charge of one percent (1%) on the said monthly payable shall be assessed against the Guam Memorial Hospital Authority.

In the event default is made in the payment of this note, and it is placed in the hands of an attorney for collection, or suit is brought on the same, then such additional amount on the principal of this note shall be added to the same as collection fees as the court may adjudge reasonable.

It is agreed that all signers and endorsers of this note waive demand, protest, notice of protest and nonpayment.


No delay or omission of the holder of this note to exercise any right or power hereunder shall impair such right or power or be a waiver of any default or any acquiescence therein, and any single or partial exercise of any thereof shall not preclude other or further exercise thereof or the exercise of any other right.


All remedies hereunder or by law afforded shall be cumulative and all shall be paid in full in lawful money.

The Guam Memorial Hospital hereby waives any and all defenses of sovereign immunity.

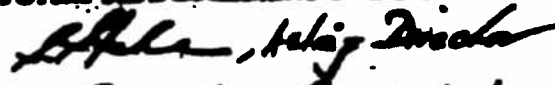
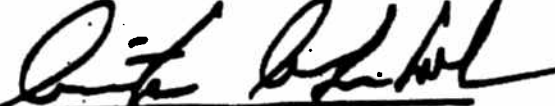
EXECUTED THIS 24th DAY OF November 1993 IN AGANA, GUAM.

PREPARED BY:
GUAM MEMORIAL HOSPITAL AUTHORITY


PETER D. CAMACHO, MPH
Hospital Administrator


ROSE R. TAINATONGO, PRESIDENT
BOARD OF TRUSTEES

ACCEPTED BY:
GUAM RETIREMENT FUND



ANITA A. SUKOLA
Chairperson; Guam

**GMH ACCOUNTS RECEIVABLE
SUMMARY
AS OF 2/28/98**

	<u>Balance</u>	<u>Interest</u>	<u>Penalty</u>	<u>Total</u>
Defined Benefit (DB) Plan	\$12,105,189.20	\$ 3,151,548.85	\$ 136,170.80 *	\$ 15,392,908.85
Defined Contribution (DC) Unfunded Liability	1,034,197.87	137,806.81	- *	1,172,004.68
Promissory Note	812,679.79	-	8,126.80	820,806.59
TOTAL	\$13,952,066.86	\$ 3,289,355.66	\$ 144,297.60	\$ 17,385,720.12

* Compounded Interest Based on Retirement Fund's Average Rate of Return (FY95-20.1%, FY96-14.75%, & FY97-17%)

Revised 3/10/98

EXHIBIT "2"

PROMISSORY NOTE

\$ 9,385,720.12

Date: _____, 1998
Agana, Guam

FOR VALUE RECEIVED, which Maker hereby acknowledges, whose mailing address is 850 Gov. Carlos G. Camacho Rd., Tamuning, Guam 96931, ("the Maker") promises to pay to the order of the **GOVERNMENT OF GUAM RETIREMENT FUND**, whose mailing address is P.O. Box 3-C, Agana, Guam 96932 ("the Holder").

1. Term and Interest Rate:

(a) The principal of the Note which is \$9,385,720.12 shall be amortized over ten (10) years with a balloon payment on the fifth year, and the principal of the Note shall be repaid quarterly according to Schedule A which is hereby incorporated by reference. The first installment shall be due on March 30, 1998, with subsequent installments to be paid on the 30th day of the third month of each quarter, provided, however, that the last such installment shall be in the amount necessary to repay in full the unpaid principal amount of the Note.

(b) The Maker shall pay to Holder interest which shall be adjusted annually on the outstanding principal amount of the note at a rate per annum as follows:

(1) At a rate per annum equal to one percent (1%) (if any) over the rate of interest announced by Bank of Hawaii from time to time at its Principal office as its prime commercial lending rate, which rate is not intended to be the lowest rate interest charged by the Bank of Hawaii to its borrowers ("Prime Rate"). Interest shall be calculated on the basis of a year of 365 days for the actual number of days elapsed. The Maker shall pay interest to Holder on the outstanding and unpaid principal amount of the Note made hereunder at a rate per annum equal to one percent (1%) (if any) above the Prime Rate. Any change in the interest rate

resulting from a change in the Prime Rate shall be adjusted on each of the annual anniversaries of the execution of this Note at which time the change in the Prime Rate shall become effective.

(2) In no event shall, the rate of interest payable to the Holder decline below 8% per annum.

(3) Any principal amount not paid when due, whether at stated maturity, by acceleration, or otherwise, shall bear the same interest as provided for by § 1(b).

2. Application of Payments. To the extent permitted by law, all payments shall be applied first to charges, interest accrued hereon, and then to principal.

3. Late Charge. If payment of principal or interest under this Note shall not be made within ten (10) days after the date due, a late charge of 1% of said sum payable will be charged by the Holder for the purpose of defraying the expenses incident to handling such delinquent payments. Such late charge represents a reasonable sum considering all of the circumstances existing on the date of this Agreement and represents a fair and reasonable estimate of the costs that will be sustained by the Holder due to the failure of Borrower to make timely payments. The parties further agree that proof of actual damage would be costly or inconvenient. Such late charge shall be paid without prejudice to the right of the Holder to collect any other amounts provided to be paid or to declare a default under this Note or from exercising any of the other rights and remedies of the Holder.

4. Default; Acceleration. Upon the happening of any of the following events, the Holder may, at its sole option, forthwith accelerate maturity and the unpaid balance hereof, which shall thereupon immediately become due and payable without demand or notice, to wit:

(A) Failure to pay an installment of interest or principal on the due date

thereof; and/or

(B) Default in payment or performance of any of the obligations hereunder by the undersigned; or default in performance of the obligations in any instrument such as the Settlement agreement, including without limiting the generality of the foregoing the obligations in any mortgage, guaranty or loan agreement given with respect to this indebtedness.

5. Waiver By Maker. The undersigned waives presentment for payment, demand, notice of non-payment, notice of protest, and protest of this Note, and all endorser, sureties, and guarantors hereof, consent to any and all extensions of time, waivers, or modifications that may be granted by the Holder hereof.

6. Waiver of Defenses. Maker also waives any and all defense of sovereign immunity and 5 G.C.A. § 6101 et. seq. which requires Holder to submit its claim under this note according to the claim procedures of the Government Claims Act, however, all of the Fund's rights under this section is personal in nature and may not be assigned, transferred or endorsed to any party.

4. Blanks in Note. The Holder is authorized to date this Note, and to fill in any blank spaces herein.

5. Forbearance Not a Waiver. No delay or omission on the part of the Holder in exercising any rights under this Note or under the Mortgage or any other agreement on default by Maker, shall operate as a waiver of such right or of any other right under this Note or other agreements, for the same default or any other default. Maker and any sureties, guarantors, and endorser of this Note consent to all extensions without notice for any period or periods of time and to the acceptance of partial payment before or after maturity, and to the acceptance, release,

and substitution of security, all without prejudice to the Holder. The Holder shall similarly have the right to deal in any way, at any time, with one or more of the foregoing parties without notice to any other party, and to grant any such party any extension of time for payment of any of the indebtedness, or to grant any other party and without in any way affecting the personal liability of any such party.

6. Governing Law. The laws of the Territory of Guam shall govern the validity, construction and effect of this Note. The parties agree that any legal action, suit or proceeding against each other with respect to their obligations, liabilities or any other matter arising out of or in connection with this Note, may only be brought in the courts of the Territory of Guam.

7. Security. This Note is not secured by any asset.

8. Assignment/Endorsement. This Note may be assigned, transferred or endorsed by Holder without the Maker's consent.

9. Inurement/Succession. With the exception of the obligations and benefits specified in Section 6 of this Note regarding Waiver of Defenses, all other obligations and benefits under this Note shall inure to the heirs, successors in interest, devisees or assigns, respectively, of Maker and Holder.

10. Payable in U.S. Currency. Principal, interest and all charges shall be payable in lawful money of the United States of America.

11. Usury. All agreements between Borrower and the Holder of this Note are expressly limited, so that in no event or contingency whatsoever, whether by reason of the advancement of the proceeds of this Note, acceleration of maturity of the unpaid principal

balance, or otherwise, shall the amount paid or agreed to be paid to the Holder of this Note for the use, forbearance, or detention of the money to be advanced under this Note exceed the highest lawful rate permissible under applicable usury laws. If, under any circumstances whatsoever, fulfillment of any provision of this Note or of the Mortgage securing this Note or any other agreement pertaining to it, after timely performance of such provision is due, shall involve transcending the limit of validity prescribed by law which a court of competent jurisdiction deems applicable, then, ipso facto, the obligations to be fulfilled shall be reduced to the limit of such validity, and if, under any circumstances whatsoever, the Holder shall ever receive as interest an amount that exceeds the highest full lawful rate, that amount that would be excessive interest shall be applied to the reduction of the unpaid principal balance under this Note and not to the payment of interest, or, if such excessive interest exceeds the unpaid balance of principal under this Note, such excess shall be refunded to Borrower. This provision shall control every other provision of all agreements between Borrower and the Holder.

12. Severability. If any provision of this Note, or the application of it to any party or circumstance is held to be invalid, the remainder of this Note, and the application of such provision to other parties or circumstance, shall not be affected thereby, the provisions of this Note being severable in any such instance.

13. Prepayment Privilege Without Penalty. Maker shall at any time, have the right to prepay, without penalty or premium, all or any portion of the loan evidenced by this Note.

14. Warranties By Maker. The undersigned represents and warrants that:

(a) This Note constitutes a valid and enforceable obligation of the

undersigned;

(b) Neither the making of this Note nor the performance of the undersigned, will violate any provision of law, or any agreement, indenture, Note or other instrument binding upon the undersigned, nor give cause of acceleration of any indebtedness of the undersigned;

(c) He has been duly authorized and has the authority and legal capacity to enter into the Note.

Dated this 17 day of MARCH, 1998.

MAKER:

GUAM MEMORIAL HOSPITAL
AUTHORITY

By: Tyrome J. Taitano
TYROME J. TAITANO
Guam Memorial Hospital
Administrator

By: [Signature]
Chairman of the Board of
Trustees

HOLDER:

GOVERNMENT OF GUAM
RETIREMENT FUND

By: [Signature]
Chairman of the Board of
Trustees.

**APPROVED AS TO FORM
AND CONTENT**

[Signature]
ATTORNEY GENERAL OF GUAM

GMH LOAN AMORTIZATION SCHEDULE "A"

Payment Due Date	Interest Rate _1/		Principal Balance	Scheduled Payment	Principal Portion	Interest Portion
3/30/98	9.5%		9,385,720.12	366,063.75	143,152.89	222,910.85
6/30/98	9.5%		9,242,567.23	366,063.75	146,552.77	219,510.97
9/30/98	9.5%		9,096,014.46	366,063.75	150,033.40	216,030.34
12/30/98	9.5%		8,945,981.06	366,063.75	153,596.70	212,467.05
3/30/99	9.5%		8,782,384.36	366,063.75	157,244.62	208,819.13
6/30/99	9.5%		8,635,139.74	366,063.75	160,979.18	205,084.57
9/30/99	9.5%		8,474,160.56	366,063.75	164,802.43	201,261.31
12/30/99	9.5%		8,309,358.13	366,063.75	168,716.49	197,347.26
3/30/00	9.5%		8,140,641.64	366,063.75	172,723.51	193,340.24
6/30/00	9.5%		7,967,918.13	366,063.75	176,825.69	189,238.06
9/30/00	9.5%		7,791,092.44	366,063.75	181,025.30	185,038.45
12/30/00	9.5%		7,610,067.14	366,063.75	185,324.65	180,739.09
3/30/01	9.5%		7,424,742.49	366,063.75	189,726.11	176,337.63
6/30/01	9.5%		7,235,016.38	366,063.75	194,232.11	171,831.64
9/30/01	9.5%		7,040,784.27	366,063.75	198,845.12	167,218.63
12/30/01	9.5%		6,841,939.15	366,063.75	203,567.69	162,466.05
3/30/02	9.5%		6,638,371.46	366,063.75	208,402.42	157,661.32
6/30/02	9.5%		6,429,969.04	366,063.75	213,351.96	152,711.76
9/30/02	9.5%		6,216,817.08	366,063.75	218,418.09	147,644.66
12/30/02	9.5%		5,998,197.97	366,063.75	223,606.54	142,457.20
3/30/03	9.5%	2/	5,774,591.43			-
6/30/03	9.5%		0.00			

_1/ Interest is a floating rate of prime + 1% to be adjusted on an annual basis

_2/ Final Balloon Payment is an estimate

GUAM MEMORIAL HOSPITAL
Contribution Summary

	Members' Contribution	Employers' Contribution	Total	Contributions Paid
FY'98	1,897,930.75	3,678,839.16	5,576,769.91	(\$4,846,598.16)
FY'99	1,757,153.31	3,413,934.33	5,171,087.64	(\$5,171,087.64)
FY'00	1,574,058.61	3,054,677.73	4,628,736.34	(\$1,300,257.16)
FY'01	1,546,065.42	3,700,802.12	5,246,867.54	\$0.00
FY'02	1,424,807.37	2,919,157.00	4,343,964.37	(\$3,349,827.04)
FY'03	1,330,056.02	2,962,491.39	4,292,547.41	(\$3,322,766.21)
FY'04	1,252,880.58	2,704,010.83	3,956,891.41	(\$3,956,891.41)
FY'05	580,078.99	1,251,638.09	1,831,717.08	(\$1,220,037.93)
			35,048,581.70	-23,167,465.55

Total Contributions:	35,048,581.70
Contributions Paid:	(23,167,465.55)
Special payments:	(3,636,089.43)

Total Outstanding: \$8,245,026.72

Guam Memorial Hospital
Receivable - FY'98

Payperiod	Employee Contribution	Gov't. Contribution	Total	Payment Received	Date Paid
10/11/1997	73,981.67	143,741.61	217,723.28		
10/25/1997	73,355.52	142,520.02	215,875.54		
11/8/1997	75,647.41	146,552.41	222,199.82		
11/22/1997	101,271.69	192,010.17	293,281.86	0.00	
12/6/1997			0.00	(218,908.75)	12/30/1997
12/20/1997	77,695.00	150,140.20	227,835.20	(227,835.20)	12/30/1997
1/3/1998	76,021.91	135,151.91	211,173.82	(211,173.82)	1/13/1998
1/17/1998	80,811.81	147,630.01	228,441.82	(228,441.82)	3/17/1998
1/31/1998	92,080.59	231,028.07	323,108.66	(323,108.66)	2/25/1998
2/14/1998	70,337.40	136,945.40	207,282.80	(207,282.80)	2/25/1998
2/28/1998	71,943.14	139,861.34	211,804.48	(211,804.48)	3/16/1998
3/14/1998	106,973.11	172,722.60	279,695.71	(279,695.71)	3/30/1998
3/28/1998	70,155.19	136,645.62	206,800.81	(206,800.81)	4/13/1998
4/11/1998	72,653.30	141,218.16	213,871.46	(213,871.46)	4/23/1998
4/25/1998	71,415.43	139,030.85	210,446.28	(210,446.28)	5/7/1998
5/9/1998	72,451.86	140,124.33	212,576.19	(212,576.19)	5/21/1998
5/23/1998	71,242.13	138,794.65	210,036.78	(210,036.78)	6/2/1998
6/6/1998	72,710.77	141,326.57	214,037.34	(214,037.34)	6/17/1998
6/20/1998	70,273.13	136,946.57	207,219.70	(207,219.70)	6/30/1998
7/4/1998	72,137.25	140,179.38	212,316.63	(212,316.63)	7/14/1998
7/18/1998	70,829.60	137,897.13	208,726.73	(208,726.73)	7/28/1998
8/1/1998	73,199.48	142,229.06	215,428.54	(215,428.54)	8/11/1998
8/15/1998	69,207.96	134,802.10	204,010.06	(204,010.06)	8/25/1998
8/29/1998	70,903.16	137,960.51	208,863.67	(208,863.67)	9/9/1998
9/12/1998	71,366.52	138,542.51	209,909.03	(209,909.03)	9/22/1998
9/26/1998	69,265.72	134,837.98	204,103.70	(204,103.70)	10/6/1998
	1,897,930.75	3,678,839.16	5,576,769.91	(4,846,598.16)	

Guam Memorial Hospital
Receivable - FY'99

Payperiod	Employee Contribution	Gov't. Contribution	Total	Payment Received	Date Paid
10/10/1998	70,157.59	134,658.75	204,816.34	(204,816.34)	10/20/1998
10/24/1998	67,145.71	130,503.61	197,649.32	(197,649.32)	11/5/1998
11/7/1998	69,552.32	134,872.95	204,425.27	(204,425.27)	11/17/1998
11/21/1998	67,933.63	132,027.58	199,961.21	(199,961.21)	12/1/1998
12/5/1998	68,164.41	132,472.93	200,637.34	(200,637.34)	12/16/1998
12/19/1998	68,660.65	133,359.67	202,020.32	(202,020.32)	12/29/1998
1/2/1999	68,511.87	133,049.88	201,561.75	(201,561.75)	1/13/1999
1/16/1999	65,865.19	128,302.82	194,168.01	(194,168.01)	1/27/1999
1/30/1999	69,408.76	134,809.47	204,218.23	(204,218.23)	2/9/1999
2/13/1999	67,129.56	130,723.33	197,852.89	(197,852.89)	2/24/1999
2/27/1999	68,197.04	132,540.48	200,737.52	(200,737.52)	3/18/1999
3/13/1999	67,810.95	131,823.09	199,634.04	(199,634.04)	4/7/1999
3/27/1999	66,476.24	129,397.70	195,873.94	(195,873.94)	10/5/1999
4/10/1999	67,347.12	130,922.68	198,269.80	(198,269.80)	10/5/1999
4/24/1999	67,517.54	131,273.59	198,791.13	(198,791.13)	10/5/1999
5/8/1999	65,539.79	127,647.06	193,186.85	(193,186.85)	10/5/1999
5/22/1999	65,773.30	128,102.97	193,876.27	(193,876.27)	10/5/1999
6/5/1999	68,684.95	133,479.95	202,164.90	(202,164.90)	10/5/1999
6/19/1999	67,388.35	131,021.61	198,409.96	(198,409.96)	10/5/1999
7/3/1999	65,916.17	128,425.65	194,341.82	(194,341.82)	10/5/1999
7/17/1999	68,300.19	132,766.34	201,066.53	(201,066.53)	10/5/1999
7/31/1999	69,474.41	134,517.08	203,991.49	(203,991.49)	10/5/1999
8/14/1999	68,015.92	131,892.36	199,908.28	(199,908.28)	10/5/1999
8/28/1999	64,170.36	124,978.03	189,148.39	(189,148.39)	10/5/1999
9/11/1999	65,301.81	127,002.59	192,304.40	(192,304.40)	10/5/1999
9/25/1999	68,709.48	133,362.16	202,071.64	(202,071.64)	10/5/1999
	1,757,153.31	3,413,934.33	5,171,087.64	(5,171,087.64)	

Guam Memorial Hospital
Receivable - FY'00

Payperiod	Employee Contribution	Gov't. Contribution	Total	Payment Received	Date Paid
10/9/1999	64,230.87	125,146.53	189,377.40	(189,377.40)	10/20/1999
10/23/1999	65,279.91	126,900.28	192,180.19	(192,180.19)	11/4/1999
11/6/1999	65,241.09	126,850.41	192,091.50	(192,091.50)	11/17/1999
11/20/1999	66,759.82	129,692.85	196,452.67	(196,452.67)	12/1/1999
12/4/1999	65,425.62	127,118.27	192,543.89	(192,543.89)	12/16/1999
12/18/1999	65,423.25	127,120.54	192,543.79	(168,639.40)	1/25/2001
1/1/2000	66,001.46	128,018.27	194,019.73	(168,972.11)	3/22/2001
1/15/2000	57,613.05	112,233.92	169,846.97		
1/29/2000	60,495.53	117,349.13	177,844.66		
2/12/2000	57,344.70	111,658.21	169,002.91		
2/26/2000	58,852.82	114,337.11	173,189.93		
3/11/2000	58,387.00	113,488.95	171,875.95		
3/25/2000	59,184.31	114,876.73	174,061.04		
4/8/2000	57,207.29	111,300.21	168,507.50		
4/22/2000	57,892.30	112,410.06	170,302.36		
5/6/2000	55,489.87	108,073.73	163,563.60		
5/20/2000	57,544.77	111,719.67	169,264.44		
6/3/2000	56,683.65	110,178.75	166,862.40		
6/17/2000	55,809.38	108,669.98	164,479.36		
7/1/2000	60,975.09	117,873.84	178,848.93		
7/15/2000	60,598.78	117,029.82	177,628.60		
7/29/2000	61,035.11	117,763.27	178,798.38		
8/12/2000	59,481.55	115,006.21	174,487.76		
8/26/2000	59,750.52	115,566.74	175,317.26		
9/9/2000	62,119.29	119,748.38	181,867.67		
9/23/2000	59,231.58	114,545.87	173,777.45		
	1,574,058.61	3,054,677.73	4,628,736.34	(1,300,257.16)	

Guam Memorial Hospital
Receivable - FY'01

Payperiod	Employee Contribution	Gov't. Contribution	Total	Payment Received	Date Paid
10/7/2000	59,690.95	115,390.83	175,081.78	0.00	
10/21/2000	61,240.96	151,895.71	213,136.67	0.00	
11/4/2000	61,554.43	152,595.40	214,149.83	0.00	
11/18/2000	63,533.73	157,024.38	220,558.11	0.00	
12/2/2000	61,516.53	152,486.43	214,002.96	0.00	
12/16/2000	60,110.85	149,049.35	209,160.20	0.00	
12/30/2000	59,018.09	146,456.71	205,474.80	0.00	
1/13/2001	58,406.81	144,997.12	203,403.93	0.00	
1/27/2001	60,491.35	150,005.30	210,496.65	0.00	
2/10/2001	58,339.11	144,987.68	203,326.79	0.00	
2/24/2001	59,712.33	148,083.43	207,795.76	0.00	
3/10/2001	59,415.02	147,381.51	206,796.53	0.00	
3/24/2001	58,239.00	144,718.40	202,957.40	0.00	
4/7/2001	58,393.85	145,047.04	203,440.89	0.00	
4/21/2001	63,957.83	156,143.50	220,101.33	0.00	
5/5/2001	58,265.67	144,696.74	202,962.41	0.00	
5/19/2001	58,246.22	144,596.22	202,842.44	0.00	
6/2/2001	61,758.42	152,741.07	214,499.49	0.00	
6/16/2001	59,233.30	146,826.92	206,060.22	0.00	
6/30/2001	58,542.87	145,301.77	203,844.64	0.00	
7/14/2001	60,233.92	149,438.55	209,672.47	0.00	
7/28/2001	59,097.62	146,440.24	205,537.86	0.00	
8/11/2001	57,629.30	117,810.32	175,439.62	0.00	
8/25/2001	57,190.59	116,886.27	174,076.86	0.00	
9/8/2001	58,665.33	119,727.78	178,393.11	0.00	
9/22/2001	53,581.34	110,073.45	163,654.79	0.00	
	<u>1,546,065.42</u>	<u>3,700,802.12</u>	<u>5,246,867.54</u>	<u>0.00</u>	

Guam Memorial Hospital
Receivable - FY02

Payperiod	Employee Contribution	Gov't Contribution	Total	Payment Received	Date Paid
10/6/2001	54,881.13	112,606.22	167,487.35	(167,487.35)	11/15/2001
10/20/2001	55,823.34	113,961.50	169,784.84	(169,784.84)	11/15/2001
11/3/2001	55,226.17	112,992.76	168,218.93	(168,218.93)	11/15/2001
11/17/2001	55,174.81	112,835.31	168,010.12	(168,010.12)	11/29/2001
12/1/2001	55,676.77	113,956.92	169,633.69	(169,633.69)	12/13/2001
12/15/2001	56,212.18	114,903.59	171,115.77	(171,115.77)	12/27/2001
12/29/2001	54,852.11	112,356.46	167,208.57	(167,208.57)	1/10/2002
1/12/2002	54,681.06	112,081.49	166,762.55	(166,762.55)	1/24/2002
1/26/2002	56,911.84	116,310.44	173,222.28	(173,222.28)	2/7/2002
2/9/2002	54,447.88	111,639.79	166,087.67	(166,087.67)	3/1/2002
2/23/2002	55,800.33	114,175.01	169,975.34	(169,975.34)	3/1/2002
3/9/2002	55,471.91	113,520.27	168,992.18	(168,992.18)	3/21/2002
3/23/2002	53,328.42	109,430.39	162,758.81	(162,758.81)	4/4/2002
4/6/2002	54,149.19	110,885.28	165,034.47	(165,034.47)	4/18/2002
4/20/2002	54,649.08	112,358.84	167,007.92	(167,007.92)	5/2/2002
5/4/2002	54,273.64	111,656.44	165,930.08	(165,930.08)	5/17/2002
5/18/2002	54,456.99	111,986.23	166,443.22	(166,443.22)	5/31/2002
6/1/2002	54,073.58	111,127.53	165,201.11	(165,201.11)	6/24/2002
6/15/2002	55,036.73	113,211.36	168,248.09	(168,248.09)	7/15/2002
6/29/2002	55,429.29	113,810.12	169,239.41		
7/13/2002	53,586.10	110,214.38	163,800.48		
7/27/2002	57,064.04	114,303.71	171,367.75		
8/10/2002	53,146.35	109,358.89	162,505.24		
8/24/2002	53,228.86	109,441.36	162,670.22		
9/7/2002	53,926.98	110,627.25	164,554.23		
9/21/2002	53,298.59	109,405.46	162,704.05	(162,704.05)	10/4/2002
	<u>1,424,807.37</u>	<u>2,919,157.00</u>	<u>4,343,964.37</u>	<u>(3,349,827.04)</u>	

Guam Memorial Hospital
Receivable - FY'03

Payperiod	Employee Contribution	Gov't. Contribution	Total	Payment Received	Date Paid
10/5/2002	58,108.20	117,656.92	175,765.12	(175,765.12)	10/22/2002
10/19/2002	52,244.22	107,509.46	159,753.68	(159,753.68)	11/6/2002
11/2/2002	53,134.34	143,994.73	197,129.07	(197,129.07)	11/21/2002
11/16/2002	54,180.98	146,622.90	200,803.88	(200,803.88)	12/6/2002
11/30/2002	52,734.02	143,061.35	195,795.37	(195,795.37)	12/27/2002
12/14/2002	64,891.07	173,260.90	238,151.97	(238,151.97)	2/4/2003
12/28/2002	53,997.69	146,014.92	200,012.61		
1/11/2003	52,876.95	143,297.01	196,173.96		
1/25/2003	51,218.53	139,196.93	190,415.46		
2/8/2003	53,430.84	145,076.14	198,506.98		
2/22/2003	49,629.15	135,043.04	184,672.19		
3/8/2003	49,105.52	133,788.74	182,894.26	(182,894.26)	3/20/2003
3/22/2003	48,952.56	92,396.39	141,348.95	(141,348.95)	4/3/2003
4/5/2003	49,155.56	92,656.60	141,812.16	(141,812.16)	4/17/2003
4/19/2003	48,003.36	90,569.28	138,572.64	(138,572.64)	5/2/2003
5/3/2003	49,412.87	91,766.31	141,179.18	(141,179.18)	5/15/2003
5/17/2003	48,685.99	91,838.17	140,524.16	(140,524.16)	5/30/2003
5/31/2003	49,341.60	92,797.56	142,139.16	(142,139.16)	6/13/2003
6/14/2003	49,174.20	92,549.05	141,723.25	(141,723.25)	6/26/2003
6/28/2003	48,376.65	91,180.30	139,556.95	(139,556.95)	7/11/2003
7/12/2003	48,594.09	91,403.70	139,997.79	(139,997.79)	7/25/2003
7/26/2003	49,524.08	93,095.77	142,619.85	(142,619.85)	8/7/2003
8/9/2003	47,914.57	90,239.14	138,153.71	(138,153.71)	8/21/2003
8/23/2003	48,197.69	90,949.11	139,146.80	(139,146.80)	9/5/2003
9/6/2003	50,112.10	94,198.72	144,310.82	(144,310.82)	9/22/2003
9/20/2003	49,059.19	92,328.25	141,387.44	(141,387.44)	10/3/2003
	1,330,056.02	2,962,491.39	4,292,547.41	(3,322,766.21)	

Guam Memorial Hospital
Receivable - FY'04

Payperiod	Employee Contribution	Gov't. Contribution	Total	Payment Received	Date Paid
10/4/2003	48,373.91	91,109.22	139,483.13	(139,483.13)	10/17/2003
10/18/2003	49,428.38	107,444.90	156,873.28	(156,873.28)	11/10/2003
11/1/2003	49,558.29	107,677.85	157,236.14	(157,236.14)	11/18/2003
11/15/2003	52,012.62	111,621.30	163,633.92	(163,633.92)	11/28/2003
11/29/2003	50,448.88	109,407.87	159,856.75	(159,856.75)	12/16/2003
12/13/2003	49,423.28	107,802.03	157,225.31	(157,225.31)	12/26/2003
12/27/2003	49,469.93	107,324.71	156,794.64	(156,794.64)	1/16/2004
1/10/2004	50,603.56	109,529.68	160,133.24	(160,133.24)	1/29/2004
1/24/2004	48,624.21	105,734.04	154,358.25	(154,358.25)	2/13/2004
2/7/2004	51,318.87	110,718.40	162,037.27	(162,037.27)	2/27/2004
2/21/2004	46,752.38	101,678.94	148,431.32	(148,431.32)	3/16/2004
3/6/2004	47,691.75	103,000.10	150,691.85	(150,691.85)	3/26/2004
3/20/2004	47,235.11	102,639.16	149,874.27	(149,874.27)	4/9/2004
4/3/2004	46,648.49	101,373.59	148,022.08	(148,022.08)	4/26/2004
4/17/2004	50,090.53	104,656.84	154,747.37	(154,747.37)	5/12/2004
5/1/2004	44,453.50	100,498.12	144,951.62	(144,951.62)	5/20/2004
5/15/2004	46,506.12	101,114.70	147,620.82	(147,620.82)	6/2/2004
5/29/2004	45,841.54	99,751.55	145,593.09	(145,593.09)	6/23/2004
6/12/2004	48,430.47	104,979.55	153,410.02	(153,410.02)	7/12/2004
6/26/2004	45,710.18	99,356.96	145,067.14	(145,067.14)	7/29/2004
7/10/2004	47,535.91	103,053.01	150,588.92	(150,588.92)	8/9/2004
7/24/2004	49,123.72	106,386.35	155,510.07	(155,510.07)	8/10/2004
8/7/2004	45,526.09	99,006.89	144,532.98	(144,532.98)	8/27/2004
8/21/2004	45,716.17	99,370.46	145,086.63	(145,086.63)	9/15/2004
9/4/2004	48,487.42	105,025.39	153,512.81	(153,512.81)	9/27/2004
9/18/2004	47,869.27	103,749.22	151,618.49	(151,618.49)	10/18/2004
	1,252,880.58	2,704,010.83	3,956,891.41	(3,956,891.41)	

Guam Memorial Hospital
Receivable - FY'05

Payperiod	Employee Contribution	Gov't. Contribution	Total	Payment Received	Date Paid
10/2/2004	46,683.45	101,314.58	147,998.03	(147,998.03)	11/1/2004
10/16/2004	45,890.24	99,695.90	145,586.14	(145,586.14)	11/5/2004
10/30/2004	49,593.18	107,172.81	156,765.99	(156,765.99)	12/14/2004
11/13/2004	49,700.32	107,368.95	157,069.27	(157,069.27)	12/31/2004
11/27/2004	47,798.82	103,586.06	151,384.88	(151,384.88)	1/14/2005
12/11/2004	50,602.99	109,299.85	159,902.84	(159,902.84)	1/14/2005
12/25/2004	47,662.01	103,330.51	150,992.52	(150,992.52)	1/14/2005
1/8/2005	47,482.54	102,855.72	150,338.26	(150,338.26)	3/4/2005
1/22/2005	47,157.13	102,420.12	149,577.25	0.00	
2/5/2005	51,416.81	105,599.05	157,015.86	0.00	
2/19/2005	47,899.14	104,484.43	152,383.57	0.00	
3/5/2005	48,192.36	104,510.11	152,702.47	0.00	
3/19/2005			0.00		
4/2/2005			0.00		
4/16/2005			0.00		
4/30/2005			0.00		
5/14/2005			0.00		
5/28/2005			0.00		
6/11/2005			0.00		
6/25/2005			0.00		
7/9/2005			0.00		
7/23/2005			0.00		
8/6/2005			0.00		
8/20/2005			0.00		
9/3/2005			0.00		
9/17/2005			0.00		
	580,078.99	1,251,638.09	1,831,717.08	(1,220,037.93)	

GMHA NOTE SUMMARY

BEGINNING BALANCE		9,385,720.12
NOTE PAYMENTS:		
FY 98	-439,739.06	
FY 99	-648,028.67	
FY 00	-168,716.49	
TOTAL NOTE PAYMENTS		-1,256,484.22
REMAINING BALANCES AFTER NOTE PAYMENTS		<u>8,129,235.90</u>
PAYMENTS (PAYMENTS NOT BASED ON TERMS OF LOAN)		
FY 01	-381,213.77	
FY 02	-924,247.51	
FY 03	-552,746.26	
FY 04	-482,894.79	
FY 05	-38,502.88	
PAYMENTS (PAYMENTS NOT BASED ON TERMS OF LOAN)		-2,379,605.21
REMAINING NOTE BALANCE AT 3/30/05		<u>5,749,630.69</u>

GMHA NOTE SUMMARY

BEGINNING BALANCE		9,385,720.12
NOTE PAYMENTS:		
FY 98	-439,739.06	
FY 99	-648,028.67	
FY 00	-168,716.49	
TOTAL NOTE PAYMENTS		-1,256,484.22
REMAINING BALANCES AFTER NOTE PAYMENTS		<u>8,129,235.90</u>
PAYMENTS (PAYMENTS NOT BASED ON TERMS OF LOAN)		
FY 01	-381,213.77	
FY 02	-924,247.51	
FY 03	-552,746.26	
FY 04	-482,894.79	
FY 05	-38,502.88	
PAYMENTS (PAYMENTS NOT BASED ON TERMS OF LOAN)		-2,379,605.21
REMAINING NOTE BALANCE AT 3/30/05		<u>5,749,630.69</u>

SCHEDULE OF NOTES RECEIVABLE

As of 12/31/04

Date	Rec #	Name	Invoice	Payment Received/
				Adjmt
05/08/02	22900	Quinata, Victoria	02-021	(20.59)
05/09/02	22902	Mubute, Marlene	02-012	(20,042.46)
05/16/02	22932	Gutierrez, Erlinda C.	02-022	(20,950.92)
05/21/02	22872	Nededog, Mary B.	02-016	5,948.21
05/21/02	22859	Quintana, Pricilla RC	02/018	7,159.66
05/21/02	22854	Rojas, Ronald P.	02-017	5,266.12
05/21/02	22846	Camacho, Margot	02-013	5,097.72
05/21/02	22750	Quejado, Edgar	02-008	3,694.00
05/21/02	22749	Lalas-Saison, Ava	02-009	5,685.10
05/21/02	22748	Dela Cruz, Katherina	02-010	5,792.58
05/23/02	22595	Cruz, Peter Paul	02-007	5,307.52
05/24/02	22960	Cruz, R.	02-023	(27,607.14)
05/28/02	22966	Babauta, F.	02-019	(15,660.97)
05/31/02	22978	Bolano, M.	02-014	(16,850.73)
05/31/02	22979	Aglubat, M.	02-015	(11,048.45)
05/31/02	22980	Olmo, R.	02-020	(16,523.67)
06/01/02	22275	Medina, Emily	01-009	638.40
06/01/02	22284	Cubol, Eliseo M.	02-001	739.98
06/01/02	22285	Yaneza, Lea M.	01-010	1,027.68
06/01/02	22306	Madarang, Nida H.	02-002	675.93
06/01/02	22321	Sablan, Maria S.	02-003	1,027.17
06/01/02	22345	Guerrero, Francisco	02-004	1,050.29
06/01/02	22374	Guerrero, Catherine	02-005	902.93
06/01/02	22533	Sumang, Maria	02-006	897.55
06/10/02	23003	Leon-Guerrero, P.	02-024	(13,101.91)
06/18/02	23023	Acfalle, J.	02-026	(14,812.09)
06/20/02	23030	Carbullido, J.	02-028	(15,284.56)
07/08/02	23067	Guerrero, M.	02-029	(14,646.27)
07/15/02	23084	Torres, I.	02-027	(14,000.15)
07/15/02	23083	Dela Cruz, E.	02-025	(3,110.07)
08/01/02	RF0106-16	Alviz, Jhoanna T.	01-004	(1,107.42)
08/01/02	RF0106-50	Garrido, Eddie L.	01-005	(2,073.97)
08/01/02	RF0106-50	Estoy, Victoria P.	01-006	(1,556.32)
08/01/02	RF0106181	Palomo, Annie Rita	01-007	(671.31)
08/01/02	21954	Itlong, Josephine P.	01-001	(1,104.61)
08/01/02	21974	Castro, Consolacion	01-002	(1,500.17)
08/01/02	22183	Madarang, Flenn M.	01-008	(586.83)
08/01/02	22275	Medina, Emily	01-009	(490.65)
08/01/02	22284	Cubol, Eliseo M.	02-001	(766.78)
08/01/02	22285	Yaneza, Lea M.	01-010	(971.76)
08/01/02	22306	Madarang, Nida H.	02-002	(740.92)
08/01/02	22321	Sablan, Maria S.	02-003	(1,062.55)
08/01/02	22345	Guerrero, Francisco	02-004	(1,073.96)
08/01/02	22374	Guerrero, Catherine	02-005	(920.23)
08/01/02	22533	Sumang, Maria	02-006	(960.67)
08/01/02	22595	Cruz, Peter Paul	02-007	(768.97)
08/01/02	22748	Dela Cruz, Katherina	02-010	(729.53)
08/01/02	22749	Lalas-Saison, Ava	02-009	(592.14)

SCHEDULE OF NOTES RECEIVABLE
As of 12/31/04

Date	Rec #	Name	Invoice	Payment Received/
				Adjmt
08/01/02	22750	Quejado, Edgar	02-008	(542.95)
08/01/02	22780	Soriano, Fernando	02-011	(265.65)
08/01/02	22846	Camacho, Margot	02-013	(727.72)
08/01/02	22854	Rojas, Ronald P.	02-017	(785.83)
08/01/02	22859	Quintana, Pricilla RC	02-018	(1,073.20)
08/01/02	22872	Nededog, Mary B.	02-016	(726.73)
08/01/02	22900	Quinata, Victoria	02-021	(0.82)
08/01/02	22902	Mabute, Marlene	02-012	(1,108.06)
08/01/02	22932	Gutierrez, Erlinda C.	02-022	(1,162.72)
08/01/02	22960	Cruz, Ramona	02-023	(1,501.09)
08/01/02	22966	Babauta, Fermina	02-019	(873.91)
08/01/02	22978	Bolano, Maria	02-014	(939.02)
08/01/02	22979	Aglubat, Maria	02-015	(617.81)
08/01/02	22980	Olmo, Robin	02-020	(949.68)
08/01/02	23003	Leon-Guerrero, Paul	02-024	(708.98)
09/05/02	23210	Julaton, Rebecca	02-030	(17,989.63)
09/16/02	23240	Castro, Arthur	02-031	(9,527.13)
09/26/02	23260	Manibusan, Rosalinda	02-034	(16,524.35)
10/04/02	23287	Aguon, V.	02-036	(13,443.33)
10/07/02	23288	Ganzon, R.	02-032	(26,711.42)
10/07/02	23289	Mafnas, B.	02-035	(28,795.41)
10/07/02	23290	Reyes, M.	02-033	(11,649.10)
10/18/02	23323	Duenas, D.	03-001	(13,654.22)
10/18/02	23324	Manibusan, J.	02-037	(17,213.06)
10/31/02	23365	Sevilla, R.	03-011	(17,217.74)
11/06/02	23377	Toves, F.	03-009	(19,934.55)
11/08/02	23380	Petrus, R.	03-015	(15,986.43)
11/12/02	23386	Caponpon, C.	03-012	(14,878.55)
11/12/02	23387	Castro, R.	03-016	(16,345.47)
11/12/02	23388	Trafalgar, M.	03-017	(15,390.38)
11/12/02	23389	Hernandez, S.	03-014	(11,740.06)
11/12/02	23390	Topasna, L.	03-004	(16,375.15)
11/12/02	23392	Lacdo, E.	03-006	(20,822.78)
11/12/02	23393	Gaminde, I.	03-002	(13,870.67)
11/12/02	23394	Aquino, M.	03-003	(16,405.14)
11/21/02	23422	Carbullido, Y.	03-027	(16,064.59)
01/22/03	23586	Quidachay, S.	03-31	(13,108.03)
02/20/03	23696	Frianeza, R.	03-34	(18,540.17)
02/20/03	23697	Borja, M.	03-33	(1,651.31)
04/17/03	23921	Miner, D.	04-02	(15,054.91)
05/01/03	23965	Catahay, M.	0304-04	(20,189.58)
5/30/03	24047	Orallo, J.	0305-01	(12,330.38)
5/30/03	24045	Nededog, B.	0304-05	(12,924.60)
6/13/03	24084	Robang, M.	0305-05	(10,446.41)
7/14/03	24159	Toves, J	0306-05	(21,037.96)
07/15/03	24162	Garrido, M	0306-04	(10,148.92)
07/22/03	24182	Mafnas, M.	0306-02	(11,435.21)
07/25/03	24192	Santos, A.	0307-01	(12,613.41)
07/28/03	24197	Terlaje, R.	0307-06	(14,276.42)

SCHEDULE OF NOTES RECEIVABLE

As of 12/31/04

Date	Rec #	Name	Invoice	Payment Received/
				Adjmt
08/04/03	24227	Lopez, M.	0307-02	(27,559.68)
08/29/03	24304	Hannmann, C.	0308-05	(16,181.45)
09/26/03	24384	Guerrero, P.	0309-02	(13,121.25)
09/26/03	24383	Luty, K.	0309-01	(15,628.52)
10/3/03	24403	Penaranda, Y.	0308-06	(3,898.83)
10/3/03	24404	Duenas, G.	0309-04	(9,438.83)
10/6/03	24410	Duenas, V.	0310-01	(16,631.72)
10/8/03	24415	Blaz, R.	0309-05	(11,046.57)
10/15/03	24437	Terlaje, J.	0309-03	(682.39)
10/21/03	24462	Estrella, L.	0310-05	(17,319.85)
11/19/03	24544	Paez, R.	0310-11	(22,339.28)
11/19/03	24545	Cruz, C.	0311-02	(15,577.05)
11/19/03	24546	Cavan, T.	0310-06	(26,629.08)
11/19/03	24547	Inocencio, G.	0311-01	(15,945.77)
11/25/03	24562	Sablan, A.	0311-03	(13,649.71)
12/11/03	24599	Santos, D.	0310-12	(15,556.09)
12/16/03	24612	Quichocho, R.	0311-04	(16,397.07)
01/20/04	24701	Ungacta, L.	0401-01	(19,861.57)
01/23/04	24714	Del Carmen, E.	0310-08	(14,897.91)
01/23/04	24715	Luty, M.	0401-06	(14,863.45)
01/23/04	24716	Ponce, Z.	0401-07	(20,384.27)
01/29/04	24730	Guerrero, M.	0401-05	(2,340.13)
02/11/04	24768	Lujan, D.	0310-07	(40,429.42)
02/13/04	24780	Tinsay, N.	0401-12	(48,338.76)
02/17/04	24796	Almonte, G.	0401-04	(26,478.67)
02/20/04	24811	Munoz, M.	0402-01	(17,788.07)
03/19/04	24893	Mantanona, J.	0403-04	(553.73)
04/01/04	24925	Tainatongo, A.		(14,996.67)
04/16/04	24985	Santiago, P.	0401-03	(7,032.44)
06/23/04	25149	Abarca, M.	0405-02	(11,554.89)
07/06/04	25178	Benavente, F.	0406-01	(842.61)
07/09/04	25191	Delos Reyes, N.	0406-02	(12,109.59)
07/20/04	25217	Seralbo, A.	0402-06	(16,328.46)
07/20/04	25250	Escobar, S.	0405-01	(11,666.49)
07/20/04	25219	Torre, M.	0406-04	(733.66)
08/04/04	25258	Arcala, G.	0407-05	(16,581.76)
11/12/04	25522	Castro, M.	0403-01	(10,391.51)
11/12/04	25521	Bugarin, M.	0405-05	(15,613.32)
11/12/04	25523	Santa Romana, J.	0403-03	(12,498.05)

(3,636,089.43)



GOVERNMENT OF GUAM
RETIREMENT FUND
STABILITY · SECURITY · REWARDS

April 6, 2005

The Honorable Edward J.B. Calvo
Secretary of the Legislature
I Mina'Bente Ocho Na Liheslaturan Guåhan
155 Hesler Place
Hagåtña, GU 96910

Dear Senator Calvo,

This is in response to your letter dated March 10, 2005. I must apologize for not responding to you sooner.

The Retirement Fund as established by law in early 1951 is funded by the combination of funds from the Government of Guam as the employer and employee member, and are remitted to a "trust" fund administered and operated by a Board of Trustees, four of whom are elected by the members of the Fund, and three whom are appointed by the Governor and confirmed by the Guam Legislature. The independent nature of the Fund and its reference as a "trust" is further discussed in Superior Court of Guam Civil Case No. CV 1848-01. The court's summary judgment issued on February 19, 2003 agrees that "once the funds are deposited into the retirement fund the contributions are thus held in trust for the benefit of its members. These funds are not available for the Legislature to use for any other purpose except for which it was contributed for." The courts consistently refused to implement legislation which attempted to divert assets from pension and retirement funds to general funds. This means that the contributions must be held on "trust" for the benefit of its members. The court agrees that holding contributions in a public employee's retirement plan, including employer's contributions, became part of the corpus of the trust and are not available as "state funds". These funds are held in trust for the members of the fund.

In accordance with 4 GCA, Article 8139.1 Fiduciary Duties, the Board of Trustees stand in a fiduciary relationship to the beneficiaries of the Retirement Fund with regards to the management and operation of the Fund. Violation of the fiduciary duties is subject to the members of the Board to be "personally liable" to the retirement fund to the extent of the losses incurred by the Fund (4 GCA Article 8139.2). The Retirement System is "actually self-governing and self

Felix P. Camacho
Governor

Kaleo S. Moylan
Lieutenant Governor

Wilfred G. Aflague
Director

Paula M. Blas
Deputy Director

Trustees:

Joe T. San Agustin
Chairman

Dr. Wilfred P. Leon Guerrero
Vice-Chairman
Investment Committee, Chairman

James J. Taylor, Ph.D.
Secretary
Investment Committee, Vice-Chairman

Katherine T.E. Taitano
Trustee
Treasurer

George A. Santos
Trustee
Members' & Benefits Committee, Chairman

Anthony C. Blaz
Trustee
Audit & Operations Committee, Chairman

Gerard A. Cruz
Trustee

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