



By order of the Court, Judge Roberto C. Naraja

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CNMI SUPERIOR COURT  
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N/A

**IN THE SUPERIOR COURT  
FOR THE  
COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS**

**QUAD L’s CORPORATION, a  
Commonwealth of the Northern Mariana  
Islands corporation, IGNACIA L.  
EVANGELISTA and REMEDIO L.  
PANGELINAN,**

**Plaintiffs,**

**v.**

**CECILIA HO LIFOIFOI, Executor for the  
Estate of Jose Rebuenog Lifoifoi, and  
CECILIA HO LIFOIFOI in her individual  
capacity,**

**Defendants.**

**CIVIL ACTION NO. 22-0152**

**ORDER DENYING DEFENDANT’S  
MOTION TO DISMISS**

**I. INTRODUCTION**

**BEFORE THIS COURT** is the Motion to Dismiss Plaintiffs Quad L’s Corporation, Ignacia L. Evangelista, and Remedio L. Pangelinan’s (“Plaintiffs”) Complaint filed by Cecilia Ho Lifoifoi in both her personal capacity and her capacity as Executrix for the estate of Jose Rebuenog Lifoifoi (hereinafter referred to collectively as “Defendant”). Based upon a review of the arguments, filings, and relevant law, the Court **DENIES** the Motion to Dismiss.

**II. BACKGROUND**

Plaintiffs Ignacia L. Evangelista and Remedio L. Pangelinan are the daughters of Jose Rebuenog Lifoifoi (“Joe”) and Amalia Taisakan Lifoifoi (“Amalia”). Complaint at 2. When Amalia died intestate in 1997, she held 50% of the outstanding common stock of Pacific Marine & Industrial

1 Corporation (“PMIC”), a CNMI corporation doing business in Saipan at the time. *Id.* The remaining  
2 50% of the PMIC stock was held by a man named John Jones. *Id.*at 2. Amalia also held a 1/6  
3 undivided interest in Tract No. 22793, a plot of land located in As Teo, Saipan. *Id.*at 6. As Joe and  
4 the children were Amalia’s only heirs, they stood to inherit an interest in both the PMIC stock and  
5 Tract No. 22793. *Id.* at 2.

6           Sometime in 2001, a third party made a firm offer to Joe and John Jones to purchase PMIC.  
7 *Id.* Pursuant to the offer, Joe convinced the children to transfer their heirship interests in the PMIC  
8 stock to him so that he and John Jones could sell PMIC. *Id.* at 3. In return, Joe offered to use the  
9 proceeds from the PMIC sale to invest in property and business ventures on the children’s behalf. *Id.*  
10 In October 2001, the children signed an agreement to transfer their heirship interest in PMIC to Joe.  
11 *Id.* Amalia’s estate was then probated in the CNMI Superior Court, and a Decree of Final Distribution  
12 was issued on February 19, 2022. *Id.* Per the agreement, Joe received Amalia’s share of the PMIC  
13 stock and, with John Jones, sold PMIC to the third party. *Id.* Joe’s share of the proceeds was  
14 approximately \$3,403,150. *Id.* Over the years, Joe used the proceeds from the PMIC sale to purchase  
15 and improve properties in accordance with his agreement with Ignacia and Remedio. *Id.* at 4.

16           After the probate proceedings concluded, Ignacia, Remedio, and their sister Josephine, now  
17 deceased, also received fractional shares of Amalia’s interest in Tract No. 22793. *Id.*at 7. Joe  
18 proposed a similar arrangement to the PMIC stock agreement, suggesting that the children transfer  
19 their interest in Tract No. 22793 to Joe in order for him to use their share of the property in a land  
20 exchange with the CNMI government to obtain more valuable property elsewhere. *Id.* The children  
21 agreed and transferred him what amounted to approximately a 2/3 interest in the land. *Id.*  
22  
23  
24

1 Ignacia and Remedio are also officers and directors of a CNMI corporation named Quad L's.<sup>1</sup>  
2 Complaint at 1. In 2005, Quad L's acquired a fee simple interest in Tract No. 22805-R1 ("As Teo  
3 Farm"), located in As Teo, Saipan. *Id* at 5. Quad L's made substantial improvements to the property  
4 with Joe's promised financial assistance and, in 2015, then-Governor Ralph Anthonny DLG Torres  
5 became interested in purchasing the property. *Id.* Joe helped broker the deal, convincing Ignacia,  
6 Remedio, and their brother Joseph, also a director of Quad L's, to approve the sale. *Id.* The final  
7 Purchase Agreement stated consideration in the amount of \$200,000, paid to and received by Joe, to  
8 be held for the benefit of Quad L's. *Id.* at 5-6. However, after the sale, Joe neither remitted the  
9 proceeds to Quad L's nor invested it in any real property or business ventures. *Id.* at 6.

10 In 2002, Joe had a Last Will and Testament prepared. *Id.* at 7. The 2002 will divided his  
11 estate equally between Ignacia, Remedio, Josephine, and Joseph and appointed Remedio as its  
12 executor. *Id.* On July 10, 2009, Joe married Cecilia Ho Lifoifoi. *Id.* at 2. While he remained close  
13 to his children for years, Plaintiffs allege that Cecilia gradually took steps to undermine their  
14 relationship by limiting his interactions with them, screening his calls, blocking house visits, and  
15 lying about his "physical condition and availability." *Id.* at 9. Plaintiffs allege that Cecilia was  
16 simultaneously sowing seeds of distrust in Joe by disparaging them and casting doubt on their motives  
17 and loyalty towards their father. *Id.* at 8-9.

18 Joe passed away on May 18, 2020. *Id.* at 2. A few months prior to his passing, on March 1,  
19 2020, he executed a new will substantially disinheriting Ignacia and Remedio and Joe's sons and  
20 grandchildren, instead leaving the "vast majority of his estate" to Cecilia alone and naming her  
21 executrix. *Id.* at 9. At the time of his death, Joe had not invested the entirety of the proceeds from  
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23  
24 <sup>1</sup> Whether or not Ignacia and Remedio are also shareholders of Quad L's is the subject of a separate lawsuit that remains pending, *Jose R. Lifoifoi v. Quad L's Company, Ignacia L. Evangelista, and Remedio L. Pangelinan in their capacities as Officers and Directors*, Civ. Action No. 17-0237.

1 the PMIC stock sale, nor had he effectuated the land exchange with the CNMI government for Tract  
2 No. 22793. *Id.* at 4 & 7. He also still held the proceeds from the As Teo Farm sale. *Id.* at 6. Plaintiffs  
3 Ignacia, Remedio, and Quad L’s now bring three separate breach of trust claims against Cecilia in  
4 both her personal capacity and as executrix of Joe’s estate regarding the proceeds from PMIC funds,  
5 the As Teo Farm sale proceeds, and Tract No. 22793, and a claim for tortious interference with  
6 expected inheritance. The Court addresses each claim in turn.

### 7 **III. LEGAL STANDARD**

#### 8 **A. Subject Matter Jurisdiction**

9 Under 12(b)(1) of the NMI Rules of Civil Procedure, a defendant may move for dismissal  
10 where the Court lacks subject matter jurisdiction over the action. NMI R. Civ. P. 12(b)(1). The Court  
11 must address the issue of subject matter jurisdiction first before turning to the merits of the case. *See*  
12 *Rivera v. Guerrero*, 4 N. Mar. I. 79, 81 n.2 (1993) (noting that “when the Superior Court determines  
13 that it has no subject matter jurisdiction and dismisses a complaint under Com. R. Civ. P. 12(b)(1),  
14 the court should proceed no further.”). When adjudicating a 12(b)(1) motion to dismiss, the Court  
15 “must accept as true the complaint’s undisputed factual allegations and construe the facts in the light  
16 most favorable to plaintiff.” *Atalig v. Commonwealth Election Comm’n*, 2006 MP 1 at ¶ 16. If the  
17 court finds it lacks subject matter jurisdiction, it has no power to enter judgment and may only  
18 dismiss. *Id.*

#### 19 **B. Failure to State a Claim Upon Which Relief Can Be Granted**

20 A motion to dismiss a complaint for “failure to state a claim upon which relief can be granted”  
21 pursuant to the NMI R. Civ. P. 12(b)(6) tests the legal sufficiency of the claims within the complaint.  
22 A complaint must satisfy the notice pleading requirements of NMI R. Civ. P. 8(a) in order to avoid  
23 dismissal under Rule 12(b)(6). *See Cepeda v. Hefner*, 3 NMI 121, 126 (1992). Rule 8(a)(2) requires  
24 only “a short and plain statement of the claim showing that the pleader is entitled to relief” such that

1 “fair notice of the nature of the action is provided.” *Govendo v. Marianas Pub. Land Corp.*, 2 NMI  
2 482, 506 (1992).

3 The NMI Supreme Court has declined to follow the United States Supreme Court’s more  
4 stringent plausibility-based pleading standard. *See Syed v. Mobil Oil Mariana Islands, Inc.*, 2012 MP  
5 20 ¶ 17. Rather, to survive dismissal under NMI Rule 12(b)(6), a “complaint must contain either [1]  
6 direct allegations on every material point necessary to sustain a recovery on any legal theory, even  
7 though it may not be the theory suggested or intended by the pleader, or [2] allegations from which  
8 an inference fairly may be drawn that evidence on these material points will be introduced at trial.”  
9 *In the Adoption of Amanda C. Magofna*, 1 N. Mar. I. 449, 454 (1990) (quoting C. Wright & A. Miller,  
10 Federal Practice and Procedure: Civil, 2d § 1216 (1990)).

11 When deciding a Rule 12(b)(6) motion to dismiss, “the court must accept the allegations in  
12 the complaint as true and construe them in the light most favorable to the plaintiff.” *Camacho v.*  
13 *Micronesian Dev. Co.*, 2008 MP 8 ¶ 10. That said, the Court need not “strain to find inferences  
14 favorable to the non-moving party.” *Magofna* at 454. Furthermore, the Court is not required to  
15 accept conclusions that are contradicted by the complaint’s own exhibits or other documents of which  
16 the court properly takes notice. *Lazy Y Ranch Ltd. v. Behrens*, 546 F.3d 580, 558 (9th Cir. 2008).

#### 18 IV. DISCUSSION

##### 19 A. Breach of Trust Regarding PMIC Funds (First Cause of Action)

20 Plaintiffs’ first claim concerns the proceeds from the PMIC stock sale. Defendant requests  
21 dismissal on the basis that Plaintiffs lack standing to sue and that the Complaint is untimely, fails to  
22 state a claim, and pleads fraud without the requisite particularity.

##### 23 i. Standing

1 Standing refers to a party’s right to bring a legal claim. *Borja v. Rangamar*, 1 N.M.I. 126, 131  
2 (N. Mar. I. 1990) (“Standing to sue is [...] a concept utilized to determine if a party is sufficiently  
3 affected so as to insure that a justiciable controversy is presented to the court.”) (internal citation  
4 omitted). Because standing is jurisdictional, “it is a threshold issue” that the Court must address  
5 before turning to the merits of the complaint.<sup>2</sup> *Atalig v. Mobil Oil Mariana Islands, Inc.*, 2013 MP 11  
6 ¶ 10.

7 The basic requirements of standing are that a litigant:

8 (1) must have suffered an injury in fact—an invasion of a legally  
9 protected interest which is a) concrete and particularized, and b) actual or  
10 imminent, not conjectural or hypothetical; (2) there must be a causal  
11 connection between the injury and the conduct complained of—the injury has  
12 to be fairly traceable to the challenged action of the defendant, and not the  
13 result of independent action of some third party not before the court; and (3) it  
14 must be likely, as opposed to merely speculative that the injury will be  
15 redressed by a favorable decision.

16  
17 *Estate of Ogumoro v. Han Yoon Ko*, 2011 MP 11 ¶ 19.

18 Here, Plaintiffs allege that Joe Lifofoi held a sum of money as a trustee on their behalf, and  
19 that upon his death Defendant transferred some of this money to her personal accounts without  
20 obtaining judicial approval. They have properly alleged an invasion of a legal interest – their interest  
21 in the trust property – that is both concrete, particularized, and actual. It is also “fairly traceable” to  
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23 <sup>2</sup> Plaintiffs argue that standing is irrelevant to subject matter jurisdiction because this Court’s subject matter jurisdiction  
24 is not constitutionally limited. However, the NMI Supreme Court has interpreted the NMI Constitution to impose a “case  
or controversy” requirement on litigants. *See In re Est. of Moteisou*, 2023 MP 3 ¶ 10 (“If the litigant lacks standing, the  
court lacks subject matter jurisdiction to hear them.”).

1 Defendant's conduct; Plaintiffs allege that Defendant both wrongfully transferred and is continuing  
2 to wrongfully withhold the funds. Plaintiffs satisfy the redressability requirement because if  
3 successful, they would receive the balance of the withheld funds in addition to punitive damages.  
4 Plaintiffs have therefore adequately alleged standing at this stage in the litigation.<sup>3</sup>

5  
6 *ii. Statute of Limitations*

7 Defendant characterizes the first cause of action as a breach of fiduciary duty to argue that it  
8 sounds in tort and should therefore be ruled untimely pursuant to 7 CMC § 2503's two-year statute  
9 of limitations. Plaintiffs, meanwhile, argue that in absence of local laws governing breach of trust  
10 claims, the Court should apply the catch-all six-year statute of limitations under 7 CMC § 2505.

11 When the statute of limitations is raised as an affirmative defense, the untimeliness of the  
12 filing "must be apparent from the face of the complaint" for dismissal to be proper. *Zhang Gui Juan*  
13 *v. Commonwealth of the N. Mar I.*, 2001 MP 18 ¶ 11 (abrogated in part on other grounds by *Artis v.*  
14 *District of Columbia*, 138 S. Ct. 594 (2018)). If the face of a complaint shows that it is time-barred,  
15 the plaintiff "is required to plead facts establishing an exception to the statute of limitations." *New*  
16 *Shintani Corp. v. Quitugua*, 2011 MP 9 ¶ 1.

17 7 CMC 2503 imposes a two-year statute of limitations on specific torts:

18 **(a)** Actions for assault and battery, false imprisonment, or slander;

19 **(b)** Actions against the Director of Public Safety, a police officer or other person duly  
20 authorized to serve process, for any act or omission in connection with the  
21 performance of official duties.

22 **(c)** Actions for malpractice, error, or mistake against physicians, surgeons, dentists,  
23 medical or dental practitioners, and medical or dental assistants.

24 **(d)** Actions for injury to or for the death of one caused by the wrongful act or neglect  
of another, or a depositor against a bank for the payment of a forged or raised check,  
or a check which bears a forged or unauthorized endorsement. This subsection shall  
not apply to actions for injury to the former Saipan Credit Union or its depositors,

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<sup>3</sup> Defendant also argues that Plaintiff Quad L's lacks standing for purposes of the first cause of action. However, from the face of the Complaint it does not appear that Plaintiffs intended for Quad L's to be party to the first cause of action.

1           shareholders, investors, or guarantors on account of their interest therein; provided,  
2           that such actions are brought within 10 years of the date of discovery of the injury. 7  
3           N. Mar. I. Code § 2503

4           The catch-all statute of limitations contained in section 2505, meanwhile, states that “[a]ll actions  
5           other than those covered in 7 CMC §§ 2502, 2503, and 2504 shall be commenced within six years  
6           after the cause of action accrues.” 7 N. Mar. I. Code § 2503.

7           Defendant relies on *Alvarez v. Seahorse* to urge this Court to apply the two-year statute of  
8           limitations to the breach of trust claim. In *Alvarez*, the NMI District Court predicted that given the  
9           facts of the case—a corporate director who violated the duty of loyalty by actively undermining the  
10          company to benefit himself financially—the Supreme Court would likely find that the breach of  
11          fiduciary duty claim sounded in tort “for purposes of assessing damages.” *Alvarez v. Seahorse Inc.*,  
12          No. 16-cv-00014, 2017 U.S. Dist. LEXIS 146010 at \*29 (D. N. Mar. I. Sep. 8, 2017). However,  
13          while a breach of trust may involve a breach of fiduciary duty, the two are not interchangeable, and  
14          here the comparison is inapposite. In this case, Plaintiffs do not allege that Defendant owes them a  
15          fiduciary duty as a trustee, but rather that Defendant is liable as a third party for knowingly and  
16          wrongfully taking possession of the trust property.

17          At present, however, the Court need not determine whether the breach of trust claim sounds  
18          in tort, contract, or equity, because for purposes of a 12(b)(6) dismissal the Commonwealth is a  
19          notice-pleading rather than a fact-based jurisdiction. *Cepeda v. Hefner*, 3 NMI 121, 126 (1992). In  
20          order to avoid dismissal under Rule 12(b)(6), a complaint need only provide “a short and plain  
21          statement of the claim showing that the pleader is entitled to relief” such that “fair notice of the action  
22          is provided.” *Govendo v. Marianas Land Corp.*, 2 NMI 482, 506 (1992). As such, Plaintiffs need  
23          not plead the specific date upon which the claim accrued; it is enough that the Complaint not be time-  
24          barred on its face.





1 probabilities." *Tang's Corp. v. Imperial Pac. Int'l (CNMI), LLC*, 2023 U.S. Dist. LEXIS 166565 at  
2 \*17 (D. N. Mar. I. Sep. 18, 2023). Crucially, the statute of frauds requires a writing only for "those  
3 contracts whose performance *cannot possibly be completed* within a year." Restat. 2d of Contracts,  
4 § 130 (emphasis added). Plaintiffs do not plead facts establishing the impossibility of performance  
5 under the terms of the agreement within one year. Viewing the facts of the Complaint in the light  
6 most favorable to Plaintiffs, as the Court must at this stage of the proceedings, Plaintiffs have alleged  
7 sufficient facts to survive dismissal for their breach of trust claim.

8 *iv. Failure to Plead with Particularity*

9 Defendant further argues that the breach of trust claim fails under 12(b)(6) because it sounds  
10 in fraud and therefore must comport with a higher pleading standard.

11 Allegations of fraud are subject to a heightened pleading requirement and must "be stated  
12 with particularity." NMI R. Civ. P. 9(b); *see also Syed v. Mobil Oil Mariana Islands, Inc.*, 2012 MP  
13 20 ¶ 23 ("Rule 9(b) mandates that plaintiffs provide detailed allegations that leave few questions  
14 unanswered regarding the incident in question."). A claim sounds in fraud when a plaintiff alleges  
15 "a unified course of fraudulent conduct and [relies] entirely on that course of conduct as the basis of  
16 a claim." *Vess v. Ciba-Geigy Corp. USA*, 317 F.3d 1097, 1103 (9th Cir. 2003).

17  
18 Defendants cite *Bank of Saipan v. Montgomery* in support of their contention that the present  
19 cause of action sounds in fraud. In *Bank of Saipan*, however, the causes of action were held to sound  
20 in fraud because they all arose out of the same scheme to defraud the Bank of several million dollars.  
21 The Aiding & Abetting a Breach of Fiduciary Duty claim Defendant points to refers specifically to  
22 the *Bank of Saipan* Defendants' alleged attempts to bribe an executive at the Bank to secure his  
23 cooperation in the fraudulent scheme. Here, by contrast, Plaintiffs do not allege any fraudulent intent  
24 underlying the original agreement giving rise to the trust.

1 Plaintiffs' Complaint does not describe a unified course of fraudulent conduct. According to  
2 the Complaint, Plaintiffs agreed to sell their heirship interests in the PMIC stock to their father with  
3 the understanding that he would sell the company and invest the proceeds on their behalf. Plaintiffs  
4 allege that Joe did invest a portion of the proceeds as promised, and simply failed to invest all of the  
5 proceeds before he passed away. Their claim hinges on Cecilia's alleged misappropriation of the  
6 funds that remained uninvested upon Joe's death. In other words, the breach of trust claim does not  
7 identify a series of misrepresentations or fraudulent conduct; rather, it targets one discrete incident  
8 concerning the handling of the funds. As such, Rule 9(b)'s heightened pleading requirements do not  
9 apply.

10 Based on the foregoing, Defendant's motion to dismiss Plaintiffs' first cause of action is

11 **DENIED.**

12  
13 **B. Breach of Trust Regarding the As Teo Farm Funds (Second Cause of Action)**

14 Defendant argues that the breach of trust claim as to the As Teo Farm funds must be dismissed  
15 because Plaintiffs lack the standing to sue and because the cause of action is untimely, fails to state a  
16 claim on which relief can be granted, and sounds in fraud but fails to plead facts with the requisite  
17 particularity.

18 *i. Standing*

19 Standing refers to a party's right to bring a legal claim. *Borja v. Rangamar*, 1 N.M.I. 126, 131  
20 (N. Mar. I. 1990) ("Standing to sue is [...] a concept utilized to determine if a party is sufficiently  
21 affected so as to insure that a justiciable controversy is presented to the court.") (internal citation  
22 omitted). Because standing is jurisdictional, "it is a threshold issue" that the Court must address  
23 before turning to the merits of the complaint. *Atalig v. Mobil Oil Mariana Islands, Inc.*, 2013 MP 11

24 ¶ 10.

1 The basic requirements of standing are that a litigant:

2 (1) must have suffered an injury in fact—an invasion of a legally protected interest  
3 which is a) concrete and particularized, and b) actual or imminent, not conjectural or  
4 hypothetical; (2) there must be a causal connection between the injury and the conduct  
5 complained of—the injury has to be fairly traceable to the challenged action of the  
6 defendant, and not the result of independent action of some third party not before the  
7 court; and (3) it must be likely, as opposed to merely speculative that the injury will  
8 be redressed by a favorable decision. *Estate of Ogumoro v. Han Yoon Ko*, 2011 MP  
9 11 ¶ 19.

10 Here, Plaintiffs adequately allege an injury in fact. They claim to have sold a corporate asset,  
11 the As Teo Farm property, with the understanding that the proceeds of the sale would be remitted to  
12 Quad L's. Instead, Joe purportedly held on to the proceeds from the sale until his death in 2020, and  
13 that money now forms part of his estate. As Executrix, Cecilia is responsible for handling the estate's  
14 assets, including the proceeds from the As Teo Farm sale. A favorable decision in this case would  
15 return the proceeds of the sale to Quad L's, thereby redressing the alleged injury. Plaintiffs thus meet  
16 the requirements for standing.

17  
18 *ii. Failure to State a Claim*

19 Defendant argues that Plaintiffs fail to adequately plead facts demonstrating a trust  
20 arrangement that was breached by Defendant's actions and request dismissal under 12(b)(6).

21 To meet the level of factual sufficiency necessary to survive dismissal under 12(b)(6), a  
22 complaint may contain “direct allegations on every material point necessary to sustain a recovery on  
23 any legal theory, even though it may not be the theory suggested or intended by the pleader.” *In the*  
24 *Adoption of Amanda C. Magofna*, 1 N. Mar. I. 449, 454 (1990). Here, while Plaintiffs frame their

1 second cause of action is for breach of trust, it is more aptly described as a claim for unjust  
2 enrichment.

3 A claim for unjust enrichment requires the claimant to show: “(1) the defendant was enriched;  
4 (2) the enrichment came at the plaintiff’s expense; and (3) equity and good conscience militate against  
5 permitting the defendant to retain what the plaintiff seeks to recover.” *Syed v. Mobil Oil Mariana*  
6 *Islands, Inc.*, 2012 MP 20 ¶ 41. In this matter, Plaintiffs allege that they transferred property to a  
7 buyer at the behest of their father, who kept the proceeds in order to invest them on Plaintiffs’ behalf.  
8 He was therefore enriched at Plaintiffs’ expense in the amount of \$200,000. Plaintiffs allege that he  
9 failed to invest the money or remit it to Quad L’s prior to his death, and that Cecilia now wrongfully  
10 holds the funds. They request that the Court impose a constructive trust on the proceeds from the  
11 sale.<sup>4</sup> Viewing the facts in the light most favorable to Plaintiffs, as the Court must at this stage of the  
12 proceedings, Plaintiffs have properly stated a claim for unjust enrichment.

13  
14 *iii. Statute of Limitations*

15 Plaintiffs allege that the proceeds from the As Teo Farm sale were to be used for the benefit  
16 of Quad L’s. They contend that Joe neither remitted nor invested the proceeds from the sale, and that  
17 Defendant is now wrongfully in possession. Defendant argues that the claim should be dismissed  
18 because the claim accrued at the time of the sale in 2015, and is now barred by the statute of  
19 limitations.

20 When the statute of limitations is raised as an affirmative defense, the untimeliness of the  
21 filing “must be apparent from the face of the complaint” for dismissal to be proper. *Zhang Gui Juan*  
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23 <sup>4</sup> See Restatements of the Law 3d, Restitution and Unjust Enrichment § 55(1) (“If a defendant is unjustly enriched by the  
24 acquisition of title to identifiable property at the expense of the claimant or in violation of the claimant’s rights, the  
defendant may be declared a constructive trustee, for the benefit of the claimant, of the property in question and its  
traceable product.”).

1 v. *Commonwealth of the N. Mar I.*, 2001 MP 18 ¶ 11 (abrogated in part on other grounds by *Artis v.*  
2 *District of Columbia*, 138 S. Ct. 594 (2018)). If the face of a complaint shows that it is time-barred,  
3 the plaintiff “is required to plead facts establishing an exception to the statute of limitations.” *New*  
4 *Shintani Corp. v. Quitugua*, 2011 MP 9 ¶ 1. When the Complaint does not definitively show that the  
5 applicable limitations period has expired, however, there is no need for Plaintiffs to affirmatively  
6 plead an exception. *See, e.g., Barry Aviation, Inc. v. Land O'Lakes Mun. Airport Comm'n*, 377 F.3d  
7 682, 688 (7th Cir. 2004) (“Complaints need not anticipate defenses; the resolution of the statute of  
8 limitations comes after the complaint stage.”).

9  
10 Defendant alleges that the second cause of action began to accrue no later than September 14,  
11 2016, and that the claim is accordingly five years too late. However, this date is nowhere to be found  
12 in the Complaint itself and Defendant does not cite to any provision imposing a one-year statute of  
13 limitations on claims for breach of trust or unjust enrichment. The only other date in the Complaint  
14 itself is 2015, the date the sale of land took place.

15  
16 The CNMI does not have a trust code, and there is no express statutory limitations period for  
17 actions for unjust enrichment in the Commonwealth. The Court therefore turns to the Restatement  
18 for guidance. Under the Restatement (Third) of Restitution, a claim for unjust enrichment may be  
19 time-barred “under an applicable statute of limitations.” Restatement (Third) of Restitution and  
20 Unjust Enrichment § 70. Because this claim does not fall under the causes of action described in 7  
21 CMC §§ 2502, 2503, or 2504, the Court will apply 7 CMC § 2505, the catch-all limitations provision  
22 that imposes a six-year limitations period.

23  
24 The Court must then determine if the Complaint is time-barred on its face. A claim for unjust  
enrichment based on property that was originally lawfully acquired from the beneficiary but  
wrongfully withheld accrues on “the date the trustee breaches or repudiates the agreement to transfer

1 the property.” *Auffermann v. Distl*, 867 N.Y.S.2d 527, 528 (App. Div. 2nd Dept.); *see also Est. of*  
2 *Daniel v. Est. of Daniel*, 2024 Ark. App. 120 ¶ 12 (Ct. App.) (finding that a cause of action for unjust  
3 enrichment accrues “when the person said to be in breach has, either by words or conduct, manifested  
4 a definite intention not to perform.”) (internal quotations omitted). The Restatement (2d) of Contracts  
5 further clarifies the definition of repudiation, describing it as “a statement by the obligor to the obligee  
6 indicating that the obligor will commit a breach” significant enough to constitute a total breach, or “a  
7 voluntary affirmative act which renders the obligor unable or apparently unable to perform without  
8 such a breach.” Restatement (Second) of Contracts § 250(a) & (b).

9 Here, Plaintiffs allege that their father held the purchase money from the farm sale in trust for  
10 Quad L’s until his death. They claim that after his passing, Defendant came into possession of the  
11 funds and refused to remit them to Quad L’s. Based on the facts of the Complaint, repudiation did  
12 not occur until sometime after Joe’s death on May 18, 2020, well within the six-year limitations  
13 period.

14  
15 *iv. Failure to Plead with Particularity*

16 Defendant argues that the breach of trust claim regarding the proceeds from the As Teo Farm  
17 sale fails under 12(b)(6) because it sounds in fraud and therefore must comport with a higher pleading  
18 standard. For the reasons discussed *supra*, Plaintiffs’ second cause of action survives this challenge.

19 Allegations of fraud are subject to a heightened pleading requirement and must “be stated  
20 with particularity.” NMI R. Civ. P. 9(b); *see also Syed v. Mobil Oil Mariana Islands, Inc.*, 2012 MP  
21 ¶ 23 (“Rule 9(b) mandates that plaintiffs provide detailed allegations that leave few questions  
22 unanswered regarding the incident in question.”). A claim sounds in fraud when a plaintiff alleges  
23 “a unified course of fraudulent conduct and [relies] entirely on that course of conduct as the basis of  
24 a claim.” *Vess v. Ciba-Geigy Corp. USA*, 317 F.3d 1097, 1103 (9th Cir. 2003). In the present case,

1 Plaintiffs allege that Joe brokered the sale on behalf of Quad L's but failed to remit the proceeds to  
2 Quad L's before he passed away. Plaintiffs allege that Defendant has withheld the balance of the  
3 funds from the sale, but they do not allege that any fraudulent conduct or misrepresentation gave rise  
4 to the sale itself, or that they were wrongfully induced to agree to the transaction. Accordingly,  
5 Plaintiffs' second cause of action does not sound in fraud and is not subject to heightened pleading  
6 requirements.

7 Accordingly, Defendant's motion to dismiss Plaintiffs' second cause of action is **DENIED**.

### 8 **C. Breach of Trust Regarding Tract No. 22793 (Third Cause of Action)**

9 Plaintiffs also bring a breach of trust claim regarding a 2/3 interest in Tract No. 22793.  
10 Defendant asks the Court to dismiss this claim for lack of standing, untimeliness, failure to state a  
11 claim, and failure to plead fraud with particularity.

#### 12 *i. Standing*

13 Standing refers to a party's ability to bring a claim. Standing refers to a party's right to bring  
14 a legal claim. *Borja v. Rangamar*, 1 N.M.I. 126, 131 (N. Mar. I. 1990) ("Standing to sue is [...] a  
15 concept utilized to determine if a party is sufficiently affected so as to insure that a justiciable  
16 controversy is presented to the court.") (internal citation omitted). Because standing is jurisdictional,  
17 "it is a threshold issue" that the Court must address before turning to the merits of the complaint.  
18 *Atalig v. Mobil Oil Mariana Islands, Inc.*, 2013 MP 11 ¶ 10.

19 The basic requirements of standing are that a litigant:

- 20  
21 (1) must have suffered an injury in fact—an invasion of a legally protected interest  
22 which is a) concrete and particularized, and b) actual or imminent, not conjectural or  
23 hypothetical; (2) there must be a causal connection between the injury and the conduct  
24 complained of—the injury has to be fairly traceable to the challenged action of the



1 defendant, and not the result of independent action of some third party not before the  
2 court; and (3) it must be likely, as opposed to merely speculative that the injury will  
3 be redressed by a favorable decision. *Estate of Ogumoro v. Han Yoon Ko*, 2011 MP  
4 11 ¶ 19.

5 Per the Complaint, Plaintiffs assigned a 2/3 interest in Tract No. 22793 to Joe with the  
6 understanding that he would leverage his connections to secure a land exchange for different, more  
7 valuable property on their behalf. Joe did not effectuate the land exchange by the time of this death,  
8 and Plaintiffs allege that Defendant is now wrongfully withholding the land from Quad L's. Cecilia's  
9 continued possession of the property is the concrete, actual harm and the causal connection between  
10 her conduct and the injury is clear. Because the Court could hold that legal title to the property rightly  
11 vests in Quad L's, a favorable decision to Plaintiffs would rectify the injury. Plaintiffs have therefore  
12 properly alleged facts to establish standing.

13 *ii. Failure to State a Claim*

14 Defendant argues that Plaintiffs have failed to state a claim for a resulting trust. However,  
15 Plaintiffs have adequately stated a claim to quiet title based on breach of trust.

16 Generally, “[i]n order to succeed on a quiet title action, the petitioning party must assert a  
17 present interest in the subject property.” *Fusco v. Matsumoto*, 2011 MP 17 ¶ 21 (internal citations  
18 omitted). Here, Plaintiffs assert a present equitable interest in the property. Under the facts of the  
19 Complaint, after their mother's death, Plaintiffs inherited a 1/6 undivided interest in Tract No. 22793.  
20 They claim that their father persuaded them to assign the interest to him in order to enter into an  
21 agreement with the CNMI government to exchange the tract for more valuable property on their  
22 behalf. Plaintiffs assigned him their interests with the expectation that he would effectuate the land  
23

1 exchange and remit the property to Quad L’s, but he did not do so prior to his death. They now seek  
2 the imposition of a constructive trust on the property.

3 Taking the facts in the Complaint as true, Plaintiffs adequately state a claim for breach of  
4 trust.

5 *iii. Statute of Limitations*

6 Defendant argues that because the Tract 22793 claim is grounded in a breach of trust, the 20-  
7 year statute of limitations for recovery of real property should not apply and the Complaint is time-  
8 barred on its face.

9 In determining which limitations period applies to an action, the Court must look to “the  
10 gravamen of [...] the complaint.” *Aldan v. Pangelinan*, 2011 MP 10 ¶ 20 (holding that to determine  
11 the applicable statute of limitations the Court should look to the nature of the suit rather than the type  
12 of recovery sought). In *Aldan v. Pangelinan*, the NMI Supreme Court found that the substance of the  
13 claim was not to quiet title, but rather served to collaterally attack a prior judgment, and applied the  
14 six-year catch-all statute of limitations accordingly. *Id.* Plaintiffs’ claim, however, is not a collateral  
15 attack in the guise of a claim for quiet title. In both framing and substance, the essence of the claim  
16 is the recovery of the real property allegedly held in trust for them. As such, the 20-year statute of  
17 limitations is appropriate here.

18 When the statute of limitations is raised as an affirmative defense, the untimeliness of the  
19 filing “must be apparent from the face of the complaint” for dismissal to be proper. *Zhang Gui Juan*  
20 *v. Commonwealth of the N. Mar I.*, 2001 MP 18 ¶ 11 (abrogated in part on other grounds by *Artis v.*  
21 *District of Columbia*, 138 S. Ct. 594 (2018)). If the face of a complaint shows that it is time-barred,  
22 the plaintiff “is required to plead facts establishing an exception to the statute of limitations.” *New*  
23 *Shintani Corp. v. Quitugua*, 2011 MP 9 ¶ 1. When the Complaint does not definitively show that the  
24 applicable limitations period has expired, however, there is no need for Plaintiffs to affirmatively

1 plead an exception. *See, e.g., Barry Aviation, Inc. v. Land O'Lakes Mun. Airport Comm'n*, 377 F.3d  
2 682, 688 (7th Cir. 2004) (“Complaints need not anticipate defenses; the resolution of the statute of  
3 limitations comes after the complaint stage.”).

4 Here, the Complaint states only that after the probating of their mother’s estate in 2002, “over  
5 a series of transfers,” Plaintiffs conveyed their interests in Tract 22793 to Joe to be held in trust. The  
6 failure to affirmatively overcome the statute of limitations defense by pleading a specific operative  
7 date in the Complaint that falls within the limitations period is not grounds for dismissal. On the  
8 basis of this Complaint, standing alone, the statute of limitations does not bar this action.

9 Accordingly, Defendant’s motion to dismiss Plaintiffs’ third cause of action is **DENIED**.<sup>5</sup>

10 **D. Tortious Interference (Fourth Cause of Action)**

11 *i. Standing*

12 Defendant argues that Plaintiffs lack standing as to Defendant in her capacity as Executrix,  
13 and that Quad L’s lacks standing because as a corporate entity it has no expectancy interest in the  
14 decedent’s estate. However, pursuant to the prayer for relief in the Complaint, it appears that Plaintiff  
15 Quad L’s is not a party to this claim, and it is only brought against Defendant in her personal capacity.

16 *ii. Failure to state a claim*

17 Defendant requests dismissal of Plaintiffs’ fourth cause of action due to their failure to first  
18 exhaust the claim in probate court by raising a will contest.

19 While there is no express definition of tortious interference with an expected inheritance under  
20 Commonwealth law, the Court may turn to “the rules of the common law, as expressed in the  
21 restatements of the law approved by the American Law Institute” to assess the claim. 7 CMC § 3401.

22  
23  
24 

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<sup>5</sup> Defendant in her Motion to Dismiss requests that the Court dismiss “[c]auses of action 1-3” for failure to plead fraud with particularity but fails to proffer any arguments that the third cause of action sounds in fraud, so the Court need not address this assertion with respect to the third cause of action.

1 Defendants are correct that the Restatement (Third) of Torts bars claims for interference with  
2 inheritance when the claimant “had the right to seek a remedy for the same claim in probate court.”  
3 Restatement (Third) of Liability & Economic Harm § 19. However, the Court may only “adopt the  
4 newer restatement if the new version represents the current majority common law rule.” *Salty Saipan*  
5 *Corp. v. Shakir*, 2018 MP 18 ¶ 12.

6 Not every state has recognized tortious interference with expected inheritance as a cause of  
7 action. Among the states who have adopted this tort, the majority follow the approach described in  
8 Restatement (Second) of Torts.<sup>6</sup> Under the Restatement (2d), “one who by fraud, duress, or other  
9 tortious means intentionally prevents another from receiving from a third person an inheritance or  
10 gift that he would otherwise have received is subject to liability to the other for loss of the inheritance  
11 or gift.” Restatement (Second) of Torts § 774B. States that recognize the tort generally require that  
12 five elements be met: “(1) the existence of an expectancy; (2) a reasonable certainty that the  
13 expectancy would have been realized, but for the interference; (3) intentional interference with that  
14 expectancy; (4) tortious conduct involved with the interference; and (5) damages.” *Marshall v.*  
15 *Marshall (In re Marshall)*, 253 B.R. 550, 559 (Bankr. C.D. Cal. 2000).

16 Here, Plaintiffs allege sufficient facts to show that they had a reasonable expectation of  
17 receiving an inheritance. They aver that they stood to inherit a substantial portion of their father’s  
18 estate pursuant to the 2002 will and were in good standing with their father given Remedio’s status  
19 as executor. Per the Complaint, they were not aware of the existence of the March 2020 will until  
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21 <sup>6</sup> See, e.g., *Fitzpatrick v. Hoehn*, 262 So. 3d 613, 628-29, 2018 Ala. LEXIS 22 at \*30-31 (Ala. 2018); *Strunk v. Allen*  
22 *Nelson Swartz*, 2007 Ariz. Super. LEXIS 230, at \*1-2 (Ariz. 2007); *Fenton v. Pearson*, 2004 Ark. App. LEXIS 623, at  
23 \*3-4; *Beckwith v. Dahl*, 205 Cal. App. 4th 1039, 1049-54 (2012); *Ingersoll v. Ingersoll*, 950 A.2d 672, 699-701 (D.C.  
24 2008); *Losser v. Bradstreet*, 183 P.3d 758 (2008); *Scott v. Dillman*, 2018 Ind. App. LEXIS 426, at \*8 (Ind. Ct. App.  
1996); *Advance Ins. Co of Kan. v. Topeka Rescue Mission*, 233 P.3d 314 (Kansas 2004); *Morrill v. Morrill*, 712 A.2d  
1039, 1041 (1998); *Cote v. Cote*, 143 A.3d 117, 121 (Super. Ct. 2017); *Doyon v. Porter*, 2019 DNH 098; *Firestone v.*  
*Galbreath*, 616 N.E.2d 202, 203 (1993); *Vogel v. Vogel*, 258 A.3d 513 (Pa. Super. Ct. 2021); *Lawaetz v. Hamm*, No. SX-  
11-CV-092, 2020 V.I. LEXIS 39, at \*12 n.23 (Super. Ct. Apr. 3, 2020).

1 after their father’s death on May 18, 2020. They also allege sufficient facts to meet the causation and  
2 intentionality elements. They claim that Defendant purposely isolated their father and exploited his  
3 dependence on her to convince him that his children betrayed him and that he should limit their  
4 inheritance to nominal shares.

5 Plaintiffs’ Complaint also contains sufficient facts to establish that the interference was  
6 tortious. Undue influence is defined as “persuasion, pressure, or influence short of actual force but  
7 stronger than mere advice, that so overpowers the dominated party’s free will or judgment that he or  
8 she cannot act intelligently and voluntarily.” *Chuo Mitsui Trust & Banking Co., LTD v. Antonio*  
9 *Guerrero et al.*, Civil Action No. 00-0279D (Order Following Oral Ruling Granting Motion to Strike  
10 and For Sanctions, and Motion for Summary Judgment) (internal quotations omitted). Here,  
11 Plaintiffs allege that Defendant psychologically dominated their father by purposely cultivating  
12 physical and emotional control, preventing him from interacting with family and friends, lying “about  
13 [his] physical condition and availability,” screening his calls and “regulating attendance at social  
14 events,” and “blocking, limiting, and personally directing [his] in-person meetings and house visits.”  
15 Complaint at 9. Plaintiffs also plausibly allege damages; they aver that they were substantially  
16 disinherited and only nominally included in the new will.

17 Plaintiffs have alleged direct or indirect allegations on every point necessary to sustain a  
18 recovery for tortious interference with inheritance. Accordingly, their claim must survive dismissal.

19 *iii. Statute of limitations*

20 Defendant argues that the tortious interference claim is time-barred because the new will was  
21 executed more than two years prior to Plaintiffs’ initiation of the action.

22 When the statute of limitations is raised as an affirmative defense, the untimeliness of the  
23 filing “must be apparent from the face of the complaint” for dismissal to be proper. *Zhang Gui Juan*  
24

1 v. *Commonwealth of the N. Mar I.*, 2001 MP 18 ¶ 11 (abrogated in part on other grounds by *Artis v.*  
2 *District of Columbia*, 138 S. Ct. 594 (2018)). If the face of a complaint shows that it is time-barred,  
3 the plaintiff “is required to plead facts establishing an exception to the statute of limitations.” *New*  
4 *Shintani Corp. v. Quitugua*, 2011 MP 9 ¶ 1. When the Complaint does not definitively show that the  
5 applicable limitations period has expired, however, there is no need for Plaintiffs to affirmatively  
6 plead an exception. *See, e.g., Barry Aviation, Inc. v. Land O'Lakes Mun. Airport Comm'n*, 377 F.3d  
7 682, 688 (7th Cir. 2004) (“Complaints need not anticipate defenses; the resolution of the statute of  
8 limitations comes after the complaint stage.”).

9 Plaintiffs’ Complaint does not expressly provide the date when they became aware of the  
10 existence of the new will and their substantial disinheritance. The Complaint merely implies that  
11 they made the discovery at some point after their father’s death. However, Plaintiffs need only avoid  
12 pleading facts that explicitly show the Complaint is time-barred. Here, they have met this burden.  
13 As such, their fourth cause of action is not time-barred.

#### 14 15 **E. Prior Pending Action Doctrine**

16 The Court also finds that the prior pending action doctrine does not compel dismissal.  
17 Defendant argues that the Court should dismiss the first three causes of action in light of a parallel  
18 civil action that remain ongoing.

19 The prior pending action doctrine serves to promote judicial economy by barring duplicative  
20 lawsuits. The mere “pendency of a previously filed action, without more, does not mandate dismissal  
21 or abatement of the later-filed proceeding.” *Markoff v. Markoff*, Civil Case No. 12-0008 (NMI Sup.  
22 Ct., Apr. 9, 2012) (Order Granting Stay). To determine whether a case implicates the prior pending  
23 action doctrine, the Court must consider four elements:

1 “First, there must be a prior pending case in the same jurisdiction. Second, the prior  
2 case and instant case must be between the same parties. Third, the cases must be of  
3 the same character and brought to obtain essentially the same end or object. Fourth,  
4 justice and equity must require application of the doctrine.”

5 *Choi v. Kim et al*, Civil Action No. 10-0114 (NMI Super. Ct. Sept. 3, 2010) (Consolidated  
6 Opinion and Order on Defendants’ Motions to Dismiss at 10).

7 The first element is met. There is a pending active case in this jurisdiction, *Lifoifoi v. Quad*  
8 *L’s Corporation, et al*, Civil Action No. 17-0237. However, although Quad L’s Corporation and  
9 Cecilia Lifoifoi are parties to both suits, the other parties involved are not identical. Here, Ignacia  
10 and Remedio are suing in their personal capacities, whereas in the 2017 case, they are being sued  
11 solely in their capacities as officers and directors of Quad L’s Corporation. The rights and remedies  
12 implicated are not the same.

13 Furthermore, the cases are not “brought to obtain essentially the same end or object.” *Choi*  
14 at 10. The 2017 lawsuit concerns the rightful ownership of Quad L’s Corporation’s stock. The Court  
15 is unable to elucidate any legally determinative relationship between the first three causes of action  
16 in the present case and the question of stock ownership in Quad L’s. While Plaintiffs Ignacia and  
17 Remedio do assert in the 2017 lawsuit that Joe intended to use some of the assets at issue in the  
18 present case to help grow Quad L’s, the corporation’s growth is to Ignacia and Remedio’s benefit  
19 regardless of whether they are found to be shareholders and directors, or merely directors. Joe’s  
20 intent regarding the ownership of Quad L’s stock is therefore not dispositive of the claim that a trust  
21 relationship existed between Joe, Remedio, and Ignacia.

22 Justice and equity similarly do not compel application of the prior pending action doctrine in  
23 this matter. The two civil actions are not brought in order to adjudicate the same underlying rights in  
24

1 the hopes of more favorable results in one of the actions. Separate litigation of the lawsuits is proper  
2 under the circumstances of these cases.

3 Accordingly, Defendant’s request for dismissal on the basis of the prior pending action  
4 doctrine is **DENIED**.

5 **F. Claim-Splitting**

6 Defendant also argues that the first three causes of action in the present suit constitute  
7 impermissible claim-splitting under the Restatement (Second) of Judgments. The doctrine of claim-  
8 splitting prohibits a party from splitting “a cause of action into separate grounds of recovery and  
9 [raising] the separate grounds in successive lawsuits.” *Adams v. California Dep’t of Health Servs.*,  
10 487 F.3d 684, 688 (9th Cir. 2007) (internal citation omitted). Essentially, it bars a party from bringing  
11 separate actions involving the same subject matter against the same defendants in the same court.

12 The test to assess whether two separate suits involve the same causes of action requires  
13 analysis of the following four factors:

- 14 (1) whether rights or interests established in the prior judgment would be destroyed  
15 or impaired by prosecution of the second action; (2) whether substantially the  
16 same evidence is presented in the two actions; (3) whether the two suits involve  
17 infringement of the same right; and (4) whether the two suits arise out of the same  
18 transactional nucleus of facts.

19 *Mendoza v. Amalgamated Transit Union Int’l*, 30 F.4th 879, 887 (9th Cir. 2022).

20 Here, the prior action centers around the formation of Quad L’s in the late 1990s. The issue  
21 in that case is whether Plaintiffs’ father intended to transfer his shares in the company to Plaintiffs,  
22 or whether he merely intended for them to be officers and directors of the company. The present  
23 action, meanwhile, addresses alleged trust arrangements between Plaintiffs and their father and the  
24 validity of their father’s will. While some of the trust property in the present action would be returned



1 to Quad L's should Plaintiffs prevail, this would not impact the rights established in the 2017 lawsuit,  
2 as shareholders do not own corporate assets. The evidence presented in the 2017 case further  
3 emphasizes the differences between the two suits, as it focuses on the documents and corporate  
4 formalities required to properly transfer corporate ownership. Furthermore, the actions do not involve  
5 infringement of the same rights, and the remedies sought are different. The actions are not similar  
6 enough to rise to the level of claim-splitting.

7 Accordingly, Defendant's request for dismissal on the basis of improper claim-splitting is  
8 **DENIED.**

### 9 G. CONCLUSION

10 **THEREFORE**, for the reasons stated above, the Court **DENIES** Defendant's Motion to  
11 Dismiss.

- 12 1. Defendant's motion to dismiss the first cause of action for breach of trust regarding the  
13 PMIC funds is **DENIED.**
- 14 2. Defendant's motion to dismiss the second cause of action for breach of trust regarding the  
15 As Teo Farm is **DENIED.**
- 16 3. Defendant's motion to dismiss the third cause of action for breach of trust regarding Tract  
17 22793 is **DENIED.**
- 18 4. Defendant's motion to dismiss the fourth cause of action for tortious interference with a  
19 will is **DENIED.**
- 20 5. Defendant shall file an Answer no later than **May 31, 2024.**

21 **IT IS SO ORDERED** this 16th day of May, 2024.

22  
23  
24 /s/  
**ROBERTO C. NARAJA**, Presiding Judge