

MINUTES OF AN EMERGENCY MEETING OF THE BOARD OF DIRECTORS OF
THE

GUAM ECONOMIC DEVELOPMENT AUTHORITY

June 5, 2014

Call to Order

§1. The emergency meeting of the Board of Directors of the **Guam Economic Development Authority** (referred to as “GEDA” or the “Authority”) was held June 5, 2014 at the Guam Economic Development Authority Conference Room, Fifth Floor Suite 511, ITC Building, Tamuning Guam. The meeting was called to order at the request of the acting administrator. Pursuant to 5GCA, Chapter 8, §8108.Special Meeting, the following documents were executed:

- Letter of Request from GEDA’s Acting Administrator to GEDA Board Chair for Call of Special Meeting
- Certification of an Emergency, Request for Special Meeting from GEDA’s Acting Administrator to GEDA Board Chair Letter of request and certification of emergency request was received by Edward J. Calvo.

Attendance and Quorum

§2. Roll Call. As determined by the roll call, the following directors were present:

Directors:

Edward J. Calvo
Arlene P. Bordallo
Vera Wu
David J. John

Offices or Positions:

Vice Chairman
Assistant Secretary
Director
Director

Absent and excused:

Monte Mesa
George Chiu
Mana Silva Taijeron

Director
Director
Deputy Administrator

Also present were:

GEDA Officials:

John Rios	Acting Administrator
Tom Fisher	GEDA Legal Counsel (Calvo, Fisher & Jacob, LLP)
Larry Toves	Real Property Division Manager
Christina D. Garcia	Business Development Division Manager
Lester Carlson, Jr.	Public Finance Division Manager
Nico Fujikawa	Public Finance Officer
Gloria Molo	Administrative Services Officer
Greg Sablan	Public Finance Assistant Manager
Arleen Evangelista	Public Finance Administrative Assistant
Therese Santos	Executive Assistant
Steve Dierking	Chief Information/Marketing Manager
Carl Quinata	Industry Development Specialist
Jha"Aunie Leon Guerrero	Real Property Administrative Assistant
Arthur Clark	Office of the Governor
Adam Baron	Cassidy's Insurance

Old Business

§3. Mr. John A. Rios, GEDA Acting Administrator informed the Board that on May 27, 2014 Honorable Consuelo Marshall issued a certain order in *Paeste et, al. vs. Guam*, 11-008 CBM (Dist. Guam). The *Paeste* case involves a civil rights suit against Guam concerning the Guam Territorial Income Tax (GRIT). In that suit, taxpayers alleged certain inequity in the administration of the GTIT. The Court agreed, granted relief, and awarded attorney's fees and costs in the amount of \$1,760,589.35. Paeste sought a writ of execution for the amount and Guam appealed.

By the order, the court issued and stayed a writ and ordered Guam to post a supersedeas bond¹ in the amount of @2,200,736.69 no later than 09 June 2014. This bond is security to ensure payment of attorney's fees and costs. In the event Guam does not post the security, the Court will lift the stay and Paeste will be allowed to execute on her judgment.

Guam argues, and I agree, that the execution of a writ against it is potentially devastating. A private litigant would have the ability to seize public property and bank accounts. Guam's recently re-established fiscal integrity (the protection of which is our duty) is thus undercut and subject to question.

Because this consequence can only be forestalled by creating adequate security to maintain a stay, and because the day by which this security must be created is approaching, I certify that an emergency situation exists sufficient to justify a special meeting of the Board of directors of the Guam Economic Development Authority.

Further, because an emergency exists, I request that you call a special meeting of the board of directors to discuss this matter and that the public notice be dispensed with in accordance with 5 Guam Code Annotated §8108.

After further discussion, a motion duly made by Vice Chair John and seconded by Director Bordallo to authorize the Administrator of GEDA to enter into an Memorandum Of Understanding with the Government of Guam, for a loan in the amount of \$2,200,736.69 with a promissory note with interest to be negotiated, proceeds payable to Pacific Indemnity on behalf of the Government of Guam the motion will be effectuated immediately so the Administrator can work on this immediately, resolution will follow. Bonding arrangements will be with the Government of Guam to execute any bonding documents as necessary. The motion was unanimously approved.

New Business

§4. The next item on the agenda was New Business. There were none.

Public Comments

§5. The next item on the agenda is public comments. There were none.

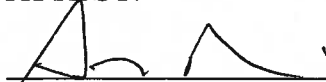
§6. There being no further business to address before the Board, on motion duly made by Director Bordallo and seconded by Vice Chair John at approximately 2:47 p.m., the meeting was adjourned.

Dated this 17th day of July, 2014



David J. John
Vice Chairman

ATTEST:



George Chiu
Secretary
DIRECTOR