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

**JOSEPH C. REYES and MARY ANN
 MILNE,**

Plaintiffs,

v.

**RICARDO R. MENDIOLA and CNMI
 DEPARTMENT OF PUBLIC LANDS,**

Defendants.

**COMMONWEALTH OF THE
 NORTHERN MARIANA ISLANDS,**

Cross-Claim Plaintiff,

v.

**RICARDO R. MENDIOLA,
 FLORENTINA M. REYES, BERTHA M.
 PALACIOS, MARGARITA M. REYES,
 THERESA M. GUERRERO,
 CHRISTINA M. BABAUTA, AND DOES
 1-10,**

Cross-Claim Defendants.

CIVIL ACTION NO. 21-0271

**ORDER DENYING MOTION FOR
 RECONSIDERATION BECAUSE
 CROSS-CLAIM PLAINTIFF CNMI'S
 CLAIM OF "NEWLY DISCOVERED
 EVIDENCE" LACKS MERIT AS THE
 DOCUMENTS WERE KNOWN TO THE
 CNMI BUT IT CHOSE NOT TO
 DISCLOSE IT TO THE COURT AND
 OPPOSING PARTIES, AND
 FURTHERMORE, THE DOCUMENTS
 ARE NOT DISPOSITIVE TO THE
 ISSUE OF PROVIDING A
 HOMESTEAD WITH AN ACCESSIBLE
 PUBLIC ROAD**

I. INTRODUCTION

THIS MATTER came on for hearing on August 1, 2023, at 2:30 pm in Courtroom 220A on a Rule 54(b) Motion for Reconsideration by Cross-Claim Plaintiff Commonwealth of the Northern Mariana Islands ("Commonwealth"). The Commonwealth moves the Court to reconsider its order granting the Motion to Dismiss by Cross-Claim Defendants Mendiola

By order of the Court, Judge Joseph N. Camacho

1 Defendants. Assistant Attorney General Hunter Hunt appeared for movant, the
2 Commonwealth. Robert T. Torres appeared as counsel for Crossclaim Defendants
3 Florentina M. Reyes, Bertha M. Palacios, Margarita M. Reyes, Theresa M. Guerrero, and
4 Christina M. Babauta (hereinafter “Mendiola Defendants” or “Mendiolas”). For the reasons
5 discussed below, the Court hereby denies the Motion for Reconsideration.

7 II. RELEVANT FACTUAL BACKGROUND

8 On March 3, 1962, the Trust Territory of the Pacific granted a Permit to Homestead
9 to Mariano Castro Mendiola for H 28-A in the property located in I-Denni area of Saipan. H
10 28-A was later resurveyed and designated as Lot 106 E 01.

12 On December 4, 1990, the Marianas Public Land Corporation (“MPLC”) executed a
13 Quitclaim Deed for Lot 106 E 01, containing an area of 32,000 square meters, to the heirs of
14 Mariano Castro Mendiola. Cross-cl., Ex. 1-01. In doing so, the MPLC failed to provide road
15 access that technically landlocked Lot 106 E 01. Cross-cl., Ex. 1-01.

16 The owners of Lot 106 E 01 requested the Department of Public Lands’ (hereinafter
17 “DPL”)¹ assistance to open an access to Lot 106 E 01. Cross-cl., Ex. 1-01. The Land Claims
18 Division of DPL conducted research and investigation on the lack of access to Lot 016 E 01
19 and concluded that it was impossible to open an access road due to the property’s rugged
20 terrain. Cross-cl., Ex. 1-02.

22 On February 4, 2007, the Mendiolas wrote a letter to DPL, requesting to relocate to
23 another available public land that was accessible. Cross-cl. ¶ 6; Ex. 1-02. DPL resolved to
24 settle the access problem with the landowners and on November 2, 2011—four years after
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¹ Generally, through various legislation, MPLC was converted from an independent autonomous agency headed by a board to now DPL, a line department of the Executive branch under the Governor

1 the Mendiolas’ request, and 21 years after the MPLC had issued landlocked property to the
2 Mendiolas—the Secretary of DPL approved correcting the locked property issue by offering
3 the owners a land parcel at another location in exchange for the Mendiolas’ landlocked
4 property. Cross-cl. ¶ 8; Ex. 1-02.

5 On February 12, 2013, DPL and the Mendiolas entered into a Deed of Exchange in
6 which the Mendiolas conveyed Lot 106 E 01 to DPL and DPL conveyed 31,094 square
7 meters worth of subdivided properties (Lot 039 L 08 to 11, Lot 039 L 13 to 14, and Lot 039
8 L 17) in Obyan to the Mendiolas, Ricardo R. Mendiola, and William M.L. and Naomi
9 Puanani A. Mendiola. Cross-cl. ¶ 9; Ex. 1-02 to 1-03.

10 In the Deed of Exchange, the Mendiolas, Ricardo R. Mendiola, William M.L. and
11 Naomi Puanani A. Mendiola warranted that they had the right to convey Lot 106 E 01 and
12 that they would forever defend and indemnify DPL against any interest or claim arising
13 relating to the property. Cross-cl. ¶ 10; Ex. 1-02. DPL executed the Deed of Exchange,
14 representing that it had the authority to execute it based on its power to manage and dispose
15 of public lands under article XI, Section 3 of the Commonwealth Constitution and Public
16 Law 15-2. Cross-cl., Ex. 1-03.

17 **III. RELEVANT PROCEDURAL HISTORY**

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20 On September 29, 2021, Plaintiffs Joseph C. Reyes and Mary Ann Milne
21 (“Plaintiffs”) filed a Verified Complaint against Defendant Ricardo R. Mendiola and DPL
22 for slander of title and to quiet title. Plaintiff’s claims were supported by the Plaintiffs’
23 allegations that Ricardo R. Mendiola had conveyed 1,500 square meters of his undivided
24 interest in Lot 016 E 01 via a Warranty Deed to the Plaintiffs on January 24, 2001. Pl.’s
25 Compl., pp. 1-2. The lawsuit alleged that on February 12, 2013, DPL, Ricardo R. Mendiola,
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1 and other Mendiola family members agreed to convey Lot 016 E 01, without recognizing the
2 Plaintiffs' interest in the property.

3 On January 31, 2022, the Commonwealth filed its Crossclaim against the Mendiolas
4 and Ricardo R. Mendiola seeking to rescind the Deed of Exchange for breach and the
5 illegality of the land exchange for DPL's lack of authority to execute it without a public
6 purpose, and also seeking to enforce the indemnification provisions of the alleged illegal
7 Deed of Exchange at the same time. Cross-cl., pp. 9-10.

8 On September 12, 2022, Plaintiffs and Defendant Ricardo R. Mendiola filed a
9 Stipulated Judgment, entering judgment in favor of Plaintiffs against Defendant Ricardo R.
10 Mendiola as follows: For entry of judgment in the amount of \$47,000.00 payable at the sum
11 of \$600.00 monthly; for Defendant Ricardo and Plaintiffs to execute a mutual agreement to
12 rescind/terminate the Warranty Deed executed by Defendant Ricardo to Plaintiffs for the
13 previously conveyed 1,500 square meters of Lot 016 E 01; Defendant Ricardo to convey
14 1,500 square meters of Lot 039 L 13 (a portion of the lot given to him through the Deed of
15 Exchange) to Plaintiffs; and for Plaintiffs to hold a lien against Defendant Ricardo's vehicle.
16 Stip. J. (filed Sept. 12, 2022). The Court issued its order granting the Stipulated Judgment on
17 September 15, 2022.
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20 The Mendiola Defendants filed their Motion to Dismiss pursuant to Rule 12(b)(6) of
21 the NMI R. Civ. P.. After briefing and argument, the parties filed their proposed orders. On
22 May 8, 2023, the Court issued its order and decision granting the Motion to Dismiss². In
23 doing so, the Court found that DPL had authority to issue the deed to the Mendiolas because
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26 ² On May 8, 2023, the Court issued its Order *Reyes v. Mendiola* No. 21-0271 (NMI Super. Ct. May 23, 2023) (Order Granting Mendiolas' Motion to Dismiss Because the Deed of Exchange Fulfills the Public Purpose to Provide Mariano Castro Mendiola (and His Heirs) a Homestead... at 3), (Camacho, AJ) uploaded on the LRC website.

1 the Deed of Exchange had a public purpose, adhering to the Homestead program, in entering
2 into a land exchange agreement with the Heirs of Mendiola. DPL and the Heirs of Mendiola
3 entered into the Deed of Exchange because Lot 106 E 01 was made inaccessible and
4 landlocked through the actions of the DPL, and thus DPL provided accessible land to fulfill
5 the Homestead program's goal. Therefore, the Deed of Exchange was not illegal, and the
6 Court rejected the claim to rescind the Deed of Exchange so that dismissal was proper.

7 The Commonwealth has filed a Motion to Reconsider pursuant to Rule 54(b) of the
8 NMI R. Civ. P. for the Court to reconsider its order of dismissal, asserting additional evidence
9 that it had in its possession at the time of the motion hearing and on other grounds. After
10 briefing by the parties, the Court heard arguments on August 1, 2023. The Court pronounced
11 its ruling on the record at that time denying the motion to reconsider. The transcript of the
12 proceeding has been lodged with the Court. This is the Court's written order as follows.

14 **IV. LEGAL STANDARD**

15 Rule 54(b) of the CNMI Rules of Civil Procedure states that this Court may revise its
16 interim orders at any time:

17 [A]ny order or other decision, however, designated, that adjudicates fewer than
18 all the claims or the rights and liabilities of fewer than all the parties does not
19 end the action as to any of the claims or parties and may be revised at any time
20 before the entry of a judgment adjudicating all the claims and all the parties'
21 rights and liabilities.

22 NMI R. CIV. P. Rule 54(b). On a Motion for Reconsideration, this Court should consider the
23 following factors in determining whether there are grounds to justify reconsideration of its
24 Order Granting Motion to Dismiss: "an intervening change in the controlling law, the
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1 availability of new evidence, or the need to correct a clear error or prevent manifest
2 injustice.”³

3 V. DISCUSSION

4 Of the three particular factors on a Motion for Reconsideration, the Commonwealth
5 invokes reconsideration based on the availability of new evidence and/or the need to correct
6 a clear error or manifest injustice. *See, Transcript of Proceedings* (“TR”) at 4:2-5.

7 As to the availability of new evidence, the Commonwealth submitted two appraisals
8 it claims as “new evidence.” Those appraisals were conducted in September 2022. The
9 Commonwealth admits the appraisals were known to the Commonwealth at that time but were
10 not part of the Commonwealth’s theory of the case. TR at 4:10-25. Because the appraisals did
11 not support the Commonwealth’s initial claim, it did not submit the appraisals as evidence
12 and did not view the appraisals as relevant. *Id.* at 6. Moreover, the Commonwealth argues
13 that even if the Court were not to find the appraisals as new evidence, it argues rejecting them
14 amounts to manifest injustice. TR at 6:13. The Commonwealth asserts that the “huge
15 discrepancy” between the valuations of the I-Denni and the Obyan properties tends to indicate
16 that the cross-claim defendants were enriched in violation of the Public Purpose Land
17 Exchange Act so that the Court would have grounds to prevent manifest injustice based on
18 the value of the properties. As such, the Commonwealth requests reconsideration so that the
19 case may progress further into discovery. TR at 6:15-23.

22 In response, the Mendiola Defendants assert that the appraisals were not new evidence
23 but documents that the Commonwealth knew of their existence in September 2022 but decided
24 not to produce them to the Mendiola Defendants and/or the Court. TR at 9-10. The
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³ *Gui v. Brown*, Civ. No. 19-0041 (Order Denying Defendant’s Motion for Reconsideration) (NMI Super. Ct. June 2, 2023) (citing *Camacho v. J.C. Tenorio Enter., Inc.*, 2 NMI 407, 414 (1992) (citation omitted); *Angello v. Louis Vuitton Saipan*, 2000 MP 17 ¶ 1; *Hansen v. Schubert*, 459 F. Supp. 2d 973, 998 n.5 (E.D. Cal. 2006)).

1 Commonwealth slumbered on its rights as to claims and the evidence is not new—only that it
2 claims it did not appreciate the relevancy of the appraisals as it does now. *Id.* Further, the
3 Mendiola Defendants assert that there is no manifest injustice because the land exchange was
4 consistent with the statute and a public purpose to deliver land under a village homestead
5 program. *Id.*

6 In the Court’s view, the Commonwealth rehashes its arguments previously asserted in
7 the Motion to Dismiss. The appraisals it now proffers as new evidence are not new. The
8 Commonwealth, while acknowledging this fact, persists and insists that they are “new
9 evidence” within the meaning of a motion for reconsideration. The Court is unpersuaded by
10 the Commonwealth’s approach to this motion for reconsideration. The arguments are not new
11 and the appraisals ignore the fact that the exchange was not for land compensation or
12 government taking, but to deliver a village homestead deed with access to the Mendiola
13 family, an injustice which the Deed of Exchange corrects. *See, e.g., Estate of Elpidia Dela*
14 *Cruz*, Civ. No. 15-0080 (NMI Super. Ct. Oct. 5, 2018) (Order Granting Mot. to Reconsider .
15 . . . at 4) (“Reconsideration may not be used ‘to repeat old arguments previously considered
16 and rejected, or to raise new legal theories that should have been raised earlier.’”) (quoting
17 *National Metal Finishing Com. V. BarclaysAmerican/Commercial, Inc.*, 899 F.2d 119, 123
18 (1st Cir. 1990)).

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21 The Court found that the Mendiola Defendants, through no fault of their own, had
22 landlocked property while the Homestead Act and public policy require delivery of a
23 homestead. Thus, the Obyan property exchange was to correct that deficiency by the
24 Commonwealth in failing to deliver property that was accessible. The “new evidence” as
25 proffered is not new because the Commonwealth made a tactical decision not to bring those
26 facts to the Court. The Commonwealth had the evidence it said was relevant and probative
but chose now to present it. Nonetheless, the proffered appraisals are not new evidence. There

1 is no unclean hands or other fault shown much less proffered by the Commonwealth in support
2 of its motion.

3 **VI. CONCLUSION**

4 Concerning clear error or to correct manifest injustice, the deed of exchange process
5 was initiated because Mariano Castro Mendiola was entitled to a village homestead to which
6 he had access. The I-Denni lot failed that requirement. The Department of Public Land failed
7 to deliver a properly accessible homestead lot. That is the manifest injustice which the Obyan
8 land exchange corrected. The public policy and public purpose of the statute were squarely
9 achieved and there is no fault or unclean hands by Mariano Castro Mendiola or his heirs.
10 There are no grounds warranting reconsideration since the appraisals are not a basis for the
11 exchange. This is a village homestead delivery and not compensation for a private-
12 government compensation, in which occasion appraisals would be relevant. Thus, the Court
13 is unpersuaded and remains convinced that the Deed of Exchange was proper and that there
14 was no manifest injustice warranting reconsideration. **THEREFORE**, for the above reasons
15 and those discussed in the pleadings and motion hearing, the Commonwealth's Motion for
16 Reconsideration is hereby **DENIED**.
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20 **SO ORDERED** this 24th day October, 2023.

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22 /s/
23 **JOSEPH N. CAMACHO**, Associate Judge
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