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SUPERIOR COURT
OF GUAM

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By: 

IN THE SUPERIOR COURT OF GUAM

CASSIDY'S ASSOCIATED INSURERS,
INC.,

Plaintiff/Counterdefendant,
vs.

JRN AIR CONDITIONING &
REFRIGERATION, INC.,

Defendant/Counterclaimant.

CIVIL CASE NO. CV0377-22

**DECISION AND ORDER DENYING
PLAINTIFF'S RENEWED MOTION FOR
JUDGMENT AS A MATTER OF LAW**

Following a jury trial over unpaid bond premiums and broker's fees, Plaintiff Cassidy's Associated Insurers, Inc. renews its Motion for Judgment as a Matter of Law against Defendant JRN Air Conditioning & Refrigeration, Inc. The jury awarded Cassidy's—as an agent of Pacific Indemnity Insurance Company—surety premiums on some but not all claims, and awarded no amounts directly to Cassidy's for its broker's fees. Upon consideration of the parties' arguments, the Court denies the motion, as the jury verdict was supported by sufficient evidence.

I. FACTUAL & PROCEDURAL BACKGROUND

A. Relevant Factual Background

At trial, Cassidy's sought bond premiums plus broker's fees for five government contracts performed by JRN—three for services provided to the University of Guam and two for services provided to the Guam Department of Education. Cassidy's had charged JRN "overtime" bond premiums which covered work compensated by the government agencies beyond what JRN bid, plus, broker's fees for the overrun periods.

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1. BND-101897-A-01: UOG A/C Replacement

In 2011, JRN bid on a project to replace air-conditioning units at UOG. JRN communicated with Cassidy's representatives to secure bonding. Ex. 9. Cassidy's advised JRN via email that its bid bond request had been approved, and that there would be a "Final Bond Premium of 2.5% + 0.3% - applied to the Total Final Contract Amount (including Change Orders)" *Id.* Cassidy's further advised that "*By acceptance and use of the Bid Bond, JRN . . . agrees to the above conditions.*" *Id.* In turn, JRN utilized a Performance Bond tendered by the surety, Pacific Indemnity, in the amount of \$716,928.48—its bid amount. Ex. 23.

JRN finished the work in 2012. Ex. 27 at P85. However, in 2015, Cassidy's discovered that the actual price UOG paid to JRN more than doubled the initial bid amount—to \$1,502,929.02. *Id.* Sonny Perez, UOG's Chief Plant and Facilities Officer, commented on a Status Report that JRN performed the work satisfactorily. *Id.* ("good job done"). Based on the additional amounts UOG paid to JRN, Cassidy's invoiced JRN an overrun fee of \$19,650.00 based on the "Contract Amount: \$1,502,929.02" and a broker's fee of \$2,358.00. Ex. 27 at P82-84. JRN paid \$12,000 of the invoiced amounts but contested payment of additional premiums on the basis that it never sought additional bond coverage. JRN also claimed it never received proof that additional coverage was furnished, nor did it have an opportunity to incorporate the additional premiums into its bid pricing.

Consistent with JRN's position, Perez testified that for UOG contracts, additional bonding was not required because, as the project progressed, UOG owned the work already performed and could still tap into the bonded amount for the additional work. Perez further pointed out that there was a warranty on the work JRN performed, meaning additional bonding would be unnecessary. If UOG did require further bonding, Perez would have notified the

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vendor and surety. Finally, Perez testified that the project never lacked the proper amount of bonding.

At trial, the jury found that JRN did not owe broker's fees to Cassidy's nor overrun premiums to Pacific Indemnity for this contract. Verdict Form 1.

2. BND102603-A-01: UOG Marine Lab Boathouse and Laboratory

In 2016, JRN bid to perform renovations at UOG’s Marine Lab Boathouse and Laboratory. JRN sought bond coverage through Cassidy’s, which then secured approval of up to \$250,000. Ex. 11. Again, Cassidy’s advised JRN that by use of the bid bond, JRN agreed to certain conditions, including paying certain bond and broker fees based on “Total Final Contract Amount including Change Orders.” *Id.* JRN submitted a Bid Bond and received a Performance Bond from Pacific Indemnity in the amount of \$174,538.87. Exs. 17, V. JRN bid \$174,538.87 for the work, and received the award. Ex. 29 at P98. JRN paid Cassidy’s initially invoiced broker fees and bond fees. Ex. 2.

In 2019, Cassidy's learned that the final price paid to JRN was \$238,900.80. Ex. 29 at P98. It invoiced JRN a broker's fee of \$193.00, and an overrun premium of \$1,609.00. Ex. 29 at P97.

At trial, the jury found that JRN did not owe broker's fees to Cassidy's nor premiums to Pacific Indemnity for work performed at the UOG Marine Lab Boathouse and Laboratory.

3. BND102609-A-01: UOG CIP: Dorm II 1st Floor Renovations

In 2016, JRN bid to perform renovations to UOG Dorm II. JRN sought bond coverage through Cassidy's, which then obtained approval for a bond of up to \$200,000. Ex. 12. As above, Cassidy's informed JRN that the bond fee may include a premium of 2.5% plus a broker's

fee of 0.3% based on the “Total Final Contract Amount including Change Orders.” *Id.* JRN obtained a Bid Bond and a Performance Bond issued by Pacific Indemnity for \$163,076.17 and submitted a bid in the same amount. Exs. 18, 30 at P105, W.

In 2019, Cassidy’s learned that the final amount paid to JRN was \$226,431.14. *Id.* Cassidy’s therefore invoiced JRN \$190.00 in additional broker’s fees and \$1,584.00 in overrun premiums. *Id.* at P104.

The jury found that JRN did not owe broker’s fees to Cassidy’s nor premiums to Pacific Indemnity for this project. Verdict Form 3.

4. BND102715-A01: GDOE Air Conditioning Systems Preventive Maintenance, Inspection, and Repair Services

In 2017, JRN bid to perform various air conditioning-related services with GDOE. Through Cassidy’s, it obtained and submitted a Bid Bond from Pacific Indemnity, as well as a Performance Bond for \$458,924.00. Exs. 19, 26. JRN submitted a bid for that same amount.

GDOE awarded the contract to JRN, but its initial purchase order included not just the award price of \$458,924.00 for air conditioning systems preventive maintenance, inspection and repair services, but also \$200,000 for minor repairs of AC units, \$200,000 for major repairs of AC units, \$100,000 for relocation of AC units, and \$500,000 for replacement of AC units. Ex. 31 at P124. Also, according to a report requested by Cassidy’s, GDOE exercised options for additional years, whereby it paid JRN \$1,969,546.04 for the base year, \$1,604,804.45 for Option Year 1, \$1,604,811.59 for Option Year 2, \$1,604,815.58 for Option Year 3, and was intending to award JRN \$1,604,816.40 for Option Year 4. Ex. BB at D180. Overall, JRN’s contract with GDOE for this project garnered over \$8 million in funding for JRN’s work. Ex. 31 at P156.

Cassidy’s later learned of the additional work and invoiced JRN for overrun premiums for the base year and additional option years. At trial, Cassidy’s introduced into evidence an

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invoice for the base year in the amount of \$34,118.00 in overrun premiums and \$4,094.00 for broker's fees. Ex. 31 at P128. For Option Years 1 through 4, it invoiced \$28,647.00 in overrun premiums and \$4,814.00 in broker's fees per year. *Id.* at P132, P159-61. It asked the jury to award these amounts.

Notably, Cassidy's introduced other invoices stating different amounts to be owed by JRN. For example, a June 2017 email indicated that JRN agreed to Cassidy's prospective invoices in the amount of \$11,473.00 for each of the four option years, with no broker's fee mentioned. Ex. 31 at P113-17. Cassidy's also introduced into evidence a separate "Base Year" invoice seeking \$3,645.00 in overrun premiums and \$ 437.00 in broker's fees. Ex. 31 at P131.

At trial, the jury awarded no broker's fees to Cassidy's; however, it found JRN owed \$45,892 in bond premiums, which matches the amounts attached to the June 2017 email. Verdict Form 4; Ex. 31 at P113-17.

5. BND201516-A-01: GDOE Chilled Water Systems and Preventive Maintenance, Inspection, and Repair Services

In 2016, JRN submitted a Bid Bond for work at GDOE relative to its chilled water systems and preventive maintenance, inspection, and repair services. The bonding was approved "up to \$63,000.00 estimated bid." Ex. 32 at P181. Cassidy's also noted that "*By acceptance and use of this bid bond, JRN . . . agrees to the above conditions.*" *Id.* According to a Status Report by GDOE, however, GDOE awarded additional contract work in the first year and exercised additional option years, for a total contract award of \$560,547.20. *Id.* at P169.

Cassidy's had informed JRN that there were three options for how "bond cost will be assessed," depending on whether Public Law No. 27-127 applied. Ex. 32 at P181-82. Aimed at helping small businesses, PL 27-127 capped bid security at 15% of the total amount bid for all competitive sealed bidding when the government's estimated price exceeds \$25,000.00. PL 27-

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127:2; Ex. HH. The law also eliminated the need for performance bonds. PL 27-127:2; Ex. HH. Cassidy's advised JRN that if PL 27-127 applies, it would be subject to a premium of 1.25% and 0.3% broker fee on the "Total Final Contract Amount including Change Orders." Ex. 31 at P126. If the law did not apply and a performance or payment bond is required, Cassidy's would charge 2.5% in premiums and 0.3% in broker's fees. *Id.* Finally, if PL 27-127 did not apply, and a bid bond was issued, there would be a one-time fee of 0.625% in premiums and a 0.3% broker's fee. *Id.*

At trial, Cassidy's sought \$1,553.00 in premiums and \$373.00 in broker's fees for the "Base Year." Ex. 32 at P173. And, for Option Years 1 through 4, it referenced its invoices, billing \$1,501.00 in overrun premiums and \$360 in broker's fees per year. *Id.* at P174-77. However, the jury found JRN owed \$12,006.28 in bond premiums and nothing in broker's fees. Verdict Form 5. Once again, the jury's verdict reflects no award for the Base Year. Further, for this contract, the jury's verdict appears to find that JRN owed 2.5% of the total contract price—one of the scenarios mentioned by Cassidy's—for each option year.

B. Cassidy's Renewed Motion for Judgment as a Matter of Law

At the close of Cassidy's case-in-chief, Cassidy's moved for judgment as a matter of law. It argued that no reasonable juror could find that JRN did not agree to the terms specified in the emails, nor agree to pay pursuant to those terms; and, that no reasonable juror could find that Cassidy's ability to collect premiums was not within the scope of its agency. Mot. J. Matter of Law (Sept. 16, 2025). The Court deferred a ruling on JRN's agreement to the emailed terms but denied the motion regarding agency. Hr'g (Sept. 16, 2025).

Following the jury verdict, Cassidy's renewed its motion for judgment as a matter of law.

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II. LAW AND DISCUSSION

In a renewed motion for judgment as a matter of law, the Court examines whether the evidence is legally sufficient to find for the party on that issue. GRCP 50(a)(1). In considering whether the verdict is supported by sufficient evidence, the Court evaluates all the evidence, together with any logical inferences, in a light most favorable to the non-movant. “A Rule 50 motion may only be granted if there exists such a complete absence of evidence supporting the verdict that the jury’s findings could only have been the result of sheer surmise and conjecture, or the evidence in favor of the movant is so overwhelming that reasonable and fair minded persons could not arrive at a verdict against it.” *Tepperwien v. Entergy Nuclear Ops., Inc.*, 663 F.3d 556, 567 (2d Cir. 2011).

The Court first addresses the argument whether, as a matter of law, Cassidy’s is an agent of Pacific Indemnity. The verdicts indicate that, as to the GDOE contracts, Cassidy’s had authority to collect bond premiums on behalf of Pacific Indemnity. However, because similar evidence regarding the existence of the agency relationship was presented for the UOG contracts, it appears this issue is already resolved for those claims also. The jury appears to agree that Cassidy’s could act as Pacific Indemnity’s agent. Even if it did not award damages related to the UOG projects, this could be due to other factors, including testimony from UOG representatives that it did not require additional bonding for the work performed by JRN.

Next, on the issue of whether, as a matter of law, JRN agreed to certain terms in the various emails Cassidy’s sent JRN, Cassidy’s implies that JRN’s use of the bid bonds automatically entitled Cassidy’s to a judgment for overrun premiums and broker’s fees. However, by awarding overrun premiums on two of the five bonds, the jury’s verdict implies that it found JRN bound by the terms of the emails that outlined payment obligations. But by

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awarding less than the full amount of the premiums, the jury's verdict also implies that Cassidy's failed to prove damages to a reasonable certainty. In other words, the jury appears to have found in favor of Cassidy's on this issue, even though it did not award it all the amounts it requested.

How the jury arrived at its verdict is evident from the record. While the jury awards of \$45,892.00 and \$12,006.28 do not match the calculations proposed by Cassidy's, they do correspond to certain annual premium amounts for the four option years for BND102715-A-01 and BND201516-A-01, respectively, based on evidence presented at trial. The jury did not award premiums for the base years or adopt Cassidy's full damage calculation, but that could indicate confusion by the jury on the various and conflicting amounts invoiced, or because there was evidence that JRN already paid an initial premium to cover the base years. In other words, a reasonable jury could accept liability for option-year premiums while rejecting base-year premiums or other damage components. This is a permissible credibility determination, not sheer conjecture.

The jury had discretion to accept some damage components and reject others. Rule 50 does not permit the Court to second-guess that line-drawing where, as here, the amounts are traceable to evidence presented at trial. That the jury declined to award base-year premiums or the full amounts Cassidy requested does not render the verdict legally insufficient.

III. CONCLUSION AND ORDER

The Court concludes that the jury's verdict is supported by substantial evidence and is in line with Cassidy's arguments that the emailed terms bound JRN to pay some overrun premiums, and that Cassidy's is the agent of Pacific Indemnity. Accordingly, judgment as a matter of law is

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not appropriate. A Partial Judgment will issue on Cassidy's claims, and the Court will hold a Status Hearing on JRN's counterclaim on April 1, 2026, at 11:40 a.m.¹

SO ORDERED, 10 February 2026.



HON. ELYZE M. IRIARTE
Judge, Superior Court of Guam

Appearing Attorneys:

Joseph C. Razzano, Esq., Razzano Walsh & Torres, P.C., for Plaintiff/Counterdefendant
Cassidy's Association Insurers, Inc.

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¹ To appear for the hearing, open the Zoom app or go to <https://guamcourts-org.zoom.us/> and enter Meeting ID: 864 4387 2213 and Password: JEMI, or call 671-300-6703 to appear telephonically.