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SUPREME COURT  
OF GUAM

**IN THE SUPREME COURT OF GUAM**

**DEANNA CAROL LEON GUERRERO,**  
Plaintiff-Appellee/Cross-Appellant,

v.

**KENNETH JOSE LEON GUERRERO,**  
Defendant-Appellant/Cross-Appellee.

Supreme Court Case No.: CVA13-004  
Superior Court Case No.: CV0466-10

**OPINION**

**Cite as: 2014 Guam 6**

Appeal from the Superior Court of Guam  
Argued and submitted on October 22, 2013  
Hagåtña, Guam

Appearing for Defendant-Appellant/Cross-Appellee:

Daniel S. Somerfleck, *Esq.*  
Somerfleck & Assocs., PLLC  
866 Rte. 7, Nelson Bldg. #102  
Maina, GU 96932

Appearing for Plaintiff-Appellee/Cross-Appellant:

Michael J. Berman, *Esq.*  
Berman O'Connor & Mann  
Bank of Guam Bldg., Ste. 503  
111 Chalan Santo Papa  
Hagåtña, GU 96910

BEFORE: F. PHILIP CARBULLIDO, Chief Justice; ROBERT J. TORRES, Associate Justice; KATHERINE A. MARAMAN, Associate Justice.<sup>1</sup>

**CARBULLIDO, C.J.:**

[1] Defendant-Appellant/Cross-Appellee Kenneth Jose Leon Guerrero (“Kenneth”) appeals from a decision and order granting Plaintiff-Appellee/Cross-Appellant Deanna Carol Leon Guerrero’s (“Deanna”) Motion to Enforce Stipulated Judgment, and awarding her one-half of Kenneth’s income. Kenneth argues that the trial court erred in concluding that his self-employment at Kindo Electric was “successor employment” to his job at Verizon pursuant to the parties’ prior Stipulated Judgment, and in requiring him to pay one-half of his monthly income to Deanna. Deanna cross-appeals, arguing that the trial court erred in not specifying that the award be retroactive to the date when Kenneth stopped paying her monthly alimony.<sup>2</sup>

[2] We hold the trial court erred in concluding that Kindo qualifies as a “successor employer” without conducting any factual inquiry, and in awarding Deanna one-half of Kenneth’s total income without specifying its source or whether it applies retroactively. Accordingly, we reverse the trial court’s judgment, and remand for a decision not inconsistent with this opinion.

**I. FACTUAL AND PROCEDURAL BACKGROUND**

[3] On July 10, 2003, Deanna filed for divorce in Hawaii. At the time, the parties had four children, of whom three were minors. On September 29, 2003, the Family Court issued a Decree

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<sup>1</sup> The signatures in this opinion reflect the titles of the Justices at the time this matter was considered and determined.

<sup>2</sup> In her brief, Deanna argues both that the award be retroactive to the date of her filing the Motion to Enforce Stipulated Judgment on September 10, 2012, *see* Appellee’s Br. at 9 (May 29, 2013), and to the date of Kenneth’s last payment on June 5, 2012, *id.* at 12. She provides no material support for either argument. Because we find that Kenneth’s obligation to pay Deanna, if any, existed since June 5, 2012, we will address only that argument.

Granting Absolute Divorce and Awarding Child Custody (“Hawaii Decree”). Under the Hawaii Decree, Kenneth was required to pay expenses in the form of child support for the parties’ minor children, education costs, a life insurance policy payable to Deanna, and alimony to Deanna of \$5,000.00 per month. While the parties’ children were minors, this monthly alimony sum included child support payments. After the children reached the age of majority, Deanna was entitled to \$5,000.00 per month in pure alimony. In addition, a paragraph entitled “Business Interests” provided that Kenneth’s sole practice located in Guam, Kindo Electric (“Kindo”), would be classified entirely as Kenneth’s separate property.<sup>3</sup>

[4] Kenneth fell into arrears on his payments to Deanna, as he failed to fully pay child support, higher education expenses, and alimony under the Hawaii Decree. Deanna filed a petition to enforce the Hawaii Decree in Guam in 2010, and a Second Amended Petition in 2011. In asking for enforcement of the Hawaii Decree, Deanna noted that “[Kenneth] receives a regular income as the sole proprietor of an enterprise by the name of Kindo Electric and as an employee of MCI International.” Record on Appeal (“RA”), tab 26 at 3 (Second Am. Pet. to Enforce J. of Foreign Juris. for Payment of Alimony, Educational Expenses, Medical and Dental Expenses, and Atty’s Fees, July 11, 2011) (“Second Am. Pet.”). In his Answer, Kenneth denied this assertion. The parties reached an agreement on the payment of such expenses, which resulted in a Stipulated Judgment filed on April 5, 2012.

[5] Under the Stipulated Judgment, Kenneth agreed to pay a total of \$25,000.00 “for arrears owed for alimony, child support, and health and education expenses.” RA, tab 37 at 1 (Stipulated Judgment, Apr. 5, 2012). These amounts were specifically stated to be owed under the Hawaii Decree. Paragraph 3 of the Stipulated Judgment then provides:

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<sup>3</sup> The record suggests that Kindo is and continues to be a sole proprietorship, and that Kenneth does not earn a fixed salary. The parties have not argued otherwise.

b. In addition to arrears owed of \$25,000.00, [Kenneth] agrees to pay to [Deanna] additional monies going forward and which are owed under the Hawaii Decree. The additional monies which [Kenneth] agrees to pay to [Deanna] pursuant to the Hawaii Decree are as follows:

i. [Kenneth] will pay to [Deanna] monthly one-half (1/2) of his net earnings from Verizon, or any other successor employer, until he retires.

ii. [Kenneth] will pay to [Deanna] monthly one-half (1/2) of his WIMCI/Verizon, or any other successor employer, pension monies upon his retirement and he will pay the taxes on these amounts of money.

RA, tab 37 at 2 (Stipulated Judgment). Kenneth paid the \$25,000.00 as required by the Stipulated Judgment. Between April 6 and June 5, 2012, he also made nine payments to Deanna of one-half his monthly earnings from Verizon, which amounted to \$3,219.64 in total. On June 5, 2012, Kenneth was involuntarily terminated from his employment at Verizon. To date, he has not worked for any subsequent carrier company. Before working at Verizon, Kenneth worked for the carrier companies MCI and WI.

[6] Thereafter, Deanna submitted a Motion to Enforce Stipulated Judgment to the Guam Superior Court, claiming that Kenneth had stopped making monthly alimony payments after he was terminated from Verizon. She argued that Kenneth's employment at Kindo constitutes "successor employment" to his work at Verizon, for which he is required to pay one-half of his monthly income. RA, tab 46 at 3-5 (Mem. P. & A. Supp. Mot. to Enforce Stipulated J., Sept. 10, 2012) ("Mem. P. & A."). Deanna cited to principles of contract interpretation codified in the Guam Code Annotated to support her contention. She emphasized that the general intent of the parties was for Kenneth to pay continuing alimony to Deanna, and that it outweighed any specific language found in the successor employment clause. Deanna claimed that "[j]ust because [Kenneth] was involuntarily terminated from his job, and went on to a higher level of compensation with his own company, this should not allow him to avoid his legal financial

responsibility to his ex-wife which he stipulated to only two (2) months prior.” *Id.* at 4. She also asked that the court order be retroactive to the date of Kenneth’s last payment on June 5, 2012.

[7] In his Opposition Brief, Kenneth took the position that his work at Kindo is not successor employment. He indicated that the successor employment clause in the Stipulated Judgment was drafted to cover work similar to his past work with carrier companies WI and MCI. All of his shifts at WI, MCI, and Verizon were from midnight to 7:00 a.m. Moreover, Kenneth argued that nothing in the parties’ Stipulated Judgment provided for any funds to be paid from his Kindo earnings, or required him to maintain employment other than that at Verizon. In addition, the original Hawaii Decree provided that Kenneth’s interest in Kindo was entirely his own. Kenneth concluded by stating that “[t]he intent [of the Stipulated Judgment] was not for [Deanna] to receive any funds from [Kenneth’s] Kindo Electric income. The intent was for [Deanna] to receive a share from [Kenneth’s] Verizon income.” RA, tab 49 at 4 (Opp’n to Mot. to Enforce Stipulated J., Oct. 26, 2012) (“Opp’n Mot.”). Thus, after he was terminated from Verizon, Kenneth was no longer obligated to pay Deanna monthly payments.

[8] The trial court heard argument from both sides. During the appearances, counsel for Kenneth argued that at the time of the Stipulated Judgment, Kenneth “had two employments, one was the [sic] Verizon where he worked the night shift, and the second was his self-employment.” Transcripts (“Tr.”) at 6 (Mot. to Enforce Stipulated J., Nov. 9, 2012). He stated that Kindo was not a successor employer, because it was a previous employer: “it’s not something that was started after Verizon let him go. If that had been the case, I would have very little argument . . . that that’s not a successor.” *Id.* Thus, Kenneth relied on the fact that he had worked at Kindo before the divorce to distinguish it from successor employment. Counsel for Deanna, on the other hand, stressed the general intent of the Stipulated Judgment to pay continuing alimony that

was owed under the Hawaii Decree. He argued that the more appropriate argument for Kenneth to make would be in a motion to modify the Stipulated Judgment.

[9] In its decision and order, the trial court noted that “the Stipulated Judgment has all the makings of a contract,” and applied Guam contract law to interpret the agreement. RA, tab 52 at 2 (Dec. & Order, Jan. 3, 2013). First, it found that the Stipulated Judgment was unambiguous, and thus declined to consider outside evidence to interpret it. Second, the court found that the Stipulated Judgment “[c]learly...requires that [Kenneth] pay alimony.” *Id.* It found that Kenneth is released from his obligation to pay alimony only when he retires and pays half of his pension to Deanna.

[10] Next, the court stated that

[T]he increased efforts and production at Kindo Electric equates to successor employment. While not working for Verizon, [Kenneth] is able to bring added efforts to his self-employment. Those added man hours and attention most likely produce added income and production from Kindo Electric. Thus, while [Kenneth] no longer works with Verizon, he is able to make Kindo Electric more valuable.

*Id.* at 3. However, the court did not make any factual findings to support this reasoning.

[11] The court also ruled that self-employment constitutes employment as understood in the Stipulated Judgment. Thus, it found that Kindo was a successor employer. The trial court ultimately ordered Kenneth to pay Deanna “half of his monthly income.” It did not specify from which funds this income would be derived, and did not address Deanna’s request for the order to be retroactive.

[12] Kenneth filed a timely notice of appeal, and Deanna filed a timely notice of cross-appeal.

## II. JURISDICTION

[13] This court has jurisdiction over appeals from final judgment and order of the Superior Court pursuant to 48 U.S.C.A. § 1424-1(a)(2) (Westlaw current through Pub. L. 113-74 (2014)) and 7 GCA §§ 3107(b), 3108(a) and 25102(b) (2005).

## III. STANDARD OF REVIEW

[14] We review decisions interpreting a consent decree and its underlying agreement *de novo*. *Leon Guerrero v. Moylan*, 2000 Guam 28 ¶ 8. These include divorce decrees incorporating a settlement agreement. *Id.* Finally, we review the trial court’s interpretation of statutes *de novo*. *Apana v. Rosario*, 2000 Guam 7 ¶ 9.

## IV. ANALYSIS

### A. The trial court’s determination that Kenneth’s self-employment at Kindo Electric constitutes “successor employment” to his job at Verizon

[15] On appeal, Kenneth argues that the trial court erred by finding that his employment at Kindo is successor employment under the Stipulated Judgment. Appellant’s Br. at 11 (Apr. 29, 2013). He also argues that the trial court erred in awarding Deanna one-half of his monthly income without specifying its source, or whether “income” refers to net or gross income. *Id.* at 14. Deanna cross-appeals the trial court’s failure to award her payments retroactively to June 5, 2012, when Kenneth stopped making payments. Appellee’s Br. at 12 (May 29, 2013).

#### 1. Ambiguity

[16] As a threshold determination, we first consider whether the Stipulated Judgment is ambiguous. This court applies principles of contract interpretation to divorce decrees that incorporate settlement agreements. *Leon Guerrero*, 2000 Guam 28 ¶ 8. Guam follows the “traditional approach” of contract interpretation. *Wasson v. Berg*, 2007 Guam 16 ¶ 16. Under this approach, courts look to the four corners of a contractual agreement to determine “whether,

as a matter of law, any ambiguity exists.” *Id.* ¶ 11. They will consider extrinsic evidence only if there is ambiguity in the contract. *Id.* We have recognized that “an ambiguity exists when a document ‘on its face, it is capable of two different reasonable interpretations.’” *Torres v. Torres*, 2005 Guam 22 ¶ 13 (quoting *Bank of Guam v. Flores*, 2004 Guam 15 ¶ 14). Otherwise, extrinsic evidence is inadmissible to “interpret, vary or add to the terms of an unambiguous integrated written instrument.” *Wasson*, 2007 Guam 16 ¶ 11 (quoting *Trident Ctr. v. Conn. Gen. Life Ins. Co.*, 847 F.2d 564, 568 (9th Cir. 1988)).

[17] The Stipulated Judgment clearly requires that Kenneth pay alimony to Deanna, among other support obligations. By its terms, Kenneth must pay monies “which are owed under the Hawaii Decree.” RA, tab 37 at 2 (Stipulated Judgment). These include “alimony, child support, and health and education expenses.” *Id.* at 1. The clause at issue in this case discusses the amounts owed going forward. It reads, “[Kenneth] will pay to [Deanna] monthly one-half (1/2) of his net earnings from Verizon, or any other successor employer, until he retires.” *Id.* at 2.

[18] Looking only to the language of the document, we find no ambiguity. The phrase “any other successor employer” supports only one reasonable interpretation. The plain meaning of “successor” is “one who *replaces or follows* a predecessor.” *Black’s Law Dictionary* 1473 (8th ed. 2004) (emphasis added). Any reasonable understanding of the word includes both a temporal aspect (occurring *after* a predecessor) and a functional aspect (*substituting* for the predecessor). The Stipulated Judgment reinforces the plain meaning by its use of the word “any,” and its lack of any other language that would limit or change the ordinary understanding of the word. Moreover, the common reading of the phrase is consistent with, and not rendered ambiguous by, the purpose of the overall agreement – to specify Kenneth’s support obligations.

[19] Likewise, the word “employer” is unambiguous. Although Kenneth has set forth some arguments that self-employment is not employment, this is contrary to any common understanding of the term.<sup>4</sup> Again, the Stipulated Judgment contains no language that would abrogate this interpretation.

[20] The primary issue of whether Kenneth’s work at Kindo constitutes “successor employment” – and the potentially conflicting conclusions on this point – stem not from ambiguity of the phrase itself, but from the application of the phrase to the facts.<sup>5</sup> Therefore, we find that the Stipulated Judgment is not ambiguous, and will not consider extrinsic evidence in interpreting its terms.

## **2. Kenneth’s self-employment at Kindo Electric as “successor employment” under the Stipulated Judgment**

[21] The central issue in this case is whether Kindo qualifies as a “successor employer” under the Stipulated Judgment. Kenneth claims that awarding Deanna one-half of his income from Kindo would be directly contrary to the intent of the Stipulated Judgment, because the Stipulated Judgment did not require Kenneth to pay any portion of his income from Kindo. Appellant’s Br. at 13. Further, he posits that the meaning of “employer” in the Stipulated Judgment is limited to an employer akin to his past string of employment, consisting of the carrier companies Verizon, MCI, and WI. *Id.* Kenneth also argues that Kindo cannot replace Verizon as an employer,

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<sup>4</sup> Counsel for Kenneth conceded that self-employment could be employment at the hearing for the Motion to Enforce Stipulated Judgment, stating that if Kenneth had started work with Kindo *after* his employment with Verizon ended, he would have “little argument . . . that that’s not a successor.” Tr. at 6 (Mot. to Enforce Stipulated Judgment).

<sup>5</sup> Likewise, in considering the facts surrounding Kenneth’s employment at Kindo, we are not allowing extrinsic evidence to inform our interpretation of the terms of the Stipulated Judgment, as Kenneth suggests in his brief. *See* Appellant’s Br. at 12. Rather, we are applying the facts to an understanding of the terms informed only by the language of the document.

because his work at Kindo was separate from and contemporaneous to his work at Verizon. Tr. at 6 (Mot. to Enforce Stipulated Judgment).

[22] Deanna focuses on the overall intent of the Stipulated Judgment to provide her with continuing alimony payments. Appellee's Br. at 10. She emphasizes that the parties did not intend for the alimony payments to end along with Kenneth's work with Verizon. *Id.* Deanna also suggests that Kindo is a successor employer because Kenneth's termination from Verizon allowed him to work more at his business and thus receive a higher level of compensation. *Id.* at 10-11.

[23] Because the Stipulated Judgment is unambiguous, we look only to the four corners of the document in interpreting its terms. Principles of contractual interpretation are codified in Title 18, Chapter 87 of the Guam Code Annotated. *Camacho v. Camacho*, 1997 Guam 5 ¶ 32. First, "[a] contract must be so interpreted as to give effect to the mutual intention of the parties as it existed at the time of contracting, so far as the same is ascertainable and lawful." 18 GCA § 87102 (2005). A contract may also be explained by reference to circumstances under which it was made and to which it relates. 18 GCA § 87113 (2005). "Particular clauses of a contract are subordinate to its general intent." 18 GCA § 87116 (2005). At the same time, "[t]he whole of a contract is to be taken together, so as to give effect to every part, if reasonably practicable, each clause helping to interpret the other." 18 GCA § 87107 (2005).

[24] First, we find that the Stipulated Judgment clearly does not limit successor employment to carrier companies, as Kenneth suggests. This limited reading is in direct conflict with the expansive phrase "any other successor employer," as opposed to, for example, "Verizon or its successor."

[25] In addition, the Stipulated Judgment does not adopt Kenneth’s interpretation or support it in any way. Clause 3(b)(ii), which directly follows the clause at issue, states that “[Kenneth] will pay to [Deanna] monthly one-half (1/2) of his WIMCI/Verizon, or any other successor employer, pension monies upon his retirement . . . .” RA, tab 37 at 2 (Stipulated Judgment). The parties deliberately chose to include the reference to WIMCI/Verizon in clause 3(b)(ii), but not 3(b)(i). This is most likely because 3(b)(ii) refers to pension monies, which Kenneth had already accrued and thus owed to Deanna at the time of the Stipulated Judgment. By contrast, his income was a forthcoming obligation, not limited only to WI, MCI, or Verizon. The language of 3(b)(ii) does not actually restrict the pension monies to the carrier company chain of employment, or otherwise change the ordinary meaning of the term “any other successor employer.” *Id.* Regardless, if the parties had wished to limit Kenneth’s income payments to the carrier company chain of employment, it is logical that they would have included WIMCI/Verizon in the language of clause 3(b)(i) as well. They did not do so here.

[26] The plain meaning of “successor employer” is an employer that follows or replaces a predecessor. Therefore, the central inquiry in this case is whether, and to what extent, Kenneth’s work at Kindo *replaced* his work at Verizon. Kenneth has worked at Kindo for at least ten years, since before the Hawaii Decree was filed in 2003. RA, tab 26, Ex. A at 12 (Second Am. Pet.). As such, Kenneth’s employment at Kindo did not truly *replace* his work at Verizon in the ordinary sense of the word, because he was already operating the business (presumably during the day) while he worked at Verizon at night. Although the parties could have included income from Kindo in Kenneth’s monthly obligations to Deanna, they did not do so. Instead, the parties restricted Kenneth’s monthly obligations to Deanna to one-half of his earnings from Verizon – only one of several potential sources of income.

[27] The trial court assumed, without any factual inquiry, that Kenneth’s release from his employment at Verizon “most likely” allowed him to devote more time to, and thus derive more income from, his Kindo business. RA, tab 52 at 3 (Dec. & Order). From there, it deduced that because Kenneth’s work made Kindo more profitable, the whole of his business was transformed into a successor employer, from which Kenneth owed Deanna one-half of his earnings. *Id.* The court appeared to take this position in light of the general intent of the parties to provide continuing alimony to Deanna. *Id.*

[28] We hold that the trial court erred in its analysis. First, it relied upon a factual assumption – that Kenneth devoted more time to and thus earned more income from Kindo after termination from Verizon – that was entirely unsupported by the record. No evidence was introduced as to whether Kenneth’s release from Verizon affected his employment at Kindo at all. Nor is there any evidence of the amount of income Kenneth was earning from Kindo during the time he worked for Verizon and W/MCI, or how much he currently earns. The parties do not agree on any of these questions of fact. We find that Kindo can only be a successor employer if the court finds that Kenneth’s income in fact increased after his termination from Verizon.

[29] Second, the trial court ignored the plain meaning of the term “successor employer” by concluding that the entirety of Kenneth’s preexisting business can become a successor employer simply because he was terminated from work at Verizon. To a certain extent, Kenneth’s work at Kindo cannot be successor employment, because much of his work neither replaced nor followed his employment at Verizon. Instead, Kenneth worked at Kindo during the entire time he worked at Verizon, yet did not owe Deanna any portion of this income from that source. We hold that

Kindo is only a successor employer to the extent that Kenneth's income from Kindo increased after termination from Verizon.<sup>6</sup>

[30] Lastly, the trial court placed undue emphasis on the intent of the parties to provide continuing alimony payments to Deanna. As Deanna argues, particular clauses of a contract should be subordinate to the general intent. However, this principle does not mean that a court should ignore particular clauses that clarify or specify this general intent. We are also under an obligation to give effect to all parts of a contract where possible. Therefore, although we read the Stipulated Judgment as evincing a general intent to award continuing alimony to Deanna, we also find that this general intent is delineated by the particular clauses of the contract. The parties elected to give Deanna a portion of only one specified source of Kenneth's income. In choosing to designate the specific income to which Deanna is entitled, the parties set a limit on the alimony payable to her. Thus, the clause identifying a "successor employer" is consistent with the parties' general intent to provide continuing alimony that is contingent upon one source of income.

[31] Accordingly, we hold that in order to determine whether Kenneth's work at Kindo constitutes "successor employment," the trial court must first conduct a factual inquiry to measure whether Kenneth's work at Kindo can be deemed to have replaced his work at Verizon at all. In resolving this threshold issue, the trial court should calculate Kenneth's monthly income from Kindo on the date of his termination from Verizon,<sup>7</sup> and compare it to his monthly

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<sup>6</sup> In finding that Kenneth's work at Kindo could be successor employment, we acknowledge that if Kenneth secures another job similar to his work at Verizon, Kindo's status as a successor employer may change.

<sup>7</sup> We recognize that because Kindo is a sole proprietorship, earnings for one month may not necessarily reflect Kenneth's typical monthly income. In determining Kenneth's pre-termination monthly Kindo income, the trial court should consider Kenneth's Kindo income from the 30 days preceding his termination from Verizon. However, the court may also compare this amount to Kenneth's earnings from Kindo for the year preceding his termination from Verizon, to account for business fluctuations, and adjust if necessary.

income from Kindo on a date after his termination from Verizon.<sup>8</sup> If Kenneth's income from Kindo increased after his termination from Verizon, then that increase in his income may be attributed to increased time and efforts due to Kenneth's release from Verizon.<sup>9</sup> To this extent, Kenneth's work at Kindo will be considered successor employment to his work at Verizon under the Stipulated Judgment.

[32] If Kenneth's earnings at Kindo remain the same as or less than they were before termination from Verizon, then the court cannot properly consider Kindo a successor employer. In this event, while Kenneth remains employed only by Kindo, Deanna is not entitled to any monthly payments. We realize that this outcome may appear contrary to the intent of the parties to provide continuing alimony. However, the parties clearly limited the income which Kenneth was obligated to pay Deanna. The current scenario was not entirely unforeseeable to the parties at the time they entered into the Stipulated Judgment. Instead of providing for this circumstance or requiring Kenneth to pay a fixed sum, the parties agreed to limit his obligations to one-half of the net earnings from Verizon or any successor employer. We will not stretch our interpretation to find that Kenneth's work at Kindo is a successor employer simply because it survived his employment at Verizon.

[33] Alternatively, if the court finds that Kindo is a successor employer, it must then limit Kenneth's monthly obligations to the difference between his Kindo income before termination and his income after termination from Verizon. In other words, upon finding that Kindo is a

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<sup>8</sup> Here, the pertinent date should be one month or 30 days after Kenneth's termination from Verizon. Again, if this monthly sum is an aberration of what Kenneth would otherwise earn – for example, due to sickness or an annual vacation – the court may consider additional factors, such as Kenneth's post-Verizon earnings over a longer time period.

<sup>9</sup> We note that it is not necessary to prove causation, or that the increased income at Kindo was a direct result of Kenneth's termination from Verizon. In this instance, it can be assumed that an increase in Kenneth's Kindo income since the date of his termination from Verizon was a result of additional time and efforts that he was able to devote to Kindo.

successor employer, the trial court must make a second factual calculation: the monthly value of Kenneth's earnings from Kindo on each date he is obligated to pay Deanna under the Stipulated Judgment, minus the calculated value of his monthly earnings for the month in which he was terminated from Verizon. Under the terms of the Stipulated Judgment, Deanna is entitled to one-half of this net difference each month. *See* RA, tab 37 at 2 (Stipulated Judgment). Accordingly, this computation must be made monthly, using generally accepted business practices that the trial court shall determine in the first instance.

**B. The trial court's award to Deanna of one-half of all of Kenneth's income, regardless of source**

[34] The trial court ordered that Kenneth "pay half of his monthly income to [Deanna] for the remainder of her life or until [Kenneth] retires." RA, tab 52 at 3 (Dec. & Order). Although vague, this sentence likely refers to income from Kindo, given the context of the decision and order. *Id.* Nonetheless, the trial court erred in not indicating the source of income that is owed to Deanna. In the Stipulated Judgment, the parties specified that Kenneth must pay Deanna a portion of his income from one source in particular, out of any number of sources. In accordance with our conclusion that Deanna is entitled to only a portion of Kenneth's income from Kindo, if any, we find that the trial court erred in awarding one-half of *all* of Kenneth's income to Deanna, regardless of its source and whether it was deemed to be from a successor employer to Verizon.

[35] In addition, the trial court erred in awarding one-half of Kenneth's total, and not net, income to Deanna. Under the terms of the Stipulated Judgment, Kenneth owes only the "net earnings" from Verizon or a successor employer. RA, tab 37 at 2 (Stipulated Judgment). Accordingly, we emphasize that Kenneth owes Deanna only the *net* earnings of any successor employment earnings that are calculated.

**C. The trial court’s failure to award payments retroactively back to the date of the filing of the Motion to Enforce Stipulated Judgment**

[36] Deanna cross-appeals the trial court’s failure to make the alimony award retroactive to the date that Kenneth stopped making alimony payments. Appellee’s Br. at 12. The trial court did not mention whether or not the award would be retroactive.

[37] Here, the parties reached a final agreement as written in the Stipulated Judgment. At this time, neither party has moved to modify this agreement. If Kenneth’s employment at Kindo constitutes successor employment, his monthly obligations under the Stipulated Judgment did not stop upon his termination from Verizon. Thus, to the extent that Kenneth owes monthly payments to Deanna after his termination from Verizon, the court should require him to pay these retroactively to the date he stopped making payments, or June 5, 2012.

**V. CONCLUSION**

[38] The trial court erred in concluding, without any factual basis, that Kenneth’s work at Kindo constituted “successor employment,” and in finding that an increase in Kenneth’s earnings from Kindo entitled Deanna to one-half of *all* his Kindo earnings. Instead, the trial court should first determine whether Kenneth’s income from Kindo has increased at all since his termination from Verizon. In the event that it has increased, we find that Deanna is entitled to only one-half of the difference between Kenneth’s net monthly earnings from Kindo on each date that he owes Deanna alimony under the Stipulated Judgment, and the date he was terminated from Verizon.

[39] Second, the trial court erred in failing to specify the source of income to which Deanna is entitled, or that Kenneth must pay one-half of his *net* earnings. Deanna should only be awarded one-half of Kenneth’s net income from any “successor employer” to Verizon. The only potential successor employer in this case is Kindo.

[40] Finally, the trial court erred in failing to address Deanna’s demand for retroactive application of the award given to her. The court should order that Kenneth owes any monthly payments from a successor employer since he stopped paying her on June 5, 2012, the day he was terminated from Verizon.

[41] For the foregoing reasons, we **REVERSE** and **REMAND** this case for proceedings not inconsistent with this opinion.

Original Signed: **Robert J. Torres**  
By

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ROBERT J. TORRES  
Associate Justice

Original Signed: **Katherine A. Maraman**  
By

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KATHERINE A. MARAMAN  
Associate Justice

Original Signed: **F. Philip Carbullido**  
By

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F. PHILIP CARBULLIDO  
Chief Justice

I do hereby certify that the foregoing is a full true and correct copy of the original on file in the office of the clerk of the Supreme Court of Guam

MAR 24 2014  
By: **IMELDA B. DUENAS**  
Assistant Clerk of Court  
Supreme Court of Guam