

FILED
SUPERIOR COURT
OF GUAM

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CLERK OF COURT

IN THE SUPERIOR COURT OF GUAM

KORASAN LLC dba MODA GINOS,

Plaintiff,

vs.

INTERNATIONAL ROYAL INC. dba
ROYAL BICS and GURVINDER SOBTI,

Defendants.

CIVIL CASE NO. CV0510-25

By: bm

**DECISION AND ORDER GRANTING
PLAINTIFF'S OMNIBUS MOTION IN
LIMINE AND IMPOSING SANCTIONS**

In this dispute involving alleged trademark interference, deceptive trade practices, and tortious interference acts, Plaintiff Korasan LLC dba Moda Ginos brings an Omnibus Motion in Limine and a request for sanctions following Defendants International Royal, Inc. dba Royal Bics and Gurvinder Sobti's supplemental discovery responses issued following the Court's August 24, 2026 Decision and Order. Korasan claims the responses violated the Decision and Order because they were not verified, among other defects. The Court agrees, and sanctions Defendants through an adverse inference jury instruction, another order requiring compliance, an order precluding certain evidence, and an award of attorney's fees and costs.

I. PROCEDURAL BACKGROUND

On August 24, 2026, the Court issued a Decision and Order partially granting and denying Korasan's motion to compel discovery responses. The Court found Defendants waived objections by failing to furnish responses timely, and granted a limited production order for specific categories:

- Requests 13-15, 19, 21, 25, 32 – existing school uniform sales and related

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communications;

- Request 30 – supplier and purchasing records;
- Requests 11, 12, 16, 17, 37, 38 – existing financial and tax records reflecting the relevant business.

Dec. & Order at 6–7 (Aug 24, 2026).

The Decision and Order further gave a 30-day deadline for *verified* supplemental responses. *Id.* The Decision and Order specified that “if no responsive documents exist, the verified response shall identify the sources searched, the persons consulted, and the basis for concluding that the requested records are not maintained or cannot be located.” *Id.* at 8.

Korasan asserts that Defendants then provided unsworn responses that did not explain the sources searched, the persons consulted, or the basis for concluding the records could not be maintained or located. Defendants also claimed that a bookkeeper handles the company’s financial filings, but did not say whether anyone consulted with the bookkeeper.

Korasan asks that the Court issue an adverse jury instruction, restrict the introduction of undisclosed evidence, and award attorney’s fees and costs. This matter is set to be tried on November 3, 2026.

II. LAW AND DISCUSSION

A. Significance of the Verification Requirement

Verification of discovery responses serves several purposes. It is made by a party (not the party’s attorney) who has personal knowledge. When a person signs a verification, he does so under oath, understanding the potential adverse consequences, including prosecution for

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perjury or sanctions. The statement can also be used as evidence and impeached at trial.

Because Defendants did not provide a verification, these purposes are not satisfied.

The verification requirement was also important here, particularly in the context of the full discovery dispute. Defendants wholly failed to respond to the discovery requests when first posed. Later, in response to the motion to compel, Sobti signed a Declaration that explained his record-keeping processes for Royal Bics. The Court's Decision and Order noted that a party may challenge the accuracy of Sobti's Declaration at trial. *Id.* at 6. Similarly, because Defendants were ordered to produce supplemental responses after discovery closed, verification was the only way to test at trial Defendants' positions on which documents exist and which do not, and how a search was conducted.

Notably, the opportunity to cure the underlying discovery deficiency has now passed. The discovery cutoff expired on May 29, 2026, and the Decision and Order did not reopen discovery, authorize new requests, or permit depositions. Korasan therefore has no remaining avenue to test the adequacy of Defendants' search, such as by deposing the bookkeeper Defendants identified, discovering records from the related entity Defendants belatedly disclosed, or probing the basis for Defendants' conclusion that responsive records do not exist. A verification, even if issued at this late stage, cannot restore that opportunity; it can only formalize, under oath, a position Korasan has had no chance to test. As discussed below, the Court orders Defendants to file a formal verification; however, that act does not cure the separate and independent prejudice arising from Defendants' failure to make that showing while discovery remained open. For that reason, the preclusion and adverse-inference remedies

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discussed below remain warranted regardless of whether Defendants comply with the verification deadline.

Moreover, Guam Rule of Civil Procedure 37(c)(1) precludes a party from using undisclosed information unless the nondisclosure was harmless. Defendants did not even oppose the Omnibus Motion in Limine, which would have been the time to argue any omission of a verification was harmless. As explained above, and because Defendants offer no opposition, the Court finds the verification requirement significant, not harmless.

B. Rule 37 Remedies

The Court next addresses Defendants' failure to explain the sources searched, persons consulted, and basis for their conclusion that no documents exist, as well as their failure to verify the responses. Rule 37 guides this Court and explains that remedies may include "refusing to allow the disobedient party to support or oppose designated claims," "prohibiting the party from introducing designated matters in evidence," and paying reasonable expenses such as attorney's fees unless the failure was substantially justified. GRCP 37(b), (c).

1. Adverse Inference

First, Korasan requests that the Court instruct the jury on an adverse inference. The Court agrees that an adverse inference instruction is one way to address the discovery violations. GRCP 37(b)(2)(B).

Korasan proposes an instruction based in part on California Civil Jury Instruction No. 204, entitled "Willful Suppression of Evidence." The California instruction reads: "You may consider whether one party intentionally concealed or destroyed evidence. If you decide that a party did so, you may decide that the evidence would have been unfavorable to that party."

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CACI No. 204 (2026 ed.). The Court utilized this same instruction in a similar case involving Korasan. *Korasan LLC v. Paul's Guam, Inc., et al.*, CV0755-17 (Jury Instructions at 11 (Oct. 27, 2021)). Korasan's proposal differs in that it merely instructs the jury that Defendants did not verify their figures, not that there was intentional misconduct. The Court will determine the exact language of the jury instruction at a later hearing on the full set of jury instructions.

2. Final Order of Compliance.

No later than October 30, 2026, Defendants shall serve a verification, signed under oath by a party with personal knowledge, attesting to the accuracy of the September 24, 2026 Supplemental Responses and, for each category in which Defendants assert that no responsive documents exist, identifying the sources searched, the persons consulted, and the basis for concluding that the requested records are not maintained or cannot be located, as required by Section E of the Court's August 24, 2026 Decision and Order. This requirement is imposed to bring Defendants' responses into compliance with the Decision and Order and to ensure Defendants stand behind their representations under oath; it does not reopen discovery, and it does not affect the preclusion and adverse-inference rulings set forth below, which rest on the prejudice Korasan has already suffered from Defendants' failure to comply while discovery remained open. Should Defendants fail to serve the required verification by this deadline, the Court will entertain further sanctions.

3. Preclusion Order

Next, Korasan also asks for an Order precluding Defendants from "offering, eliciting, referring to, or arguing any evidence, testimony, estimate, summary, or characterization of Defendants' sales, revenue, inventory, cost of goods, gross receipts, or financial condition other

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than the documents Defendants produced in discovery and the figures stated in their September 24, 2026 Supplemental Responses.” Pls.’ Omnibus Mot. in Limine at 16. Again, Rule 37(c)(1) permits this remedy. The Court finds this to be an appropriate remedy as Korasan has not had an opportunity to conduct discovery on untimely produced materials, Defendants waived all objections by not producing timely discovery in the first place, Defendants failed to verify their supplemental responses, and failed to comply with the Court’s Decision and Order in explaining how it conducted its search. Accordingly, at trial, Defendants may not introduce evidence not produced in the course of discovery, nor anything produced in the supplemental responses except for their disclosed figures.

4. Attorney’s Fees and Costs.

Lastly, Korasan seeks the recovery of attorney’s fees and costs in litigating this motion. As this is a permitted remedy under Rule 37(b) and (c), the Court awards attorney’s fees and costs incurred by Korasan in filing and arguing the present motion. Korasan may file its Statement of Attorney’s Fees and Costs within 28 days of this Decision and Order, and file a CVR 7.1 Form 1 to set forth the briefing schedule on the issue of the reasonableness of the fees and costs.

III. CONCLUSION AND ORDER¹

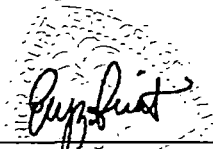
Having found Defendants in violation of Rule 37 and the Court’s August 24, 2026 Decision Order, the Court GRANTS Plaintiffs Omnibus Motion in Limine and awards an

¹ This Decision and Order does not address Korasan’s arguments to preclude expert witnesses and a bookkeeper from testifying. Defendants indicated at the Pretrial Conference that they did not intend to call these persons to testify. These issues are therefore moot.

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adverse-inference jury instruction, precludes certain evidence from being introduced at trial, awards attorney's fees, and mandates compliance through the submission of a verification.

SO ORDERED this 27 October 2026.



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

Appearing Attorneys:

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Walsh & Torres, P.C., for Plaintiff

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