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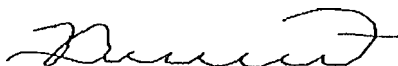
IN THE HIGH COURT
REPUBLIC OF THE MARSHALL ISLANDS
MAJURO ATOLL

EIGIGU HOLDINGS CORPORATION)	Civil Action no. 2014 – 067
)	
Plaintiff)	
)	
-V-)	PLAINTIFF’S MOTION FOR
)	SUMMARY JUDGMENT;
LEANDER LEANDER and LIJUN LEANDER,)	MEMORANDUM OF POINTS AND
)	AUTHORITIES; CERTIFICATE OF
Defendants)	SERVICE.
)	

Comes now, Plaintiff herein, by and through counsel Divine F. Wait, and pursuant to Rule 56(a) of the MIRCP, moves that this court as matter of law to grant summary judgment on the basis that (i) written statement of ‘receipt of payment’ is insufficient to prove payment of sublease and creditability of such evidence is questionable, (ii) advance payment is in conflict with the laws of Marshall Islands, (iii) Mr. Robin Tsitsi entered the lease on behalf of Nauru Local Government Council and in the absence of Eigigu Holding Corporations Board Resolution, and (iv) Termination of NLGC 1990 Master lease by the Landowners and re-enter a new lease EHC in 2013 was lawful, and defectiveness of the lease relief Plaintiff from any contractual liability.

This motion is based on the court’s record and affidavits in support.

Dated: June 25, 2018



Divine F. Waiti

BACKGROUND

On April 14, 2001, Leanders entered lease agreement (“sublease”) with Nauru Local Government Council (“NLGC”) signed by Rubin Tsitsi, for term of 10 years, ended April 30, 2011 (*Plaintiff’s Exhibit P-2*).¹

While the 2001 lease was still in existence, on September 2002, the lease was extended to 2027. Mr. Tsitsi signed the Agreement on behalf of NLGC, which allegedly required Leanders to pay \$200,000 up front for the period of extension (*Plaintiff’s Exhibit. P-3*).

In July 9, 2010, the NLGC and Leanders entered the second extension of the sublease which runs from 2027 through to February 2040. Defendants allegedly paid NLGC \$200,000, and by a file stamped, written statement signed by Mr. Tsitsi Defendants claimed that Plaintiff received the payment of \$200,000 and additional \$71,000, which EHC denied receiving the funds.²

STANDARD OF REVIEW

A party asserting summary judgment must (i) ‘identify each claim or defense—or the part of each claim or defense—on which summary judgment is sought’ (*Rule 56(a) of MIRCPC*); or (ii) must support the assertion ‘to particular parts of materials in the record, including depositions, documents, electronically stored information, affidavits or declarations, stipulations (including those made or purposes of the motion only) admissions, interrogatory answers, or other materials’ (*Rule 56(c)(1) of MIRCPC*); or (iii) showing that the

¹ NLGC was no longer in existence, as it’s properties was transferred to EHC. Mr. Tsitsi had entered this lease in the name of NLGC which no longer existed as the ownership of the property was then with EHC. It would be improper for the Defendants to claim that Mr. Tsitsi entered the lease for EHC when the documentations were on behalf of NLGC.

² In comparing the signatures that appear on the Statement to the signatures on 2001 lease and 2002 extension the signatures were not similar.

materials cited do not establish genuine issue of material fact and he is entitled to judgment as a matter of law (*Sanchez v. Candia Woods Golf Links*, 161 N.H. 201, 203 (N.H. 2010)).

The court must decide whether the evidence and all inferences and conclusions therefrom, viewed in the light most favorable to the nonmoving party, shows a genuine issue of material fact (*St. Charles Foods, Inc. v. America's Favorite Chicken Co.*, 198 F.3d 815, 819 (11th Cir. 1999)).

POINTS & AUTHORITIES

(1) STATEMENT BY MR. TSITSI ACKNOWLEDGING RECEIPT OF \$200,00 IS INSUFFICIENT AND LACKED CREDITABILITY TO PROVE PAYMENT.

Plaintiff denied receipt of advance payment of \$200,000 or \$271,000. To prove the existence of the payment, the Defendant has the burden of proving such payments.

In their Answer, Defendants, by mere presentation of a written acknowledgment receipt of the \$200,000 allegedly signed by Robin Tsitsi, is insufficient to prove advance payment of the sublease (*See Defendant's Exhibit 'B'*).

Plaintiff submits that the statement alone does not serve as competent, credible evidence sufficient to demonstrate that EHC has received the \$200,000. The amount is quite large that a reasonable business person would have deposited such money in a bank, or paid to any vendors or enterprises and be given receipts, if such payments were made either in cash or checks. The Leanders claim that they have been in business for the last 14 years, yet they could not make proper business transactions with regards to this advance payment. The Leaders have failed to produce evidence as to the source of funds, whether it comes from their existing business and whether such money is paid by check or cash. The counsel for Plaintiff has spoke to the Defendant's counsel about the specifics of this payment during the request for discovery, but Defendants could not able to produce evidence to show the sources of the funds at that time.

The Plaintiff asserts that the best proof of payment are copies of receipt, return check, bank records or financial document either from Mr. Tsitsi on behalf of NLGC or from the Leanders business, proving that funds have been pay and or received. Section 3 of the 2002 Amended lease is very clear, which stated that the \$200,000 shall be paid to Office of Nauru Council *aka* Nauru Local Government Council. Should the \$200,000 be paid to the NLGC office, there be receipt presented acknowledging the receipt of payment at the Nauru Council office, unless however, there is spoliation of evidence.³

According to Vyko Adeang, the bank account with the Bank of Guam has been dormant and therefore was closed for some time due to non transaction (*See para.7 of Affidavit of Vyko Adeang attached as Plaintiff's Exhibit P-6*). Unless such payment is made to the accounts of NLGC, which the Defendant must prove, there has not been payment made to EHC. Unfortunately, the Defendant has not proven in their disclosed documents upon the request for documents by the Plaintiff the sources to the \$200,000. Although in (*Kegg v. State*, 10 Ohio. 75), the court defined 'receipt' to include written acknowledgment, by one person, of his having received money from another,' The written acknowledgment of the receipt of money alleged by Mr. Tsitsi is very questionable.

Where is the receipt or documentation of the money received in September 28, 2002 when the lease was executed? If the \$200,000 was not paid on September 2002, and not until July 9, 2010, would that amounts to breach of the lease agreement for non-payment of the lease for almost 8 years, thus, the Leanders must have operated a void lease for non-payment.

The signature on the statement is not the same or similar to the signatures appeared on the 2001 and 2002 leases. Has Mr. Tsitsi uses different signatures for those leases and different signatures for acknowledging payments? With the passing of Mr. Tsitsi the parties are unable to ascertain these evidences from Mr. Tsitsi.

³ Based on evidence, NLGC was dissolved by Cabinet in June 27, 1996 – why is Mr. Tsitsi entered lease on behalf of NLGC when it was already dissolved?

(2) ADVANCE PAYMENT IS IN CONFLICT WITH THE LAWS OF THE MARSHALL ISLANDS; SECTION 438 OF THE LAND REGISTRATION AUTHORITY.

Plaintiff claims that the advanced payment is invalid and conflict with the Land Recording and Registration Authority Act (“LRA” Act”). According to Section 438 of the Act, states as follows:

(1) No lease shall require the payment of rent more than three (3) years before the end of the portion of the term for which it is payable.

(2) Except for the damages that the lessor is entitled to recover as a result of a default by the lessee, no rent payable under a lease shall be paid more than one year in advance of the due date provided in the lease. A payment in violation of this subsection shall be void as against any heirs or successors of the lessor who acquired their interest in the land between the date the rent was paid and one year before it was due.

The above section deals with the land rights and conveyance in the Marshall Islands purposely to protect heirs and successors from losing their rights and benefits to land. The Black Law Dictionary⁴ defines the word “land” includes not only the soil, but everything attached to it, whether attached by the course of nature, as trees, herbage, and water, or by the hand of man, as buildings and fences, citing (*Mott v. Palmer*, 1 N. Y. 572; *Nessler v. Neher*, 18 Neb. 649, 26 N. W. 471; *Higgins Fuel Co. v. Snow*, 113 Fed. 433, 51 C. C. A). Plaintiff asserts that the LRA applies to this lease.

Thus, the fact that the all leases (2001, 2002 and 2010 leases) were registered with the Land Registration Authority, pursuant to the Act, these leases are therefore subject to the provisions of the LRA Act.

Plaintiff asserts that the advance payments made pursuant to the 2002 and 2010 leases are in violation of the Section 438 of the LRA Act. In *Walburn v. City of Naples*, Case No. 2:04-cv-194-FtM-33DNF. (M.D. Fla. Sep. 22, 2005), Plaintiff filed complaint against the City of Naples. Plaintiff has leased a dock slip for his vessels from the City of Naples. Plaintiff and the Defendant

⁴ Free Online Black Law Dictionary, 2nd Ed.

disagree on the issue of the validity of the lease, and on the terms for the dock slip, particularly the duration of the lease. Plaintiff seeks (i) declaration from this Court concerning his rights under the aforementioned commercial lease, and (ii) damages stemming from the City's alleged interference with his Constitutional rights to liberty, property, etc. The Defendant argues that the lease is contrary to City of Naples Code of Ordinances Section 78-84 and Resolution 94-7108, that the lease be authorized by the City. The court held that the lease was in contrary to the City of Naples Code of Ordinance and is therefore *void ab initio*. Similarly, in this case at bar, where the language of the law specifically restricts advance rental for not more than one year, and such advance payment is made in contrary to Section 438 of the LRA Act such advance payment is void and therefore unenforceable upon EHC. Moreover, the lease agreement was entered on behalf of NLGC and such payment does not bound EHC has the right to declare it unenforceable.

(3) LEASED AGREEMENTS ENTERED BETWEEN NLGC AND THE LEANDERS BY MR. TSITSI – ARE NOT BOUND BY EHC.

(i) *Mr. Rubin Tsitsi was not an Appointed Representative of EHC.*

Based on Plaintiff's complaint, it is argued that, although NLGC property interests were transferred to EHC, Mr. Tsitsi had entered leases for himself in the name of NLGC with the Leanders. EHC was unaware of Mr. Tsitsi's dealings, until the new EHC management discovered that Rubin had subleased on behalf of NLGC. It is evident that Mr. Tsitsi was managing the subleases during the period of transition and self-benefit from those rental proceedings (*See Gordon Benjamin's Affidavits attached as Plaintiff's Exhibit P-7*). EHC is therefore not bound by Mr. Tsitsi's dealings since Mr. Tsitsi was not the authorized representative of EHC. Thus, Mr. Tsitsi cannot claim that he entered a legitimate lease on behalf of NLGC, when NLGC was dissolved for more than 5 years.

Based on the documents presented, in June 27, 1996, NLGC was dissolved; all properties were vested in the Republic of Nauru in accordance with the Cabinet Minute (*See Plaintiff's Exhibit P-5*). The Minute states that "all properties of the former Nauru Local Government Council shall vest in the Republic with immediate effect". The Minute further states that "upon the incorporation of Eigigu Holdings Corporation, the Republic Transfers to Eigigu Holding Corporations all the properties of the former Nauru Local Government Council". The EHC was incorporated in June 26, 1996 (*See Plaintiff's Exhibit P-8, attached*)⁵

A letter dated July 16, 1996, faxed to Mr. Tsitsi, as the NLGC Representative, informed Mr. Tsitsi of the EHC Incorporation, and notified him of the awaiting transfer of NLGC properties to EHC.

On November 27, 1998, the Minister for Internal Affairs, Vinson Detenamo, wrote to who the letter concerns, stated that "Mr. Rubin Tsitsi is duly authorized to sign papers on behalf of the Republic of Nauru on matters relating to drawing funds from former Council properties in Majuro, Marshall Islands" (*See Plaintiff's Exhibit P-9 attached*). Plaintiff argues that this authorization was given on limited scope to draw funds from NLGC properties and to sign on behalf of the Republic of Nauru. The authorization was never specific on behalf of Eigigu Holdings Corporation.⁶ In the absence of EHC Board Resolution, the Defendants could not argue that the Mr. Tsitsi was given approved by EHC to act on their behalf.

(ii) *Board of Directors of EHC has not given authority to Mr. Tsitsi by resolution authorized him to transfer of major assets of EHC or enter into long-term agreements.*

⁵ The incorporation occurs in Nauru, therefore Nauru laws controls whether the transfer occurred at that point of time or later, and whether such transfer effectuate to the properties in the Marshall Islands or not.

⁶ It is perhaps, the assets still remains with the Government stands transfer to the EHC as per the Letter and Minute to Mr. Tsitsi.

Plaintiff asserts that Mr. Tsitsi was an employer of EHC, who married to Marshallese and living with wife and children on the Eastern Gateway after the dissolution of NLGC. EHC has not given a Board Resolution appointed Mr. Tsitsi to act on EHC behalf (*See Affidavit of the Chairman Ludwig Scotty' Attached as Plaintiff's Exhibit P-10*).

While EHC was incorporated in 1996 in Nauru, it was only in November 2014 that it was formally incorporated in the Marshall Islands (*See Incorporated Charter Attached as Plaintiff's Exhibit P- 11*). According to the Cabinet Minute, the properties are transferred when EHC Nauru was incorporated (*Plaintiff's Exhibit P-1*) and in accordance with the laws of Nauru.

Plaintiff argues that Tsitsi has no right to enter and conclude lease agreements for longer terms the fact he is not given authority by EHC Board by way of Resolution.

In *Tech-Sonic Inc. ("TS USA") v. Sonics Materials ("Sonics")*, No. 3:12-cv-01376 (MPS) (D. Conn. Jul. 20, 2016).¹ The sole shareholder or chief executive officer, also known as a "representative director," of such a stock company cannot unilaterally assign the company's major assets.

In this case, Plaintiff sued Defendant for breach of contract. Defendant (Sonic) entered into contract with Original Tech-Sonic (TS); Korean companies. The owner of the Original TS assigned the agreement to Plaintiff TS USA, with the right to bring suit under the contract between Original TS and Sonics.

Defendant argued that base on Korca law, chief executive officers, cannot dispose major assets unless by resolution of the board of directors. A preliminary question is whether the Agreement was a major asset. The court held that the Agreement was a major asset and that owner of the Original TS cannot as a single executive director assigned the agreement. Mr. Tsitsi was not a director nor has the Directors of EHC appointed him to transfer properties of the former NLGC.

The Plaintiff also argued that the owner of Original TS was acting independently as a "liquidator" to assign the Agreement because Original TS was in dissolution. The court held that even if Original TS was in dissolution, its three directors did not cease to act on behalf of Original TS – in the absence of Board Resolution, such assignment is invalid.

(4) Termination of NLGC 1990 Master lease by the Landowners and re-enter of a new lease EHC in 2013 was lawful.

In 1990, the landowners of Remejen and Wotje entered the lease agreement ("Master Lease") with the Nauru Local Government Council for 50 years. In June 27, 1996, NLGC was dissolved, and properties were vested in Nauru Government and ready to be transferred when EHC is incorporated. EHC was incorporated in June 26, 1996.

As mentioned above, during this period, Mr. Tsitsi was an employer of EHC, who married to Marshallese and living with wife and children on the Eastern Gateway after the dissolution of NLGC, he entered into lease agreements and benefiting from those proceeds. He did not pay rents to the landowners, which resulted in the landowners sued EHC. In reaching settlement between the landowners, in May 20, 2013, EHC entered two written agreements with the landowners, (i) to pay about \$182,000 in damages to the landowners, (ii) termination of the 1990 Lease Agreement.

In November 2013, EHC and landowners entered into a new written Ground Lease Agreement.

(1) Plaintiff asserts that the termination of the lease in November 2013 was lawful and EHC has no obligation to extend the existing subleases.

Similar to this case, in *Four Bros. Boat v. Tesoro Pet*, Court of Appeals of Texas, Fourteenth District, Houston, Feb 22, 2007 217 S.W.3d 653 (Tex. App. 2007), Appellants (Four

Bros) appealed against summary judgment entered in favor of the Appellees (Tesoro). The court affirm in part and reverse in part.

According to the facts of the case, 'in 1975, Galveston Yacht Basin, Inc. leased a 15.422 acre tract of land on the Galveston Ship Channel to Joe Grasso Son, Inc. (the "Master Lease")'. The Master Lease commenced on May 1, 1977, and was to end on April 30, 1987. According to the term of the Master Lease, '[Tenant] shall have the option of extending the term of this Lease for an additional term of ten (10) years, commencing on the 1st day of May 1987 and ending on the 30th day of April 1997', provided the tenant give six months notice prior to expiration.

On May 1, 1977, 'Grasso entered into a sublease with Wallace Trochesset for a portion of the property. On January 1, 1980, Trochesset assigned the sublease to Four Brothers (the "Four Brothers sub-lease"). The Four Brothers sublease provided that the subtenant would have a primary term of ten years, beginning on May 1, 1977, and ending on April 30, 1987' ...and subtenant would have two ten-year options for extending the lease through April 30, 2007.

'On February 16, 1987, Grasso (then known as Grasso Oilfield Services, Inc.) entered into a sublease with Columbia Star, Inc. for another portion of the premises (the "Columbia Star sublease"). The Columbia Star sublease provided that the subtenant would have a primary term of ten years, from May 1, 1987 to April 30, 1997, and subtenant ten-year option, extending the sublease through to April 30, 2007.

'On March 7, 1991, Galveston Yacht Basin and Grasso entered into an amendment of the Master Lease. The Amendment provided the Master Lease would terminate on April 30, 1997, and that Grasso would "not have any right, option or privilege to extend the term of the Grasso Lease beyond such date."

‘In 1993, S SF, Inc. purchased the properties owned by Galveston Yacht Basin and became successor to Galveston Yacht Basin. Later, Tesoro acquired Grasso's successor, acquiring the Master Lease.’

In April 1998, S SF demanded Four Brothers and Columbia Star to vacate the premises. In response, Four Brothers and Columbia Star seek for a declaratory judgment, inter alia, ‘declare that the Master Amendment did not divest Four Brothers and Columbia Star of their interest in the leased premises and such interest extends to 2007 in accordance with the original Master Lease.

S SF filed a counterclaim seeking that Five Brothers and Columbia Stat (1) were holdover tenants; (2) had no equitable right, title, or interest in the property; (3) had no right to compel their lessor (Grasso/Tesoro) to exercise a renewal option in the Master Lease; and (4) their right of possession terminated upon expiration of the Master Lease on April 30, 1997.

Each of the parties had cross summary judgment motions. Four Brothers and Columbia Star moved for partial summary judgment on their breach of contract claims against Tesoro, while Tesoro moved for the all the claims stated above. ‘The trial court granted summary judgment in favor of Tesoro on all claims and denied Four Brothers and Columbia Star's motion for partial summary judgment on their breach of contract claims.’ Four Brothers and Columbia Star appealed.

Tesoro argued on appeal that ‘Four Brothers and Columbia Star the right to extend their subtenancies while the Master Lease was in effect, that right to extend terminated when Grasso Oilfield [Tesoro] lawfully terminated the Master Lease.’... ‘once the Master Lease terminated, it had no obligation to Four Brothers or Columbia Star under the subleases and it is the.’

One of the questions that was determined at trial was, ‘whether the Master Lease had been voluntarily surrendered, and whether Four Brothers' and Columbia Star's rights of possession had

vested when the Master Lease and subleases were extended'. The Court of Appeals affirmed the trial court's judgment awarding possession to S SF due to lack of privity between the sublessees and the original lessors. "[b]ecause Four Brothers and Columbia Star were mere sublessees, rather than assignees, they had no right to extend the Master Lease [between Tesoro and the landlord] once it had terminated." *Id.* at 17.

The other question the appellate court decides was whether the law of the case doctrine does preclude the Four Brothers' and Columbia Star's claim for breach of contract. The Appellate court states that 'while Tesoro could freely terminate its relationship with S SF, it was not free to do so without potential liability for damages for failing to deliver the premises to its own lessees for the years 1997 to 2007.' The appellate court further states, 'obligations under sublease do not cease upon termination of the prime lease and sublessee's remedy was action for damages against sublessor after termination of prime lease'. The appellate court therefore reject Tesoro's claim that it was relieved of all contractual responsibilities to appellants when the Master Lease terminated, and reverse the trial court's decision on claim for breach of contract.

(2) The termination of old master lease and entry of new master lease relieved of all existing subleases of any contractual responsibilities on the basis that those leases were not properly entered from the beginning.

Plaintiff argues that it should not be responsible for damages of lease contract when the lease contracts (2001, 2002 and 2010) were not properly entered between the parties and have defects. First, NLGC was already dissolved in 1996, Mr. Tsitsi entered the lease agreement on it's behalf (NLGC)— to do so, the liability rests with Mr. Tsitsi. "[U]pon the corporation's death, those officers, directors or shareholders who continue to engage in corporate business other than winding up the affairs of the company will be held personally liable for such activity" (*Chatman v.*

Day (1982), 7 Ohio App. 3d 281, 282). Plaintiff therefore asserts that Mr. Tsitsi should bear the liability of entering into and on behalf of an entity which is no longer in existence.

Secondly, as discussed above, Mr. Tsitsi was not an authorized representative of EHC. Mr. Tsitsi, entered the lease agreement on behalf of NLGC, and the properties were later transferred or assigned to EHC. Mr. Tsitsi has never been the authorized representative of EHC.

Third, questionable payments of \$200,000 as fully discussed above, and moreover, any such advance payment is conflict with the laws of Marshall Islands. The advance payment has been a problematic issue for a lot of leasehold in the Marshall Islands and if this issue be determined, should bring finality to these existing problems.

Based on the foregoing points of authorities and arguments, Plaintiff submits that there is no genuine issue of material facts and the court should therefore as a matter of law, grant summary judgment in favor of the Plaintiff.

Dated: June 25, 2018




Divine F. Waiti

CERTIFICATE OF SERVICE

I, Divine F. Waiti, hereby certified that I will serve a copy of Plaintiff's Motion for Partial Judgment on Defendants Counsel James McCaffrey, by emailing the copy of the same to his email address: James@McCaffreyFirm.com .

Dated: June 25, 2018



Divine F. Waiti

FILED

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[Signature]
ASST. CLERK OF COURTS
REPUBLIC OF MARSHALL ISLANDS

IN THE HIGH COURT
OF THE
REPUBLIC OF THE MARSHALL ISLANDS

<p>EIGIGU HOLDINGS CORPORATION, Plaintiff -v- LEANDER LEANDER and LIJUN LEANDER, Defendants</p>	<p>Civil Action No. 2014-067 AFFIDAVIT OF EIGIGU HOLDINGS CORPORATION DIRECTOR VYKO ADEANG</p>	<p>EXHIBIT _____</p>
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I, Vyko Adeang, do solemnly declare and affirm under the penalties of perjury that the matters and facts set forth below are true to the best of my knowledge, information, and belief:

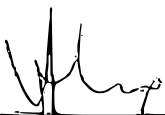
Regarding the matter of the Eastern Gateway Hotel in the instant matter:

1. I am an adult citizen of the Republic of Nauru.
2. I am a Director in the Board of Directors of the Eigigu Holdings Corporation ("EHC") who have leased land currently occupying the Eastern Gateway Hotel ("EGH") in Delap, Majuro, Marshall Islands.
3. I had attempted to retrieve receipts of payments that Mr. Rubin Tsitsi ("Tsitsi") had allegedly made to the traditional landowner lessors for a land lease where the EGH is located.
4. At first Tsitsi informed me and other representatives of EHC that he did not have any receipts of payments.
5. After EHC terminated the services of Tsitsi around in the first half of 2012, Tsitsi represented that he did have some receipts, and when I and other representatives asked for those receipts, he said that he already had turned them over to EHC, but we never received those receipts.
6. So, later in 2012, the Chairman of EHC, Mr. David Aingimea, and other EHC representatives accompanied Tsitsi to the Bank of Guam where Tsitsi stated he kept EHC

bank accounts.

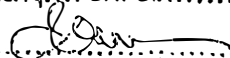
7. At the Bank of Guam the Chairman was informed that the accounts had been inactive and closed for quite some time, and there was no EHC monies in the Bank of Guam.
8. I, and Chairman Aingimea requested Tsitsi to give us access to the EHC documents and records that he kept but he always refused us access, even though he was terminated and we had requested him to leave the premises.
9. Even after EHC terminated Tsitsi, he remained on the EGH premises harassing the tenants about payments and supplies and materials. When I approached tenants at the EGH premises about negotiating new leases or even getting copies of their leases and receipts, they told me that they were scared of Tsitsi who had informed them that he, Tsitsi was still the boss and they could not talk to me or any representatives of EHC.
10. When we were finally able to remove Tsitsi from the EGH premises, and we inspected his residence, we found no records of any kind.
11. We do not know what happened to those records, but he had first said he had them and then he refused to give them to us.
12. We have looked for sub-leases that the Leanders have made with their tenants but have been unable to find any.
13. Because Tsitsi did not give us any sub-subleases we then went to the Land Registration Authority.
14. At the Land Registration Authority we were able to find only two minor sub-subleases, the majority of the sub-subleases we were not able to locate.
15. Further this Affiant sayeth not.

Dated: December 16, 2014

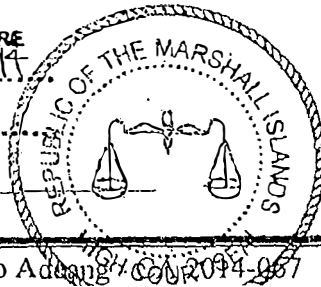


Vyko Adeang
Director, Eligigu Holdings Corporation

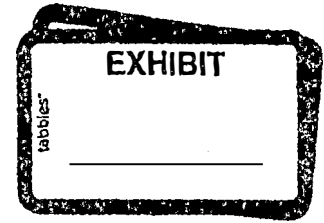
SUBSCRIBED AND SWORN TO BEFORE
ME THIS 16th DAY OF Dec, 2014



Asst. Clerk of Courts
Republic Of The Marshall Islands
Notary Public



IN THE HIGH COURT
OF THE
REPUBLIC OF THE MARSHALL ISLANDS



Eigigu Holdings Corporation

Plaintiff,

v.

Leander Leander and Lijun Leander

Defendants.

Civil Action No.: 2014-067

AFFIDAVIT OF PLAINTIFF'S COUNSEL

I, Gordon C. Benjamin, do solemnly declare and affirm under the penalties of perjury that the matters and facts set forth below are true to the best of my knowledge, information and belief:

1. I am the Plaintiff's attorney of record in this matter.
2. The Plaintiff's current Chairman, Mr. David Aingimea, and Board, based in the Republic of Nauru, were unaware of Eigigu Holdings Corporation's ("EHC") holding in the Eastern Gateway Hotel and the Jable housing projects in Majuro at the time the current Chairman came into office in late 2011.
3. The Chairman and Board discovered their leasehold interest in the Eastern Gateway Hotel and Jable housing after doing an inventory, and interviews, with those with knowledge of the history of Nauru holdings around the world.
4. The Chairman and Board were unable to find any records or reports from Tsitsi regarding the Eastern Gateway Hotel or Jable housing project in any entity or organization in Nauru. The Chairman and Board determined that Tsitsi was operating unsupervised and did not account to anyone for many years until the point of the Board's investigation.

5. Since EHC could not find any records of receipts of revenue from sub-lessees at the Eastern Gateway Hotel, they presumed Tsitsi simply kept the money.

6. I was the attorney of record for EHC as Plaintiff in Civil Action 2013-005 (Rubin Tsitsi as Defendant, with John Masek as counsel); as Defendant in Civil Action 2012-202 (Rubin Tsitsi as Plaintiff, with John Masek as counsel); and, as Plaintiff in Civil Action 2014-021 (Rubin Tsitsi as Defendant, with Karotu Tiba as counsel, for Public Defender's Office). None of these actions were resolved as Tsitsi passed away in early June 2014.

7. In a letter dated August 2, 2012, Exhibit D to Amended Memorandum in Support of Plaintiff's Motion to Disqualify Masek filed on November 18, 2014, ("Amended Memorandum"), Mr. Tsitsi admitted having company records proving, among other things, that he had made payments to landowners, and maintained company records. When Tsitsi, through John Masek, filed a complaint against EHC for employment benefits in November 2012, Eigigu again asked for the company records, and Tsitsi refused.

8. From the time my clients had started asking for company records, and Tsitsi admitting he had company records, Tsitsi never provided any EHC company records to EHC.

9. In 2002, the Leanders paid Tsitsi approximately \$200,000 in cash in return for a lease of essentially half of the Eastern Gateway Hotel. That lease was to cover the period approximately 2001 to 2035, essentially 33-34 years. The \$200,000 for 34 years calculates to no more than \$6,000 per year. The market value for that area is approximately \$120,000 to \$170,000 per year.

10. In late December 2013, after a few iterations, EHC entered into a final new lease with the traditional landowners, meeting the demand of the traditional landowners to pay alleged

non-payments of approximately \$180,000; such payments for which Tsitsi said he had proof of payments, but refused to give such proof to EHC.

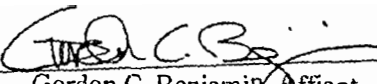
11. In 2012, 2013, and 2014, EHC has attempted to inspect, with reasonable notice, the premises that the Leanders subleased from Tsitsi, but has been re-buffed by the tenants, even after I talked to Leander Leander to instruct the sub-sublessees to facilitate inspection. This is a breach of the Leanders' sublease with Tsitsi.

12. EHC has recently uncovered evidence of illegal activities continuing on the premises that Leander subleased from Tsitsi.

13. On or around July 2-3, 2011, John Masek represented and defended sub-sublessees of the Leanders at the Eastern Gateway Hotel premises against evidence of illegal gambling and other illegal activities obtained by police in a raid conducted without search warrants. EHC has never seen any of those documents or evidence.

14. Further this Affiant sayeth not.

Date: November 18, 2014


Gordon C. Benjamin, Affiant
Attorney for the Plaintiff



FORM NO. 1027/12

REPUBLIC OF NAURU

CORPORATION ACT 1972

(SECTION 15(1)(b))

NO. H/1620

FIRST CERTIFICATE OF INCORPORATION

OF

A HOLDING CORPORATION

VALID UNTIL 25 . 6 . 19 97 ONLY

THIS IS TO CERTIFY THAT BIGION HOLDINGS CORPORATION
IS ON AND FROM THE 26TH DAY OF JUNE 19 96
INCORPORATED UNDER THE CORPORATION ACT 1972, THAT THE CORPORATION IS A
HOLDING CORPORATION AND THAT THIS CERTIFICATE OF INCORPORATION
EXPIRES ON THE 25TH DAY OF JUNE 19 97.

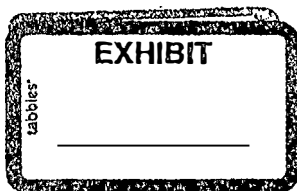
GIVEN UNDER MY HAND AND SEAL

AT YAREN THIS 26TH DAY
OF JUNE 19 96.

William

REGISTRAR OF CORPORATIONS

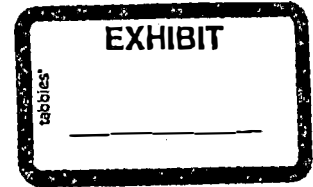
REGISTRAR is directed to the requirements of Section 15 of the Corporation
Act 1972 and to regulations made under the Act relating to annual renewal
of certificates of incorporation and the liabilities incurred by directors
and officers in consequence of a corporation carrying on business after
expiry of its Certificate of Incorporation.



Bennet Aikiki

27 Nov 1998 12:43

CONSUL GENERAL WELD 01 085 44 711



REPUBLIC OF NAURU
CENTRAL PACIFIC

Hon. Vinson F. Detenamo, MP

Minister for Internal Affairs

27 November, 1998

To Whom It May Concern:

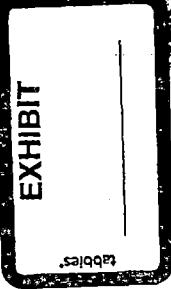
This is to advise that Mr. Rubin Tsitsi is duly authorised to sign papers on behalf of the Republic of Nauru on matters relating to drawing of funds from former Council properties in Majuro, Marshall Islands.

A handwritten signature in cursive script, appearing to read "V. Detenamo".

Vinson F. Detenamo
MINISTER FOR INTERNAL AFFAIRS



Republic of the Marshall Islands Corporate Charter



WHEREAS, certain persons have associated themselves for the purposes of forming a body corporate to conduct business under the laws of the Republic of the Marshall Islands and have submitted Articles of Incorporation and By-laws and said Articles and By-laws have been reviewed and approved.

NOW, THEREFORE, pursuant to the authority vested in the Registrar of Corporations responsible for resident domestic and authorized foreign corporations by the Associations Law, 18 MIRC, Chapter 1A, as amended.

EIGIGU HOLDINGS CORPORATION

is hereby constituted a resident domestic body corporate and granted a Charter in its corporate name with full rights to do all things necessary and proper to the scope of its Articles.

Nothing in the Articles of Incorporation of this corporation shall be taken or construed in any way as empowering this corporation to purchase or own any real property in the Republic for the Marshall Islands.

This corporation shall and must comply with all laws and regulations pertaining to doing business in the Republic of the Marshall Islands including, but not limited to, those relating to foreign investment and corporations.

This Charter is subject to amendment, suspension, or revocation by future laws or regulations.

IN WITNESS WHEREOF the Registrar of Corporations responsible for resident domestic and authorized foreign corporations in the Republic of the Marshall Islands has hereunto set his hand and affixed the Seal of the Republic of the Marshall Islands this 14th day of NOVEMBER 20 14.


LAURENCE E. EDWARDS II
Acting Registrar of Corporations /Assistant AG