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 CLERK, FSM SUPREME COURT  
 POHNPEI  
 TRIAL DIVISION

Nora E Sigrah  
 FSM Development Bank  
 P. O. Box M  
 Kolonia, Pohnpei, FM 96941  
 Phone Nos.: (691) 320-2840/5300  
 Fax No. (691) 320-6533  
 Email: noras@fsmdb.fm  
 ATTORNEY FOR PLAINTIFF

SUPREME COURT  
 FEDERATED STATES OF MICRONESIA  
 TRIAL DIVISION - STATE OF POHNPEI

FSM Development Bank,	)	CIVIL ACTION NO. 2007-003
	)	
Plaintiff,	)	PLAINTIFF'S MOTION FOR
v.	)	SUBSTITUTION OF PARTY;
	)	SUBSTITUTION OF COUNSEL
	)	
Susan Ehmes,	)	
	)	
Defendant.	)	
	)	

Plaintiff, FSM Development Bank ("FSMDB"), through its undersigned counsel, files this Motion for Substitution of Party pursuant to FSM Civil Rule 25(c) and Pohnpei S.L. No. 8L-36-13. This Motion is supported by the memorandum and the substitution of counsel below.

MEMORANDUM OF POINTS AND AUTHORITIES

FSM Civil Rule 25(c) provides that in case of any transfer of interest, the action may be continued by or against the original party, unless the Court upon motion directs the person to whom the interest is transferred to be substituted in the action or joined with the original party. Based upon the facts

below, FSMDB now moves to substitute the Pohnpei Small Business Guarantee and Finance Corporation as plaintiff in this matter.

On December 11, 2013, S.L. No. 8L-36-13 was signed into law, repealing provisions of the Pohnpei Development Loan Fund Act, which Loan Fund had been administered by FSMDB. Section 3(1) of S.L. No. 8L-36-13 requires that the outstanding loan portfolio of the Fund be transferred to the Small Business Guarantee and Finance Corporation ("SBGFC"). The underlying loan made to defendant Susan Ehmes and the late Delson Ehmes was from the Pohnpei Development Loan Funds, and subject to transfer to SBGFC pursuant to S.L. No. 8L-36-13.

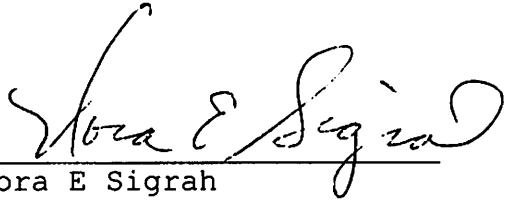
Consultations were held among the affected parties in February and March 2014 regarding the transfer of loan accounts which were in litigation before this Court, and it was determined that the Pohnpei State Office of the Attorney General would represent the SBGFC in loan accounts which were in litigation before this Court, such as this case here.

Pursuant to the mandatory transfer of the loan account from FSMDB to SBGFC through S.L. No. 8L-36-13, FSMDB no longer has any interest in the judgment entered in this case, and is no longer the real party in interest. SBGFC which now holds all interests and rights to collection on the judgment and is now the real party in interest. FSMDB now moves that SBGFC be substituted in as plaintiff, as the real party in interest, to

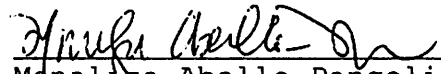
plaintiffs is allowed when the substitution does not change the claim or cause of action. Beal Bank S.S.B. v. Maras, 11 FSM R. 351, 354 (Chk. 2003).

Therefore, in accordance with S.L. No. 8L-36-13 and Rule 25(c), FSMDB moves to substitute in the Pohnpei Small Business Guarantee and Finance Corporation as sole plaintiff in this matter. Monaliza Abello-Pangelinan, Pohnpei Attorney General's Office, has consented to the filing of this motion and has executed the substitution of counsel below in support of this motion.

Respectfully submitted,  
Dated: November 24, 2014

  
\_\_\_\_\_  
Nora E Sigrah  
Attorney for Plaintiff  
FSM Development Bank

Pursuant to S.L. No. 8L-36-13, undersigned counsel substitutes for Nora E Sigrah as Plaintiff's counsel of record in this case.  
Date: November 24, 2014

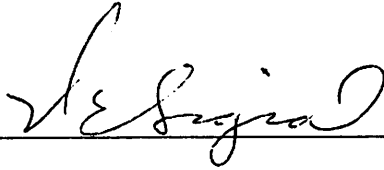
  
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Monaliza Abello-Pangelinan  
Office of the Attorney General  
State of Pohnpei  
PO Box 1555  
Kolonia, Pohnpei, FM 96941  
ATTORNEY FOR POHNPEI SMALL  
BUSINESS GUARANTEE & FINANCE  
CORP.

**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that a true and correct copy of the foregoing Motion for Substitution of Party was served this 24 day of November 2014 by hand delivery upon:

Monaliza Abello-Pangelinan  
Pohnpei State Office of the Attorney General  
Kolonias, Pohnpei, FM 96941

MLSC  
PO Box 129  
Pohnpei, FM 96941



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