

*Yamamoto v. Ulechong*, 1 ROP Intrm. 12 (Tr. Div. 1982)  
**GENA YAMAMOTO,**  
**Plaintiff,**

v.

**RIROU ULECHONG,**  
**Defendant.**

**RIROU AND YOULSAU ULECHONG,**  
**Plaintiffs,**

v.

**HIRONOBU YAMAMOTO, YOICHI**  
**YAMAMOTO, and GENA YAMAMOTO,**  
**Defendants.**

CIVIL ACTIONS NOS. 10-81 & 15-81  
Consolidated

Trust Territory of the Pacific Islands  
Trial Division of the High Court  
Republic of Palau

Judgment

Decided: February 23, 1982

BEFORE: MAMORU NAKAMURA, Associate Justice.

This matter came on regularly before this Court for trial on October 6, 1981. Miriam Harmatz and Thomas Mattson of Micronesian Legal Services Corporation appeared as counsel for the plaintiffs and Kaleb Udui, Esq. appeared as counsel for the defendants. The Court having heard the testimony and having considered the evidence and the arguments of counsels, and this cause having been submitted to the Court for decision, the Court makes the following findings of fact and conclusions of law.

#### FINDINGS OF FACT

1. Sometime in 1976, the plaintiff Yoich Yamamoto and his brother Hironobu Yamamoto entered into an agreement with the defendant Rirou Ulechong whereby Ulechong agreed to start a tourist guide business in Koror, Palau and employ Yoich Yamamoto and his brother to manage and operate the business.

**¶13** 2. Yoich Yamamoto agreed to provide his own boat, a 17-foot speedboat, the “Y. Yamamoto” from Japan and an outboard motor to use in connection with the proposed

business.

3. The “Y. Yamamoto” was in fact used in the operation of the business, although Yoich Yamamoto never relinquished ownership of the boat to the business of Rirou Ulechong.

4. No written contract was entered into by the parties defining the terms and conditions of their business relationship.

5. From the period of November, 1976, to October, 1980, the parties operated a tourist guide business under the name of, according to their business license, “Rirou’s Tour Business.”

6. By the fall of 1980, all parties to the business arrangement were dissatisfied with the relationship as it had developed.

7. On or about October 14, 1980, a meeting was held at Rirou Ulechong’s house at which time Yoich Yamamoto, his brother, and Rirou Ulechong were present. The parties agreed to terminate their employer-employee relationship. (Plaintiff’s Ex. Nos. 11 and 12).

8. At the October 14, 1980 meeting, Rirou Ulechong signed two documents entitled “Contract,” which released Yoich Yamamoto and his brother from their sponsorship, and thereby their employment with Rirou Ulechong. Rirou Ulechong read and understood the terms and meaning of the documents and in return for his signature, accepted \$2,000.00 from the Yamamoto brothers.

9. In a letter dated November 25, 1980, Rirou Ulechong informed the Employment Service Officer, Feliciano Udui, that the employment of the Yamamoto brothers had been terminated “for and in consideration of mutually agreed term.”

10. After the termination of their employment relationship, on December 27, 1980, without permission of either plaintiff, Rirou Ulechong took possession of the “Y. Yamamoto” boat.

11. On or about January 15, 1981, the Palau Department of Public Safety took possession of the “Y. L14 Yamamoto” where it remained until August 14, 1981. On that date, the plaintiff Gena Yamamoto, requested a temporary restraining order requiring the release of the “Y. Yamamoto” to her possession. The Court granted her relief.

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CONCLUSION OF LAW

To a large extent the issues in this case are mainly factual, being based on conflicting testimony as to the ownership of the “Y. Yamamoto” and the contractual relationship, if any, between the parties. Both parties to this action spent a great deal of time attempting to prove the terms and conditions of the original business agreement. The Court heard much conflicting testimony regarding the financial obligations of both parties, the services to be rendered to the business, the compensation to be received by each of the parties and other alleged rights and responsibilities of the parties pursuant to their original agreement. Unfortunately, no written contract was ever entered into by the parties.

The Court finds it unnecessary to wade through all the conflicting testimony concerning the claims of both parties and determine the original terms of the business arrangement or contract. The reason is that on October 14, 1980, both parties entered into a compromise and settlement of their claims against one another.

It is an elemental rule that the law favors compromise and settlement as a method of resolving disputes over litigation. *William v. First National Bank*, 216 U.S. 582, 30 S. Ct. 441 (1910); *Clarion Corp. v. American Home Products Corp.*, 494 F.2d 869 (7th Cir. 1974); *Harding v. Will*, 500 P.2d 91, 81 Wash.2d 132 (1972). A valid compromise and settlement is final, conclusive, and binding upon the parties and upon those who knowingly accept its benefits. 15 Am. Jur. 2d, *Compromise and Settlement*, Section 25. And, the actual merits of the antecedent claims will not afterward be inquired into and examined. *Clinton Street Greater Bethlehem Church v. City of Detroit*, 484 F.2d 185 (6th Cir. 1973).

From the foregoing findings of fact, the Court concludes that the parties entered into a valid compromise and settlement concerning their disputed claims on October 14, 1980. Rirou Ulechong accepted \$2,000.00 in return for terminating Yoich Yamamoto and his brother from the business. Once parties have entered into an agreement settling their disputed claims, the Court will not permit the parties to repudiate their settlement in the absence of any element of fraud or bad faith. In this case, the documents signed by Rirou Ulechong and the acceptance by him of \$2,000.00 L15 constitute a bar to any further recovery.

With respect to Gena Yamamoto’s claim of ownership of the boat “Y. Yamamoto” and its 140 h.p. and 9 h.p. motors, the Court concludes that she is the lawful owner and entitled to possession of them.

Finally, the plaintiffs have made various claims to damages for the loss of use of their boat from December 27, 1980 to the present due to unlawful conduct of the defendants. The Court finds that the defendants had possession of the boat from December 27, 1980 to on or about January 15, 1981. The Court concludes that the plaintiffs have failed to show that the damages they sustained by the defendants’ actions are susceptible of ascertainment in some manner other than speculation by the Court. It must, therefore, be the holding of this Court that the burden of proof imposed by law on the plaintiffs has not been met in this case to authorize a recovery of more than nominal damages.

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IT IS THEREFORE ORDERED, ADJUDGED, AND DECREED that:

1. As between the parties hereto and all persons claiming through them:

(a) The plaintiffs have judgment against the defendants for the sum of \$1.00 as nominal damages, together with interest at the rate of 9% per annum from the date of this judgment.

(b) The defendants have no right, title, or interest in the “Y. Yamamoto,” or the 140 h.p. and 9 h.p. motors and are hereby permanently enjoined and restrained from interfering with the plaintiffs’ use and enjoyment of the “Y. Yamamoto”.

(c) The defendants recover nothing on their complaint or counterclaims, which are hereby dismissed on their merits with prejudice.

Plaintiffs are awarded court costs.