

FSM SUPREME COURT APPELLATE DIVISION

PERDUS I. EHSA and TIMAKYO I. EHSA
a/k/a TIMAKIO I. EHSA,

Appellants,

vs.

FSM DEVELOPMENT BANK,

Appellee.

APPEAL CASE NO. P15-2014
Civil Action No. 2007-035

OPINION

Argued: May 6, 2016
Decided: November 29, 2016

BEFORE:

Hon. Dennis K. Yamase, Chief Justice, FSM Supreme Court
Hon. Aliksa B. Aliksa, Specially Assigned Justice, FSM Supreme Court*
Hon. Camillo Noket, Specially Assigned Justice, FSM Supreme Court**

*Chief Justice, Kosrae State Court, Tofol, Kosrae

**Chief Justice, Chuuk State Supreme Court, Weno, Chuuk

APPEARANCES:

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HEADNOTES

Appellate Review – Standard – Civil Cases – Abuse of Discretion; Civil Procedure – Sanctions – Rule 11

Whether to impose Rule 11 sanctions is subject to the trial court’s discretion. As such, an abuse of discretion standard is utilized to review lower court decisions that address the propriety of these sanctions. Such abuses must be unusual and exceptional; an appellate court will not merely substitute its judgment for that of the trial court. Ehsa v. FSM Dev. Bank, 21 FSM R. 22, 26 (App. 2016).

Appellate Review – Standard – Civil Cases – Abuse of Discretion

An abuse of discretion occurs when: 1) the court’s decision is clearly unreasonable, arbitrary,

or fanciful; 2) the decision is based on an erroneous conclusion of law; 3) the court's findings are clearly erroneous; or 4) the record contains no evidence on which the court rationally could have based its decision. Ehsa v. FSM Dev. Bank, 21 FSM R. 22, 26 (App. 2016).

Appellate Review – Standard – Civil Cases – Factual Findings

A court determines that a finding is clearly erroneous when, although there is some evidence to support it, the reviewing court examines all the evidence and is left with the definite and firm conviction, that a mistake has been committed. Ehsa v. FSM Dev. Bank, 21 FSM R. 22, 26 (App. 2016).

Appellate Review – Standard – Civil Cases – Abuse of Discretion; Civil Procedure – Sanctions – Rule 11

In addition to appeals of Rule 11 sanction orders being reviewed under an abuse of discretion standard, an objective standard is employed, as opposed to assessing an attorney's subjective intent. Since the underlying reason for imposing Rule 11 sanctions is to deter baseless and frivolous filings, an appellate court will objectively scrutinize the lower court's analysis about the merits of imposing Rule 11 sanctions. Ehsa v. FSM Dev. Bank, 21 FSM R. 22, 26-27 (App. 2016).

Civil Procedure – Filings; Civil Procedure – Sanctions – Rule 11

An attorney is duty-bound, in accordance with Rule 11, to conduct due diligence before affixing his or her signature to a document. Under Rule 11, a court must determine whether the document is signed and to the best of the signer's knowledge, information, and belief, formed after reasonable inquiry, is well grounded in fact, as well as warranted by law and not interposed for any improper purpose such as delay or harassment. Ehsa v. FSM Dev. Bank, 21 FSM R. 22, 27 (App. 2016).

Civil Procedure – Sanctions – Rule 11

A reasonable inquiry entails an inquiry that is reasonable under all the circumstances. Ehsa v. FSM Dev. Bank, 21 FSM R. 22, 27 (App. 2016).

Civil Procedure – Sanctions – Rule 11

A court may decline to impose Rule 11 sanctions for an understandable mistake where the mistake is inadvertent. Ehsa v. FSM Dev. Bank, 21 FSM R. 22, 28 (App. 2016).

Civil Procedure – Sanctions – Rule 11

A signatory's conduct will be examined at the time the relevant document was executed. It is not necessary that an investigation into the facts be carried to the point of certainty. The investigation need merely be reasonable under the circumstances. Ehsa v. FSM Dev. Bank, 21 FSM R. 22, 28 (App. 2016).

Appellate Review – Standard – Civil Cases – Factual Findings; Civil Procedure – Sanctions – Rule 11

Simply because, when the trial court denied the imposition of Rule 11 sanctions on the bank's attorney, it did not specifically articulate its reasoning for not imposing Rule 11 sanctions on the bank, does not necessarily imply that due consideration was lacking, in terms of such a prospect. A trial court need not state why it did not consider an issue or fact, it need only make a finding of such essential facts, as provide for a basis for the decision. Ehsa v. FSM Dev. Bank, 21 FSM R. 22, 28 (App. 2016).

Appellate Review – Standard – Civil Cases – Factual Findings; Civil Procedure – Sanctions – Rule 11

When there was more than ample evidence that the bank, as well as its attorney, conducted due diligence and thereby, reasonable inquiry into the documents' signatories, an appellate court should be reluctant to substitute its judgment for that of the trial judge. Ehsa v. FSM Dev. Bank, 21 FSM R. 22, 28 (App. 2016).

Notaries

Under both the Pohnpei and FSM statutes, a notary public has the privilege and is authorized to receive proof and acknowledgments of writings and all copies of certification under his or her hand and the notarized seal shall be received as evidence of such transaction. Ehsa v. FSM Dev. Bank, 21 FSM R. 22, 29 (App. 2016).

Evidence – Authentication; Notaries

Extrinsic evidence of authenticity, as a condition precedent to admissibility, is not required with respect to documents accompanied by a certificate of acknowledgment, executed by a notary public in the manner provided by law. Ehsa v. FSM Dev. Bank, 21 FSM R. 22, 29 (App. 2016).

Notaries

By virtue of having affixed the notary seal, a notary acknowledges the identity and signature of the individual who signed the document. This is because the notary receives proof of identity and signature before giving his or her imprimatur, as evidenced by the seal. Ehsa v. FSM Dev. Bank, 21 FSM R. 22, 29 (App. 2016).

Civil Procedure – Sanctions – Rule 11; Notaries

Recognition of a notarized signature as indicia of reliability, is consistent with the governing statute(s), the rules of evidence, and case law; thereby meeting the reasonable inquiry requirement set forth in Rule 11. Ehsa v. FSM Dev. Bank, 21 FSM R. 22, 29 (App. 2016).

Evidence – Judicial Notice

A judicially noticed fact must be one not subject to reasonable dispute, in that it is either 1) generally known within the trial court's territorial jurisdiction or 2) capable of accurate and ready determination by resort to sources whose accuracy cannot reasonably be questioned. Ehsa v. FSM Dev. Bank, 21 FSM R. 22, 30 (App. 2016).

Evidence – Judicial Notice

The fact that it was widely known that Philippine immigration stamps were frequently forged, was capable of accurate and ready determination, by resorting to official Republic of the Philippines websites, the veracity of which cannot be reasonably questioned. As such, that recitation qualified as a fact, to which judicial notice could properly be ascribed. Ehsa v. FSM Dev. Bank, 21 FSM R. 22, 30 (App. 2016).

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COURT'S OPINION

DENNIS K. YAMASE, Chief Justice:

This appeal stems from the October 14, 2014, Order issued by the FSM Supreme Court Trial Division in Civil Action No. 2007-035 (Pon.), which denied the Ehsas' motion that sought the imposition of Rule 11 sanctions against the FSMDB. Appellants seek this Court's review of that decision, alleging an abuse of discretion on the part of the trial court, in terms of: (1) a failure to impose sanctions upon the bank, separate and apart from defense counsel; (2) its finding that a notarial presumption of authenticity placated an attorney's duty to verify pleadings; and (3) having purportedly afforded judicial notice to a questionable factual source of information. Oral argument was held in Pohnpei on May 6, 2016, at which only Appellee's counsel was heard. Appellant Perdue I. Ehsa waived the right to be heard at oral argument and opted to stand on the respective written briefs that had been submitted.

I. BACKGROUND

The Appellants (hereinafter referred to as the "Ehsas") filed a Motion for Rule 11 Sanctions Against Plaintiff (Appellee herein, which shall henceforth be denoted as FSMDB) on March 30, 2014. The affirmation in support of that filing focused on the exhibits, upon which the Complaint in Civil Action No. 2007-035 were predicated (specifically: a promissory note, as well as accompanying guarantees to secure the relevant loan), claiming these documents were fraudulently executed, with respect to one of the original co-defendants, Ellen Mae T. Ehsa. In short, it eventually came to light, that a signatory on the above-mentioned loan instruments was actually Ellen T. Ehsa (who is the wife of Perdus I. Ehsa and mother of Ellen Mae T. Ehsa). The mother was the actual signatory on these loan documents, although the daughter was the individual whom the FSMDB thought to have executed the documents at issue.

The lower court case commenced with the filing of a Complaint on October 25, 2007, naming Pacific Food and Services Inc. (PFS), Perdus I. Ehsa, Timakyo I. Ehsa and Ellen Mae T. Ehsa, as Defendants, given a failure to repay on two loans extended by the FSMDB on November 29, 1999 (in the respective amounts of \$437,184.38 and \$800,626.75). The subject promissory note with FSMDB named PFS as the "Promisor" and reflected all three individually named Defendants that had signed off as guarantors on the obligation. These individually signed guaranties (dated November 30, 1999) were executed by the aforementioned three Defendants in order to secure the loan.

Given the Defendants' failure to answer or otherwise respond to the Complaint, a Default Judgment was entered in favor of FSMDB on December 28, 2007, against all Defendants in the amount of \$2,018,234.28. Defendants' Motion to Set Aside the Entry of Default Judgment was denied on March 7, 2008 and thereafter, the FSMDB initiated proceedings to enforce the judgment.

PFS filed for bankruptcy and therefore the bank's claims against this entity were transferred and continued in Bankruptcy Case PB No. 001-2009. As a result, PFS was removed from the underlying case and thus, is not a party to this appeal.

The enforcement actions undertaken by the FSMDB against the remaining three individually named Defendants, as guarantors for the subject indebtedness, led to this appeal. Almost two years following the trial court's denial of Defendants' motion to set aside, counsel for the Defendant Ellen Mae T. Ehsa (on January 26, 2010), sent a communication to the attention of the FSMDB's counsel, maintaining that this Defendant (also referred to as the "daughter") had been off-island at the time the loan documents were executed, making it impossible for her to have signed it. This message additionally contained an affidavit from the daughter, along with a reproduction of her passport, reflecting departure and arrival stamps during the relevant time frame, which would contradict any representation by the bank's notary that the subject documents were signed by her in the notary's presence.

The gravamen of the present appeal centers on the failure of the FSMDB to investigate such a claim, opting instead, to file a Motion for an Order in Aid of Judgment on February 11, 2010, with regard to the daughter. We note that the bank's in-house notary had since passed away at the time of this filing. Thereafter, the daughter's counsel, on July 22, 2010, filed a Motion to Vacate the Judgment entered against the daughter. In response, FSMDB filed an Opposition on August 2, 2010; which *inter alia*, questioned the authenticity of the daughter's passport stamps, which showed her absence at the time the relevant loan documents were executed.

On August 13 2010, the daughter's attorney sent a follow-up correspondence to the bank's counsel, reiterating the daughter was not involved, in any way with the underlying loan, since she was

not even present in Pohnpei when the loan documents were executed. The very same day, a Reply to the August 2nd Opposition was filed, that questioned the bank's reluctance, to either confirm or deny the accuracy of its notary, pertaining to the corroboration of the daughter's identity. As noted above, this particular in-house notary had since passed away and therefore the bank was effectively stymied, in terms of confirming the notarized signature at the time of execution.

Although the daughter never disputed the bank's characterization of the passport stamps as purportedly unauthentic, in the wake of FSMDB's claim that the daughter's passport stamps were tantamount to "inadmissible incompetent evidence," denoting her absence at the time the loan documents were signed, the daughter's counsel produced a birth certificate (on or about October 5, 2011) which reflected that the daughter had given birth in the Philippines during the time in question. Upon receipt of this certified document, FSMDB (on October 11, 2011) withdrew its Opposition to the daughter's Motion to Vacate the Judgment entered against her and on October 12th, this party was dismissed individually, from the underlying matter.

II. ISSUES ON APPEAL

- A. "Whether the trial court's failure to adjudicate the FSMDB's separate [Rule 11] individual liability as a 'represented party,' by focusing solely on the sanction liability of the Bank's attorney constitutes reversible error on appeal?"
- B. "Did the trial court commit reversible error in holding that a notarial presumption of authenticity satisfied the Rule 11 requirement that 'to the best of the signer's knowledge, information and belief formed after reasonable inquiry it is well grounded in fact and is warranted by existing law ...' as the validity of un-retracted, uncorrected, false complaint factual content and falsified promissory note and guaranty signatures, which originated with the Bank itself?"
- C. "Was it reversible error for the court below to base a dispositive provision of its Order, upon a factual observation of frequently forged Philippine visas unsupported by the record and not subject to judicial notice?"

III. STANDARD OF REVIEW

Whether to impose Rule 11 sanctions is subject to the trial court's discretion. As such, an abuse of discretion standard is utilized to review lower court decisions that have addressed the propriety of this measure of castigation.

Such abuses must be unusual and exceptional; an appellate court will not merely substitute its judgment for that of the trial court. Simina v. Kimeuo, 16 FSM R. 616, 619 (App. 2009). An abuse of discretion occurs when: (1) the court's decision is clearly unreasonable, arbitrary or fanciful; (2) the decision is based on an erroneous conclusion of law; (3) the court's findings are clearly erroneous; or (4) the record contains no evidence on which the court rationally could have based its decision. Arthur v. FSM Dev. Bank, 16 FSM R. 653, 657-58 (App. 2009). A court determines that a finding is "clearly erroneous" when, although there is some evidence to support it, the reviewing court examines all the evidence and is left with the definite and firm conviction, that a mistake has been committed. Poll v. Victor, 18 FSM R. 235, 239 (Pon. 2012).

In addition to appeals of Rule 11 sanction orders being reviewed under an abuse of discretion standard, an objective standard is employed, as opposed to assessing an attorney's subjective intent. Damarlane v. Pohnpei Transp. Auth., 18 FSM R. 366, 372 (App. 2012); FSM Dev. Bank v. Adams, 14 FSM R. 234, 245-46 (App. 2006). Since the underlying reason for imposing Rule 11 sanctions is to

deter baseless and frivolous filings, Ehsa v. Pohnpei Port Auth., 14 FSM R. 481, 486 (Pon. 2006), this Court will objectively scrutinize the lower court's analysis, with respect to the merits of imposing Rule 11 sanctions. The subject Complaint, in juxtaposition to the executed loan documents upon which it was lodged, will be analyzed in an effort to determine whether reasonable inquiry was undertaken by both the FSMDB and its counsel, in terms of the pleading which named the daughter individually as a party-defendant.

IV. ANALYSIS

Rule 11 Sanctions

(1) The requirement that reasonable inquiry be conducted

An attorney is duty-bound, in accordance with Rule 11, to conduct due diligence before affixing his/her signature to a document. Under Rule 11, a court must determine whether the document is signed and to the best of the signer's knowledge, information and belief, formed after reasonable inquiry, well grounded in fact, as well as warranted by law and not interposed for any improper purpose such as delay or harassment. Damarlane, 18 FSM R. at 372. The Ehsas claim the trial court's ruling was limited to the bank's attorney, however a similar Rule 11 analysis is required to determine the alleged culpability of FSMDB (as a represented party), with respect to having mistakenly identified the daughter as the signatory on the loan documents. Amayo v. MJ Co., 14 FSM R. 355, 362 (Pon. 2006), found that when a paper is signed in violation of Rule 11, the court must impose upon the person who signed it, a represented party or both, an appropriate sanction.

The trial court's October 14, 2014 Order, denying Rule 11 sanctions, noted:

The parties now agree that the signatures on the notes and guaranty were actually those of Ellen T. Ehsa, Perdus Ehsa's wife and mother of Ellen Mae T. Ehsa (now Ellen Mae Manlapaz). The bank suggests that because the similarity of the names, bank personnel accidentally obtained the wrong person's signature on the loan documents.

[FSM Dev. Bank v. Ehsa, 19 FSM R. 579, 581 n.1 (Pon. 2014).] Nevertheless, as noted above, this mistaken identity was not brought to the fore, until a missive (claiming the daughter had been absent at the time the loan documents were executed), was dispatched to the attention of FSMDB's attorney on January 26, 2010. This Court notes that almost two years elapsed since the relevant complaint had been filed and during this entire time frame, the misplaced identity of daughter, as the individual who had signed the loan documents, was never broached by the Ehsas. Furthermore, following entry of the default judgment, the daughter promptly responded to letters forwarded to her from the bank, which requested a personal financial statement, along with existing liabilities.

The October 14th order additionally cited the decision in Stride Rite Children's Group Inc. v. Siegel, 703 N.Y.S.2d 642, 643 (N.Y. Sup. Ct. App. Div. 2000), that stated: "Until a party has become aware of operative facts to discover the signature may have been forged, that party is entitled to rely upon the authenticity of [the] notarized signature." A reasonable inquiry entails an inquiry that is reasonable under all the circumstances. In re Sanction of Berman, 7 FSM R. 654, 656-57 (App. 1996).

The reasonable inquiry conducted by both the FSMDB and its attorney, consisted of the following underlying facts, in order to substantiate the Complaint, which named the daughter as a party-defendant:

- the authenticated signature of the daughter on the loan documents, by not only the bank's in-

house notary, but another outside notary, who had notarized one of the guaranties;

- although erroneously notarizing the signature of the mother, for that of the daughter, the names were virtually identical, coupled with the fact that the signature card on file with the bank for the daughter reflected her handwriting when she was an adolescent (twelve years of age); thus it was understandable how an allowance could be made by the notaries, given the stylistic change in the signature at the time the relevant documents were executed (i.e. when the daughter was twenty-five years old);
- as previously mentioned, the daughter never voiced any protest to the lower court proceedings (i.e. there was no claim of mistaken identification) until nearly two years had passed since the Complaint was filed; thereby supporting the bank's perception that she was the signatory and
- the Ehsas were similarly remiss, as far as never disputing the mistaken identification during this same interval.

The above-mentioned operative facts at the disposal of the FSMDB and counsel, when the Complaint was filed joining the daughter named as a Defendant, lend credence to the erroneous identification having been attributable to an understandable mistake. A court may also decline to impose Rule 11 sanctions where the mistake is inadvertent. Baranski v. Serhant, 106 F.R.D. 247, 250 (N.D. Ill. 1985).

Furthermore, Amayo v. MJ Co., 14 FSM R. 355, 363 (Pon. 2006) held, that the conduct of a signatory will be examined at the time the relevant document was executed. In speaking to an issue regarding evidentiary support for factual contentions contained within *inter alia*, pleadings, FSM Social Sec. Admin. v. Weilbacher, 17 FSM R. 217 (Kos. 2010) noted: "United States practice[,] under the version of Rule 11 most similar to our own[,] addresses the idea of 'well grounded in fact'" and quoted Kraemer v. Grant County, 892 F. 2d 686, 689 (7th Cir. 1990), for the proposition: "'It is not necessary that an investigation into the facts be carried to the point of certainty. The investigation need merely be reasonable under the circumstances.'" 17 FSM R. at 224.

Despite the fact, that when a paper is signed in violation of Rule 11, a court must impose sanctions upon the person who signed it, a represented party or both, an appropriate sanction, Damarlane, 18 FSM R. at 372, we conclude that reasonable inquiry was dutifully undertaken by the bank's attorney, as well as FSMDB. Although the trial court's October 14, 2014 Order did not specifically address the propriety of imposing Rule 11 sanctions upon the bank, as a represented party, the mistaken identification can safely be considered: inadvertent. See Baranski, 106 F.R.D. at 250.

This unintentional mistake concerning the identity of the signatory can be attributed to the similarity of the mother and daughter's names and the absence of any objection having been proffered by either the daughter or Ehsas for an inordinate length of time. Furthermore, simply because the trial court did not specifically articulate its reasoning, with regard to the lack of merit, in terms of not imposing Rule 11 sanctions on the bank, does not necessarily imply that due consideration was lacking, in terms of such a prospect. A trial court need not state why it did not consider an issue or fact, it need only make a finding of such essential facts, as provide for a basis for the decision. Kimeuo, 16 FSM R. at 622.

In sum, as there was more than ample evidence that FSMDB, as well as its attorney, conducted due diligence and thereby, reasonable inquiry, pertaining to the signatories on the loan documents, upon which the underlying Complaint was predicated. Accordingly, an appellate court should be reluctant to substitute its judgment for that of the trial judge. Barrett v. Chuuk, 16 FSM R. 229 (App. 2009).

(2) *Recognized Authenticity of a Notarized Signature*

Within the trial court's October 14, 2014 order, the judge opined: "Generally, a notarized signature is presumed to be authentic." [Ehsa, 19 FSM R. at 581.] The Ehsas contend that the trial court's assessment, that a notarized signature was presumed to have authenticated the identity of the signatory and thereby placated the duty, under Rule 11, to conduct reasonable inquiry, constituted reversible error.

Under both Pohnpei and FSM statutes (i.e. 38 Pon. C. § 5-108 and § 5-110, as well as 32 F.S.M.C. 421 and 423), a notary public has the privilege and is authorized to receive proof and acknowledgments of writings and all copies of certification under his or her hand and the notarized seal shall be received as evidence of such transaction.

In addition, FSM Evidence Rule 902, provides: "Extrinsic evidence of authenticity[,] as a condition precedent to admissibility[,] is not required with respect to the following: . . . (8) Acknowledged documents. Documents accompanied by a certificate of acknowledgement[,] executed in the manner provided by law[,] by a notary public"

Case law also supports the trial court's reasoning, with respect to this issue. In re Phillip, 11 FSM R. 243 (Kos. S. Ct. Tr. 2002) is consistent with the conclusion reached by the trial Judge below, where the Phillip court found, that by virtue of having affixed the notary seal, a notary acknowledges the identity and signature of the individual who signed the document. This is because the notary receives proof of identity and signature before giving his or her imprimatur, as evidenced by the seal. *Id.* at 245.

Peter v. Jessy, 17 FSM R. 163, 173 (Chk. S. Ct. App. 2010) followed the lead of Phillip, as far as recognizing, that under FSM Evidence Rule 902(8), *prima facie* authenticity is extended, as long as the proffered document is accompanied by a certificate of acknowledgment under the seal of the notary public. As there is no claim by the Ehsas that the relevant notarized loan documents lacked the requisite certificate of acknowledgment, in terms of having the seal of the notary affixed thereto, this is not in issue and therefore, authenticity was properly recognized by the trial court.

In sum, the trial Court's recognition of the notarized signature of the daughter, as indicia of reliability, was consonant with the governing statute(s), rules of evidence and case law; thereby meeting the reasonable inquiry requirement set forth in Rule 11.

(3) *Proper subject matter for Judicial Notice*

The Ehsas maintain the trial court erred in ascribing judicial notice to the questionable authenticity of Philippine passport stamps, which was unsupported by the record and that such a dispositive provision of its Order denying Rule 11 sanctions, was tantamount to reversible error. The subject language employed by the trial court in the October 14, 2014 Order, to which the Ehsas challenge, stated: "When [the daughter] first moved to vacate the judgment against her, the bank opposed the motion on the ground, that it was time-barred and distrusted the copies of the Philippine passport[,] since they were not authenticated and it was widely known that Philippine immigration stamps were frequently forged." [Ehsa, 19 FSM R. at 582.]

The Ehsas characterization that the trial court's reference to wit: "it was widely known that Philippine immigration stamps were frequently forged," as outside the record and therefore, an improper subject, to which judicial notice could be properly taken, implies that such a recitation was solely attributable to the bench. This language however, was simply a reference by the trial court judge to

an argument marshaled by the bank's attorney, within its August 2, 2010 Opposition to the daughter's Motion to Vacate. Assuming *arguendo*, that the trial court's language constituted judicial notice, it was clearly part of the record and the relevant commentary by the trial court, not improper.

Concerning the propriety of the substantive content of the language in issue, in terms of whether the trial court's reference could be afforded judicial notice, FSM Rule of Evidence 201(b)(2) is on point. Rule 201(b) sets forth: "Kinds of Facts. A judicially noticed fact must be one not subject to reasonable dispute[,] in that it is either (1) generally known within the territorial jurisdiction of the trial court or (2) capable of accurate and ready determination by resort to sources whose accuracy cannot reasonably be questioned."

A *caveat*, regarding a pervasive problem associated with immigration stamps having been forged, is denoted on numerous official websites of the Philippines (including *inter alia*, the Bureau of Immigration for the Republic of the Philippines, as well as the Philippine Embassy). Accordingly, if the trial court's subject reference within the October 14, 2014 Order is construed as having taken judicial notice, the accuracy of the above-mentioned sources are certainly credible and therefore come within the ambit of FSM Evidence Rule 201(b)(2).

In sum, should the trial judge's comments, *to wit*: "it was widely known that Philippine immigration stamps were frequently forged," be interpreted as having been judicial notice, *vis a vis* reference to an argument proffered by the bank's attorney, this fact was capable of accurate and ready determination, by resorting to official websites sponsored by the Republic of the Philippines; the veracity of which cannot be reasonably questioned. FSM v. Suzuki, 17 FSM R. 70, 74 (Chk. 2010). As such, the subject matter of such a recitation qualified as a fact, to which judicial notice could properly be ascribed.

V. CONCLUSION

Although the trial court judge did not specifically articulate the merits of imposing Rule 11 sanctions on FSMDB, separate and apart from its consideration relative to the bank's attorney, the absence of such specific reference hardly portends that the lower court neglected to dutifully consider this possibility. Notwithstanding the mistaken identification with respect to the signatory on the loan documents, upon which this Complaint was predicated, the trial court properly denied the motion seeking Rule 11 sanctions, as it found reasonable inquiry had been conducted by both the bank and its attorney.

Likewise, Pohnpei and FSM statutes governing the authoritative quality attendant to a notary's signature, along with FSM Rule of Evidence 201(b)(2), and case law, support the *prima facie* authenticity of a notarial signature. As a result, the trial court's reliance on such presumptive *indicia* of authority was proper.

Finally, the language contained in the Order denying Rule 11 sanctions, concerning the widespread knowledge of Philippine immigration stamps frequently being forged, was merely a reference to this averment made by the bank's attorney (and therefore part and parcel of the record). Even if this commentary was construed as having afforded judicial notice, its veracity can be ascertained on official websites created by the Republic of the Philippines and therefore, pursuant to FSM Evidence Rule 201(b), constitutes a fact which is capable of "accurate and ready determination," and thus, properly entitled to judicial notice.

In sum, given the operative facts available to both the bank and its counsel, reasonable inquiry was dutifully undertaken at the time the complaint was lodged, as the mistaken identification of the

