

**IN THE
SUPREME COURT OF THE REPUBLIC OF PALAU
APPELLATE DIVISION**

**TECHEBOET LINEAGE, represented by BILUNG GLORIA G.
SALII,
*Appellant,***
v.
**GANDHI BAULES,¹
*Appellee.***

Cite as: 2020 Palau 30
Civil Appeal No. 20-015
Appeal from Case No. LC/N 09-00189

Argued: December 11, 2020
Decided: December 18, 2020

Counsel for Appellant J. Uduch Sengebau Senior
Counsel for Appellee Masami Elbelau, Jr.

BEFORE: JOHN K. RECHUCHER, Associate Justice
ALEXANDRO C. CASTRO, Associate Justice
KEVIN BENNARDO, Associate Justice

Appeal from the Land Court, the Honorable Salvador Ingereklii, Associate Judge, presiding.

OPINION

PER CURIAM:

[¶ 1] Techeboet Lineage appeals from the Land Court’s judgment invalidating a settlement agreement on the basis that Appellee Gandhi Baules was intoxicated at the time he signed the agreement.² We **AFFIRM** the Land Court’s judgment.

¹ Although Melwert Tmetuchl was a party in the proceeding below, it appears that he is not a party to the appeal.

² This is the second time this matter has come before this panel. In our prior opinion, we noted that “[t]he Land Court provide[d] no analysis to support its determination that Baules’

[¶ 2] The parties do not dispute that the Land Court applied the correct legal test in assessing whether the agreement is voidable due to Baules' intoxication. The Restatement of Contracts provides:

A person incurs only voidable contractual duties by entering into a transaction if the other party has reason to know that by reason of intoxication (a) he is unable to understand in a reasonable manner the nature and consequences of the transaction, or (b) he is unable to act in a reasonable manner in relation to the transaction.

Restatement (Second) of Contracts § 16 (1981). Applying the Restatement test, the Land Court determined, as a matter of fact, that Baules was sufficiently intoxicated to render the agreement voidable and that Bilung Gloria G. Sali, the other signatory, had reason to know of this intoxication. Appellant contends that these factual determinations are in error.

[¶ 3] We review the Land Court's factual findings for clear error. *Kiuluul v. Elilai Clan*, 2017 Palau 14 ¶ 4. Under clear error review, "[t]he factual determinations of the [trial] court will be set aside only if they lack evidentiary support in the record such that no reasonable trier of fact could have reached the same conclusion." *Rengiil v. Debkar Clan*, 16 ROP 185, 188 (2009). Applying this highly deferential standard, the Land Court did not clearly err. Its findings were reasonably supported by (1) Baules' testimony that he was drinking and was "not thinking clearly" on the morning he signed the agreement, Trial Tr. at 21:27-23:21, 53:21-22, 54:29-55:3, 56:15-16;³ and (2)

inebriation invalidated the settlement agreement"; vacated the judgment; and remanded for the Land Court to "identify the legal test that it is applying to determine whether a party's inebriation invalidates a contract and then communicate its analysis of how that legal test applies to Baules' execution of the settlement agreement." *Techeboet Lineage v. Baules*, 2019 Palau 21 ¶¶ 4, 8. Readers are referred to our prior decision for additional factual and procedural background.

³ We reject Appellant's contention that the Land Court could not have relied on Baules' testimony regarding his intoxication because it was "self-serving." Whether his testimony as to his intoxication was truthful involved a credibility determination that was properly made by the Land Court. *See Lupyan v. Corinthian Colleges Inc.*, 761 F.3d 314, 321 n.2 (3d Cir. 2014) (noting that although "the testimony of a litigant will almost always be self serving . . . that has never meant that a litigant's evidence must be categorically rejected by the fact finder"); *U.S. v. Shumway*, 199 F.3d 1093, 1104 (9th Cir. 1999) ("That [testimony] is self-serving bears on its credibility, not on its cognizability . . ."). We rarely, if ever, disturb a trial court's

the reasonable inference that may be drawn from the record that Bilung Salii should have known he was intoxicated by his decision to quickly sign away what he was claiming to be his land after she unexpectedly approached him with the settlement offer while he was drinking with his friends, *see* Trial Tr. at 22:1-24.⁴

[¶ 4] Although Appellant points to several facts that might have convinced this panel to rule differently if we were the court of first instance, it is not our role to substitute our judgment for that of the trial court if the trial court’s interpretation of the evidentiary record was plausible. *See Eklbai Clan v. KSPLA*, 22 ROP 139, 141 (2015) (“Where there are several plausible interpretations of the evidence, the Land Court’s choice between them shall be affirmed even if this Court might have arrived at a different result.”). Because there was evidence by which a reasonable trier of fact could have reached the Land Court’s conclusion, we have no choice but to affirm.

credibility determinations, and Appellants have not provided any good reason to do so in this case. *See Anastacio v. Eriich*, 2016 Palau 17 ¶ 17.

⁴ Our decision should not be read to endorse a view that a contract that appears to benefit one party more than the other is *per se* proof that the benefitted party knew or should have known of the other party’s intoxication. To the extent the Land Court intended to espouse this view, it was in error. However, considering that we may affirm upon any basis present in the record, we affirm based on the reasonable inferences that can be drawn from the evidence regarding what Bilung Salii should have known about Baules’ intoxication. *See Island Paradise Resort Club v. Gibbons*, 2020 Palau 3 ¶ 17 (noting that “without adopting its precise reasoning . . . [w]e may affirm the trial court’s decision on any basis apparent in the record”) (internal quotation marks omitted). Our decision is based on the very specific facts of this case and should not be readily applied to a different set of facts in a different case.