

IN THE HONORABLE SUPREME COURT OF THE REPUBLIC OF LIBERIA  
SITTING IN ITS OCTOBER TERM, A.D. 2024

BEFORE HER HONOR: SIE-A-NYENE G. YUOH .....CHIEF JUSTICE  
BEFORE HER HONOR: JAMESETTA H. WOLOKOLIE.....ASSOCIATE JUSTICE  
BEFORE HIS HONOR: YUSSIF D. KABA.....ASSOCIATE JUSTICE  
BEFORE HIS HONOR: YAMIE QUIQUI GBEISAY, SR.....ASSOCIATE JUSTICE  
BEFORE HER HONOR: CEANEH D. CLINTON JOHNSON.....ASSOCIATE JUSTICE

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Meridian BIAO Bank Liberia Limited (MBLL) (under seizure )  
represented by and thru the Central Bank of Liberia, by and thru )  
its Governor Elias Saleeby and/or its authorized agent of the )  
City of Monrovia, Liberia.....Appellant )

AND )

APPEAL )

Meridian Properties, Inc., represented by and thru its Central )  
Bank of Liberia as Sequestration Receiver of Meridian )  
Properties also of the City of Monrovia, Liberia.....Co-Appellant )

Versus )

Counsellor Benedict F. Sannoh of the City of Monrovia, Liberia )  
..... Appellee)

MR. JUSTICE GBEISAY DELIVERED THE OPINION OF THE COURT

HEARD NOVEMBER 19, 2024

DECIDED FEBRUARY 17, 2025

This matter comes before us from the Debt Court for Montserrado County on account of a judgment rendered in favor of the Appellee, Counselor Benedict F. Sannoh in the tone of US\$163,800(One Hundred Sixty Three Thousand Eight Hundred US Dollars) against the appellant, the Central Bank of Liberia (CBL), which took seized of Meridian BIAO Bank Liberia Limited under a Receivership. It is from the final judgment of the Debt Court that the appellant excepted and announced an appeal before this court en banc.

In order to get a full appreciation of the history of this matter, we take recourse to the case file. The records of this case show that Meridian BIAO Bank Liberia Limited executed a 2-year contract with the Appellee, Counselor Benedict F. Sannoh, commencing on February 1, 1996 and ending on 31 January, 1998, with an option for renewal for another two years, but upon terms and conditions to be mutually agreed upon.

The records further show that during the lifespan of the retainer contract, the predecessor of the Central Bank of Liberia, the National Bank of Liberia, on January 27, 1997 ordered the

suspension of, seizure and subsequent closure of Meridian BIAO Bank Liberia including all of its assets based on the report of the collapse of its parent organs, Meridian International Bank Limited and Meridian BIAO Bank S.A.

Counts 3 and 4 of the seizure order issued by the National Bank of Liberia in its January 27, 1997 action states as follows:

- a). Count#3: The National Bank of Liberia pursuant to the seizure and takeover of MBLL shall enter upon the premises of MBLL as temporary caretaker for the purpose holding place and securing existing interests, if any, of depositors, customers and shareholders of MBLL pending commencement by the National Bank of Liberia within the statutory of appropriate action concerning MBLL; and
- b). Count# 4: The action taken by the National Bank of Liberia is subject to the examination of MBLL, where MBLL is found in compliance with laws, and regulations, suspension will be lifted and the seizure terminated.

The records also show that despite seizure order, and the subsequent takeover by the National Bank of Liberia, Meridian properties inc., and Meridian Insurance operated uninterruptedly as in keeping with their statutory responsibilities because the seizure order under the 1974 Financial Institutions ACT was not final or conclusive and did not affect the Meridian BIAO Liberia Limited's right to challenge the seizure order within thirty days.

As a consequence of this, and in exercising its rights to challenge the seizure and subsequent closure order, Meridian Bank BIAO Liberia Limited instituted a lawsuit by and through the Appellee, its former retained counsel before the Civil Law Court, craving the indulgence of the Court to lift the seizure and closure order.

This Court notes that the Respondent, the National Bank of Liberia, did not challenge the legality of the action filed by Appellee for and on behalf of the Meridian BIAO Liberia Limited Bank before the Civil Law Court. Thereafter, the appellee provided a sundry of other services, ranging from attending meetings with authorities of the Appellant to lift the seizure, to drafting letters and traveling abroad and holding meetings with liquidators of Meridian Bank International, and Appellee continued to perform such legal services up to and including September 19, 2000, when Appellee wrote a letter to the President & CEO of Meridian BIAO Bank Liberia Limited, Mr. A. Tekonblah Togba, informing him of his intent to formally withdraw his retainer services as of October 20, 2000.

This Court has observed from the records that on October 20, 2000 the retainer contract was terminated by mutual consent, with the Appellee claiming the amount of US\$169,800 (One Hundred Sixty Nine Thousand Eight Hundred US Dollars) representing accrued and unpaid retainer fees. Thereafter, the Appellee on November 13, 2000 instituted an action of debt against Meridian BIAO Liberia Limited represented by the Central Bank of Liberia and Meridian Properties and Meridian Insurance as 1st, 2nd and 3rd defendants.

The 2nd defendant Meridian Properties filed along with its responsive pleadings a motion to dismiss, as had the 1st defendant Central Bank. In the case of the 3rd defendant, J.J. Roberts Foundation filed a motion to intervene in the debt action in respect to the garnishment placed on the tenants of Meridian Properties on grounds that the subject properties were not owned by Meridian Properties.

This Court further observed that the Foundation also filed a motion to vacate the garnishment proceedings, as well as Special Proceedings to determine adverse claim, and a motion to dismiss the case for lack of jurisdiction over the thing.

However, after a petition for declaration judgment filed by Meridian Properties in respect to the J.J. Roberts Compound was denied and dismissed, J.J. Roberts's motion to dismiss for lack of jurisdiction filed on February 22, 2002 was granted, and the Foundation was ordered detached from the Receivership. It must be noted that throughout the proceedings, the exchanged of pleadings, motions, and petitions including the commencement of trial on November 28, 2013, the Central Bank of Liberia, represented the legal interest of Meridian BIAO Liberia Limited, Meridian Properties, and Meridian Insurance under the terms and conditions of the Receivership.

Following this, a full trial was had, during which, both parties produced two witnesses each, and at the close of the trial, followed by arguments on both sides, the Debt Court ruled in favor of the Appellee against the Appellant in the amount of US\$163,600.00(One Hundred Sixty Three Thousand Six Hundred US Dollars) plus 6% (Six Percent) legal interest per annum. The appellant excepted to the judgment of the Debt Court and announced an appeal to this Court of last resort.

What is also important in this matter and which has claimed the attention of this court and requires a critical analysis is the contention of the Appellee that the Presiding Judge, His Honor, James E. Jones, failed to invoke Rule 5 of the Rules of the Debt Court, which does not stay or bar the enforcement of a money judgment even if an appeal is taken or announced, as in the instant case. The Appellee contended that as clear as the language of Rules 5 is,

the Presiding Judge ignored, refused and neglected to order the clerk to prepare a bill of costs for the enforcement of the judgment on grounds that an appeal had already been announced.

Therefore, after a careful review and analysis of the controversy in this matter including the pleadings exchanged, and arguments on both sides, shows that there are three basic fundamental legal issues that are determinative of this matter, which are as follows:

1. Whether or not the suspension, seizure, and subsequent closure of Meridian BIAO Bank Liberia Limited by the Central Bank of Liberia, also affected its subsidiaries and collaterally terminated Appellee's contract;
2. Whether the subsequent takeover under a Receivership by the Central Bank of Liberia pursuant to the Financial Institutions Act of 1974, to perform the day to day administrative duties of the seized bank, automatically terminated the legally vested rights of Meridian Bank to challenge the seizure order; and
3. Whether or not the announcement of an appeal in the Debt Court becomes a supersede as or an automatic stay to the enforcement of a money judgment;

This Court says "Yes" in part, and a resounding "No" in part. We say yes in part because the suspension, seizure and subsequent closure order issued by the National Bank of Liberia was directed to the Meridian BIAO Liberia Limited Bank and all its operations including but not limited to interactions with institutions and individuals. Count#1 of the Notice of Seizure of Meridian BIAO Bank Liberia Limited dated January 27, 1997 reads: "It [National Bank] hereby suspends the license of Meridian BIAO Bank Liberia herein referred to as MBLL) located on the corner of Randall and Ashmun Streets, takes possession of Meridian BIAO Bank due to the collapse of Meridian Bank International and Meridian BIAO Bank S.A. which has affected the branch, MBLL as evidenced by the absence of a complete visible management team and the continuous closure of the doors of MBLL." This notice clearly shows that the closure order affected other legally established subsidiaries of Meridian BIAO including its legally binding engagements with all institutions and individuals including Meridian Properties and Meridian Insurance respectively.

Section 44 of the Financial Institution Act says: "The authorization to go into voluntary liquidation shall not prejudice the rights of a depositor or other creditor to payment in full of his claim nor the right of an owner of funds or other property held by the financial institution to the return thereof. All lawful claims shall be paid promptly and all funds and other property

held by the financial institution shall be returned to their rightful owners within such maximum period as the Central Bank may prescribe.” The statutory expression of: “All lawful claims shall be paid promptly” refers to debt, contracts, leases among others. This Court says publications made in newspapers and other bulletins constitute sufficient notice to demonstrate that the suspension, seizure, and closure of Meridian BIAO Bank Liberia Limited by the Central Bank of Liberia, also affected the subsidiaries of the bank and its operations as well as engagement contracts, leases with individuals and institutions. This action collaterally terminated Appellee’s contract, and the Appellee could not have performed or prosecuted a legitimate contractual claim against the Appellant beyond a protracted period of six months as a matter of law.

We say no in part, on account that upon the seizure order of Meridian BIAO Bank’s operations, the Central Bank of Liberia automatically assumed the performance of the Bank’s operations and responsibilities and therefore all claims including but not limited debt actions and contracts executed by Meridian BIAO Bank with individuals and institutions should have been directed to the Central bank of Liberia within a period of six months following the seizure and closure order. The Appellee should have filed his debt claims with the Central Bank of Liberia which had assumed the operational powers and authority over Meridian BIAO Bank but he failed to do so. Section 11(3) of the Financial Institution Act states: “When a license has been revoked, the Central Bank shall, as soon as possible, publish notice of the revocation in the Gazette and in a newspaper of general circulation in the area in which is located the main office of the licensee in Liberia and take any other steps necessary to inform the public of such revocation.” This Court says the appellee knew or had reason to know that Meridian BIAO Bank had cease to exist, and its former President could not have committed a ceased and ineffectual bank to any contractual agreement, yet, he continued to provide services and do business with him.

As to the second issue of whether the subsequent takeover under a Receivership by the Central Bank of Liberia pursuant to the Financial Institutions Act of 1974, to perform the day to day administrative duties of the seized bank, automatically terminated the legally vested rights of Meridian Bank to challenge the seizure order, this Court answers in the Negative.

This Court says the legislative intent of the Financial Institution Act of 1974 under which the Central Bank of Liberia can suspend, seize and order the closure of any commercial bank, is not absolute or conclusive but rather a progressive legal process that is open to challenges.

This Court says the Central Bank itself recognizes the limitations of its own seizure power when it writes in count #4 of the Notice of Closure as follows: “The action taken by the National Bank of Liberia is subject to the examination of MBBL, where MBBL is found in compliance with laws, and regulations, suspension will be lifted and the seizure terminated.”

The plain text of the closure order shows that any challenge to the decision should have been filed before the Central Bank has the authority to determine whether or not a financial institution is in full compliance with the laws and regulations regarding banking institutions in Liberia. Section 58 of the Financial Institution Act states: “Within a period of six months counting from the date of the decision of the Court ordering the compulsory liquidation, the liquidator may terminate: (1) any employment contract; (2) Any contract for services to which the financial institution was a party; or (3) any obligation of the financial institution as a lessee. A lessor who shall have received notice that the liquidator is exercising discretionary powers to terminate the lease shall have no claim for rent other than rent accrued up to the date of termination of the lease, nor for damage by reason of such termination, provided that the date of termination of said lease shall not be earlier than the date of vacation of the leased premises.” The Appellee’s contract had not only terminated far beyond the six months period, but he wrongfully chose to file a petition before the Civil Law Court to lift the ban on Meridian BIAO Bank rather than the Central Bank of Liberia. This Court says all subsequent representations made within and without the Republic of Liberia in the name of the Appellant are deemed void ab initio. There is no showing in the records of this case that Meridian BIAO Bank regained its bank authority to have continually engaged the services of the Appellee after the seizure and closure order.

Section 49 of the Financial Institution Act expressly states: “ After entering into possession of a financial institution, the Central Bank shall be vested with the full and exclusive power of management and control of that financial institution, including the power to continue or discontinue its operations, to stop or limit the payment of its obligations, to employ any necessary staff, to execute any instrument in the name of the financial institution, to initiate, defend and conduct in its name any action or proceedings to which the financial institution may be party, to terminate possession by restoring the financial institution to its board of directors, and to reorganize or liquidate the financial institution in accordance with the provisions of this Act. As soon as possible after taking possession, the Central Bank will make an inventory of the assets of the financial institution. A copy of the inventory shall be available for examination by interested parties at the Central Bank.” The right party before whom any claim or a challenge to lift the suspension order was the Central Bank of Liberia and not the Civil Law Court. It is the law under the principles of defenses and objections titled “Effect of

Failure To deny” that states: “Averments in a pleading to which a responsive pleading is required are admitted when not denied in the responsive pleading. Averments in a pleading to which no responsive pleading is required shall be taken as denied or avoided.” See REV. CODE 1:9.8(3)- Civil Procedure Law. This Court finds it quite interesting to note that the appellee did not deny the fact that the Management of Meridian BIAO Bank was suspended, and the bank was seized and closed and therefore, the management lacked the legal capacity or standing to continually commit a closed bank to a contractual agreement.

Further, this Court has observed that the Appellant did not deny the filing of a petition by the Appellee before the Civil Law Court for the lifting of seizure and multiple representations made at home and abroad on behalf of the Appellant by the Appellee but only contended that after the seizure of Meridian BIAO Bank, the management team ceased to exist including all its functions and operations as well as contracts with individuals and companies. This Court is in full agreement with this argument. The seizure order by the Central bank of Liberia also affected existing lease agreements, contracts with Liberian citizens and debt obligations owed by the bank. This Court partly agrees with the ruling of the Debt Court that an action taken pursuant to a statutory provision as in the instant case, cannot automatically suspend or impair contract obligations under Article 25 of the 1986 Constitution, but says only if such claims are filed within a period of six months with the Central Bank of Liberia as in keeping with Section 58 of the Financial Institution Act(1974).

That said, this Court says any seizure order affected both the administrative functions and operational capacity to enter into or continue an existence contract as in the case of the Appellee. The closure order exacted by the Central Bank of Liberia under the Financial Institution ACT of 1974 being a predicate action that required a Receivership determination, could be challenged, and decision thereof being administrative, was appealable before the Civil Law Court on a petition for judicial review. The closure order although affected the operations of the bank and its capacity to enter into and main existence contractual agreements, it was a judicially transitory decision that was subject to an administrative challenge and a judicial challenge on appeal but the appellee undertook, for and on behalf of appellant to pursue retainer-ship contract that was self-serving in context and content.

This Court is therefore not inclined by any stretch of imagination to agree with the argument of the appellee that he has a legitimate debt action because the closure order automatically terminated all of the contractual obligations Meridian BIAO Bank Liberia Limited had with other institutions including the Appellee after the six months period provided for by law.

Further, this court also agrees with the argument of the appellant that the retention of appellee's contract which paved the way for appellee to make numerous legal representations within and without the Republic of Liberia up to and including October 20, 2000, when the contract was mutually terminated, was signed with individuals who no longer had the power and authority to commit the bank. The appellee should have known that there are no other legal parameters beyond the closure or seizure of a bank to defend, especially so when the period provided for challenges has elapsed, as in the instant case.

The Court notes that while denying its indebtedness to the Appellee, the Appellant also suggested that if seized bank (Appellant) had mounted an action and had been successful, it could later, following its restoration reimburse its former management for any funds expended, and so the right persons for the suit should have been the former officials and not the seized bank under the supervision of the National Bank of Liberia. This assertion by the appellant is true, and in agreeing with the appellant, this Court says the appellant was the proper party before whom all claims should have been filed because the former officials referred to, did not operate private businesses in their own names, instead, they acted for and on behalf of Meridian BIAO Bank Liberia Limited when they signed the contract with the Appellee. And once the bank had been seized, closed and taken over, any claim regarding leases, contracts should have been filed before the Central Bank of Liberia.

Therefore, the Debt Court grossly erred when it erroneously ruled that Appellant being the administrator of Meridian BIAO Bank Liberia Limited under seizure and receivership of its operations and properties is duty bound to compensate Appellee's retainer fees for the lifespan of the contract signed. This court would have been inclined to uphold this ruling if the appellee had filed it before the proper forum and within the required statutory period of six months.

(IV). As to the last issue of whether or not the announcement of an appeal in the Debt Court becomes a supersede as or an automatic stay to the enforcement of a money judgment, this Court answers in the NEGATIVE, and says only if the party asserting the claim has a legal capacity to sue and the Court has both personal or subject matter jurisdiction. The Debt Court for Montserrado County has both personal and subject matter jurisdictions over debt actions. Pursuant to this, the court is under obligation to enforce Rule 5 of the Rules of the Debt Court which states: "The announcement and taking of appeal from the judgment of the Debt Court to the Supreme Court shall not operate as a stay to the enforcement of the judgment amount if the amount sued for is certain and supported by documentary and direct



evidence. The payment of costs in case of appeal shall abide by the final determination of the appeal by the Supreme Court, and where the judgment is reversed; the amount paid and received by the judgment-creditors shall be refunded to the judgment - debtors in whose favour the case has been decided by the Supreme Court.”

The Court says the only exception to this rule is the payment of cost which shall be determined from the final determination of a matter in case of any appeal. However, this is only possible when there is an existing and legitimate debt action decided by the Debt Court. The Debt Court could not have enforced a flawed judgment rendered from a MOOT debt action against the appellant after the statutory period set forth for filing all claims had elapsed.

The language of Rule 5 of the Rules of the Debt Court is plain, concise and simple but points to only legitimize debt action that are filed with statutory time. As regards the refusal to prepare the Bill of Cost in the face of an appeal being prosecuted by the Appellant, the Debt Court acted correctly and its refusal to enforce an irregular and erroneous judgment against the appellant for reasons stated is hereby upheld.

This Court says this matter would have terminated or ceased to languish on the docket of this Honorable Court had the Debt Court garnered the courage and fortitude to refuse jurisdiction based on the facts and circumstance of the case and save itself of the headache of being called upon to enforce Rule 5 of its own rules. While this Court hereby reconfirms and reaffirms Rule 5 of the Debt Court and further re-emphasizes that the taking of an appeal in any money judgment in the Debt Court does not serve as a stay, this court says the invocation of Rule 5 becomes paramount if there exists a legitimate debt action.

WHEREFORE AND IN VIEW OF THE FOREGOING, the final ruling of the Debt Court for Montserrado County is hereby reversed. The Clerk of this Court is ordered to send a Mandate to the lower court commanding the judge presiding therein to resume jurisdiction over this case and give effect to this Judgment. IT IS HEREBY SO ORDERED.

*WHEN THIS CASE WAS CALLED FOR HEARING, COUNSELLORS EMMANUEL B. JAMES AND ROSEMARIE B. JAMES APPEARED FOR THE APPELLANT. COUNSELLORS BENEDICT F. SANNOH AND OSBORNE K. DIGGS APPEARED FOR THE APPELLEE.*

*Reversed.*