IN THE COURT OF APPEAL OF BELIZE A.D. 2018

CIVIL APPEAL NO. 21 OF 2016

STEPHANIE JONES

APPELLANT/DEFENDANT

٧.

JESSIE STEPHENSON

RESPONDENT/CLAIMANT

BEFORE

The Hon. Mr. Justice Sir Manuel Sosa
The Hon. Mr. Justice Murrio Ducille
The Hon. Mr. Justice Franz Parke

-President

-Justice of Appeal -Justice of Appeal

Mr. H.E. Elrington, SC, for the Appellant Mr. Marcel Cardona for the Respondent

October 19^{th} , 2017 and June 22^{nd} , 2018

SIR MANUEL SOSA P

[1] This appeal should, in my opinion, be dismissed. I concur in the reasons for

judgment given, and the orders proposed, in the judgment of my learned Brother, Ducille JA, which I have read in draft.

SIR MANUEL SOSA P

DUCILLE JA

Young and the resulting Order that the Appellant deliver up possession to the Respondent of certain property within six weeks from the date of that Order. That property is described as: "ALL THAT lot, piece or parcel of land being Parcel 292 situate in Block 4 of the Carmelita Registration Section" (the Property). The suit was brought by the Respondent, complaining that the Appellant was a trespasser. The Appellant claims that at the relevant time, she was not a trespasser in that she had an interest in the Property. She was also in actual occupation of the Property and as such, had an overriding interest that was protected by the Registered Land Act, Chapter 194. The Respondent claims to be a bona fide purchaser for value without notice of the Appellant's interest. The Respondent holds a Land Certificate in respect of the Property.

Background facts

[2] The Appellant's husband, Vernon Jones, died on August 11, 2012. They had been together since 2009 but had only been married for about a year when he died.

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Vernon had been married before and had three daughters, Shirley Elizabeth Jones, Nancy Verna Pelissier and Marcia Edwards (the daughters). On October 11, 2008, shortly before his former wife died, Vernon made a Will, in which he named Norma Gillet as Executrix. Ms. Gillet applied for Probate and on December12, 2012, Probate was granted. The Inventory filed in connection with that Probate listed the estate's real property as including five separate parcels of land. The parcels in Carmelita Village were described as Lot No. 8, Carmelita Village valued at \$125,000.00, and Lot. 803 Carmelita Village, Orange Walk District, valued at \$25,000.00. No evidence was led as to which of these two is the Property in question. However, the Appellant's Defence claims that the market value of the Property was not \$30,000.00 and that any valuation of the Property would have shown that the market value was not less than \$150,000.00. The Inventory also listed personal property valued at over i\$72,000.00.

- [3] On March 5 2013, the daughters filed suit against the Appellant claiming possession of the Property. That matter was dismissed for non-appearance of the daughters. The Appellant consulted an attorney on March 7, 2013. She claimed that her attorney sent letters to the Registrar, the Executrix and the daughters seeking to have the Grant of probate recalled. However, no proof that such letters were sent and received was produced at trial. On January 24, 2014, the Executrix applied for and received a Land Certificate in respect of the Property.
- [4] At some time during this chronology, the Appellant claimed that she met with the daughters and reached an agreement with them for settling Vernon's estate. The

daughters requested that she write to Vernon's tenants to tell them that she no longer had control over the other properties. They agreed that if she did this, the house would be hers. However, on July 13, 2015, the Respondent purchased the Property from the daughters, who she described as the "owners on record." A Land Certificate in respect of the Property was issued to the Respondent on July 20, 2015. The Respondent said that one Alpheus Gillet had taken her to Carmelita Village and shown her the house that was for sale. She had gone into the yard, shouted "hello" and had tried the door. Nobody was home. She claims that she was told that the house was unoccupied. However, she did not bang on the door or check with the neighbors. She did not check the water meter or check to see whether the house had electricity. She claims that she did not know that the Appellant was living there until two to three weeks after that when she attempted to take possession of the Property. At that time, she met the Appellant and introduced herself as the owner. The Appellant was upset and told the Respondent that she was waiting for this to happen. The Respondent left but went back a second time and asked the Appellant when she was going to leave. The Appellant told her that the Property was her husband's and that the Respondent was going to have to take her to court. The Respondent contacted an attorney and the Appellant was served with a Notice to Quit.

[5] Meanwhile, the Appellant had become aware of the existence of the will at some time in 2012, when she received a letter from the daughters' attorney. She did not herself respond to the letter because she said that her attorney was in control of her case. She then became aware that a Grant of Probate was issued to Norma Gillet.

Once again she contacted her attorney. It was after this that the daughters sued her for possession of the Property. The Appellant said that the daughters took her to court three times. Those matters concerned not only the Property, but everything that her husband had left. One of the daughters, Marcia even brought her husband's nephew, Alpheus to take pictures of the Property. Under cross-examination, when asked why she took no action to stop the Probate or recall the Probate, the Appellant responded that that was why she had an attorney. She claimed that the daughters had been manipulating her for two years, and that even though Vernon had a lot of assets, the only thing that she received from his estate was one car. The Appellant maintained that she had been in continuous occupation of the Property except for one occasion when the daughters put her out. However, she contacted her attorney who was able to get an Order from the Supreme Court that allowed her to get back into the house, and enjoined the daughters from interfering with her.

[6] The Respondent brought suit for possession against the Appellant in November 2015.

The Judgment

Young J entered judgment for the Respondent/Claimant, ordering that "[t]he Defendant is to deliver up possession of The Property, which the Defendant currently occupies as a trespasser, within six weeks of this Order." Costs to the Claimant were awarded in the agreed sum of \$3,000.00.

- [8] Of the issues the learned judge singled out in her judgment, the following remain the issues relevant to this appeal:
 - "1. What is the effect of an unrevoked grant on the sale of devised property.
 - 2. Is the Claimant a bona fide purchaser for value.
 - 3. Does the Defendant have an overriding interest in The Property.
 - 4. Is the Claimant entitled to vacant possession of The Property."

The effect of the unrevoked grant

[9] The learned judge held that once Probate is granted, "the Executor's position as the representative of the deceased in regard to any real estate to which he was entitled before his death is confirmed." She referred to Williams, Mortimer and Sunnucks - Executors, Administrators & Probate 20th Ed paragraph 40-02 where it was stated:

"Subject to the possibilities of revocation and of rectification a grant of probate (even a grant in common form) is conclusive in the courts of law and equity both as to the appointment of the grantee as executor and as to the validity and content of the Will. This is so even if there is evidence of fraud affecting the process leading up to the grant by the courtIn effect for a person to prove entitlement to act as a representative, the court must have exercised its jurisdiction by making a grant of probate or of administration to that person. Such a grant once made is conclusive (until such time as it is revoked). No other court can permit such a grant to be gainsaid and the courts are bound to assume that all documents admitted to probate are testamentary documents."

The learned judge reasoned that "unless and until the grant is revoked the executor maintains the right to deal with the deceased's estate according to the tenor of his will." This is sound reasoning, the substance of which is dealt with in section 44 of the Administration of Estates Act, although the learned judge did not mention it. That section states as follows:

"(1) All transfers of any interest in real or personal estate made to a purchaser either before or after the commencement of this Act by a person to whom probate or letters of administration have been granted are valid, notwithstanding any subsequent revocation or variation, either before or after the commencement of this Act, of the probate or administration.

"Purchaser" is defined in section 2 of the Act as follows:

"..."purchaser" includes a lessee or other person who in good faith acquires an interest in property for valuable consideration, also an intending purchaser and valuable consideration" includes marriage, but does not include a nominal consideration in money..."

The learned judge acknowledged that "a person claiming a right at this stage may have a remedy against the personal representative himself ... [b]ut they (sic) must be able to prove that the personal representative did not act in good faith or he had notice of some fact which cast doubt on the correctness of the grant made to him." Further, "The bona

fide purchaser for value on the other hand has absolute title as the conveyance is valid despite even the subsequent revocation of the grant." I say no more at this point as to possible remedies the Appellant in this case may have against any other persons. They are not parties to the instant suit.

The bona fide purchaser

The Respondent claimed and the learned trial judge found that the Respondent [10] was a bona fide purchaser for value; the learned judge stating that she could find nothing to indicate that the Respondent was not. The learned judge acknowledged that the rule is that "...the Claimant must have acted in good faith - no sharp practices or unconscionable conduct. She must also have given valuable consideration whether money/money's worth and the full consideration must have been paid." The learned judge was apparently not concerned about the casual way in which the Respondent inspected the Property. This extended merely to the exterior of the house. The Respondent asked no questions of the neighbors and made no enquiry in the village. Neither did she seek a valuation of the Property. The learned judge was of the opinion that "[had the Respondent] properly inspected and appropriately enquired, the [Appellant] still would not have been able to inform her of the existence of a legally binding overriding interest." While this may be true, the failure to properly inspect is merely one of the factors that must be considered when examining the Respondent's bona fides. The learned judge also alluded to the fact that the Appellant had raised the point that the Property had not been sold for what it was worth, but stated that "[s]he offered nothing in support of this contention, except her 'say so'." The learned judge did

not say that she was concerned about the Inventory filed with the Probate that showed two properties in Carmelita Village, one valued at \$125,000.00 and the other at \$25,000.00. Nor did she refer to the Will which described the properties as "one-flat timber building" and "two-storey concrete building" respectively. Instead, she rejected the contention that the purchase price of \$30,000.00 was "nominal consideration" as alleged by the Appellant's counsel, remarking "[h]ow is one to measure whether such [a sum] is nominal or otherwise."

In Paymaster (Jamaica) Limited and another v Grace Kennedy Remittance Services Limited and another [2017] UKPC 40, Lord Hodge stated that "[t]he Board is mindful of the constraints on an appellate court when called upon to review the findings of fact of the judge at first instance who has heard and seen the witnesses give oral evidence in court. Lord Hodge referred to a number of cases including McGraddie v McGraddie [2013] UKSC 58 [2013] 1 WLP 2477 and Henderson v Foxworth Investments Ltd [2014] UKSC 41; [2014] 1 WLR 2600. In McGraddie, Lord Reed referred to Lord Thankerton's speech in Thomas v Thomas 1947 SC (HL) 45; [1947] AC 484, where he said

"(1) Where a question of fact has been tried by a judge without a jury, and there is no question of misdirection of himself by the judge, an appellate court which is disposed to come to a different conclusion on the printed evidence should not do so unless it is satisfied that any advantage enjoyed by the trial judge by reason of having seen and heard the witnesses could not be sufficient to explain or justify

the trial judge's conclusion. (2) The appellate court may take the view that, without having seen or heard the witnesses, it is not in a position to come to any satisfactory conclusion on the printed evidence. (3) The appellate court, either because the reasons given by the trial judge are not satisfactory, or because it unmistakably so appears from the evidence, may be satisfied that he has not taken proper advantage of his having seen and heard the witnesses, and the matter will then become at large for the appellate court."

[12] However, in **Henderson**, Lord Reed again said

"[i]t does not matter, with whatever degree of certainty, that the appellate court considers that it would have reached a different conclusion. What matters is whether the decision under appeal is one that no reasonable judge could have reached." Further, "...in the absence of some other identifiable error, such as (without attempting an exhaustive account) a material error of law, or the making of a critical finding of fact which has no basis in the evidence, or a demonstrable misunderstanding of relevant evidence, or a demonstrable failure to consider relevant evidence, an appellate court will interfere with the findings of fact made by a trial judge only if it is satisfied that his decision cannot reasonably be explained or justified."

[13] Accordingly, while this court might find it passing strange that the Respondent, as a prospective purchaser, would proceed to conclude the purchase of a house in the circumstances outlined above, I acknowledge that the learned judge heard and saw the witnesses (particularly the Respondent) give oral evidence. In fact, she said of the

Respondent that "[t]he Claimant struck me as honest and forthright and I believed her testimony here." This court is thus bound by those findings.

The overriding interest.

[14] The Respondent's claim is that she is entitled to absolute ownership based on the Land Certificate she holds in respect of the Property. The Appellant claimed that as a person in actual occupation of the Property, she had an overriding interest as contemplated by section 31(1)(g) of the Registered Land Act, Chapter 194.

Section 26 of that Act provides that

"Subject to section 30, the registration of any person as the proprietor with absolute title of a parcel shall vest in that person the absolute ownership of that parcel together with all rights and privileges belonging or appurtenant thereto, free from all other interests and claims whatever, but subject ... (b) unless the contrary is expressed in the register, to such liabilities, rights and interests as affect the same and are declared by section 31 not to require noting on the register..."

Section 31 provides that

- "(1) Subject to subsection (2), unless the contrary is expressed in the register, all registered land shall be subject to such of the following overriding interests as may for the time being subsist and affect it, without their being noted on the register...
- g) the rights of a person in actual occupation of land or in receipt of the rents and profits thereof except where inquiry is made of such person and the rights are not disclosed..."

The learned judge found that the Appellant's occupation of the land did not create an overriding interest, stating that "mere occupation of land does not of itself create the existence of an overriding interest under section 31(1)(g) of The Act. The person claiming to have such an interest must have a corresponding legal or equitable interest in the property capable of binding same in the hands of a purchaser." She based her reasoning on an analysis of the three limbs relied upon by the Appellant. These were: (i)The Appellant's claim as a beneficiary on intestacy; (2) a purported agreement with the other beneficiaries that the Appellant would get the house if she relinquished claim to any of the other properties; and (3) some other nebulous right.

In respect of the Appellant's first limb, the learned judge pointed out first, that there was a valid Grant of Probate in existence. Second, even in the case of intestacy, the Appellant's share would amount to one third of the value of the deceased's estate, and not a specific piece of property. See section 54(1) of the Administration of Estates Act. Chapter 197 which states in pertinent part that

"(c) if the intestate leaves issue, the surviving wife or husband shall, in addition to the interests taken under paragraph (a) of this subsection, take one-third only of the residuary estate absolutely, and the issue shall take the remaining two-thirds of the residuary estate absolutely..."

The learned judge referred to **Williams Mortimer and Sunnucks 16th Edition page**944 as "the applicable law in Belize where they state as follows:

"until assent or conveyance, a person interested under the Will or intestacy has an inchoate right transmissible to his personal representatives. He cannot, however, without the authority of the personal representatives, take possession of the property. A residuary legatee has no interest in a defined part of the estate until the residue is ascertained, ... His right which is, of course, transmissible is to have the estate properly administered and applied for his benefit when the administration is complete. The right of a beneficiary claiming on a total intestacy is similar, except that he takes under a Statutory trust for sale and conversion."

The learned judge properly concluded that "[the Appellant's] claim here would be against the personal representative for what she is entitled to and nothing else." (citing Williams & Glyns Bank v Boland & anor; Williams v Glyn's Bank v Brown [1980] 2 All ER 408). In Williams, the court held that a wife who was in occupation of the property had an overriding interest - a proprietary interest - as against the Bank where

the Bank sought possession after Wife's husband (the registered owner) defaulted on a mortgage.

[16] Similarly in Nemencio Acosta v Crisologo Sosa Belize Civil Appeal No. 34 of 2011, this court held that something more than mere occupation is indicated in order to amount to "overriding interest." In that case, a vendor attempted to sell certain land to two different purchasers. He accepted part payment from the first purchaser, but no purchase price was agreed between them. The first purchaser took possession of the property and began renovations. The vendor then transferred title to the second purchaser who obtained a Land Certificate. The second purchaser wrote to the first purchaser demanding that the first purchaser vacate the land or enter into a lease with the second purchaser. The first purchaser responded that he was in actual occupation, such that the Land Certificate in question was subject to his overriding interest under section 31 of the Registered Land Act. The court held that

"the appellant [was] unable to claim an overriding interest in the land under ss.26 and 31 of the Registered Land Act, despite being in actual occupation of the land at the time that the respondent purchased the land from [the vendor] (the second purchase). That [was] because the appellant had no contract of sale with the vendor, and no legal or equitable right on which he could claim occupation and the right to possession of the land."

The court reasoned that

'[t]here [had] been no contract of sale of the land between [the vendor] and the appellant ... No legal right attaching to the land passed from [the vendor] to the appellant. Also, no equitable right or interest passed to the appellant; no beneficial interest [had been] obtained by the appellant in the land."

[17] In Strand Securities Ltd. v Caswell [1965] Ch 958, the Respondent claimed that he was in actual occupation of the property when he did not actually live there himself. He had a sublease and had furniture and other items there, but had allowed his step-daughter and her children to live there. The court found that the Respondent was not in occupation, finding that it might have been different if the stepdaughter was there in a representative capacity such as a caretaker. Since she was there on her own behalf and not on the Respondent's, the court assumed that she had no overriding interest.

[18] In short, as was stated in National Provincial Bank v Ainsworth [1965] AC
1175

"the whole frame of [the section], with the list that it gives of interests, or rights, which are overriding, shows that it is made against a background of interests or rights whose nature and whose transmissible character is known, or ascertainable, *aliunde*, i.e. under other statutes or under the common law."

These cases demonstrate that, to successfully claim an overriding interest, the Appellant must show that she has a proprietary or other beneficial interest in the Property. She cannot.

- [19] The learned judge also considered the Appellant's argument that she had some other interest, based on her contribution to the development of the Property. That argument failed as the Appellant adduced no evidence to substantiate this.
- [20] As regards the Appellant's assertion that there was an agreement between herself and the other beneficiaries under which they would transfer the property to her, the learned judge found that the Appellant brought no proof of this, reasoning that if there had been some memorandum or note to that effect, it would have been exhibited. I agree. Allegations of fraud should not be pleaded unless there is clear and sufficient evidence to support it. (See Belize Airports Authority v UETA Ltd of Belize Belize Court of Appeal, Civil Appeal No. 17 of 2000.) The learned judge also referred to the Appellant's allegation of fraud stating that it had no bearing on this matter. She was however, concerned with what she viewed as the Appellant's condonation of or acquiescence in the alleged fraud. The learned judge held that the Appellant could not "approach the seat of equity with such unclean hands."

 I also agree.
- [21] Further, it is clear that the Appellant also falls afoul of another equitable maxim: vigilantibus non dormientibus aequitas subvenit. To date, the Appellant has not applied for revocation of the Grant of Probate, apparently believing that revocation occurred as a matter of law. First of all, were that the case, the Administration of Estates Act would not mention it as a discrete proceeding and

not as an automatic operation. See e.g. section 20 which provides for continuance of legal proceedings after *revocation* of temporary administration; section 27, that states in part "[w]here a representation is *revoked*, all payments and dispositions made in good faith to a personal representative under the representation before the *revocation*..."; and section 44(1), the marginal note of which reads "Validity of conveyance not affected by *revocation* of representation."

Second, to accept that revocation occurred without any positive steps taken by the Appellant to bring it about, would result in the strange situation of a live Grant of Probate being in circulation while the document on which it was based is a nullity. I note also that it was open to the Appellant, when she became aware of the Will, or when she became aware of the Grant of Probate, to file a caution pursuant to **Section 130 of the Registered Land Act** which states as follows:

"130.-(1) Any person who(a) claims any unregistrable interest whatever, in land or a lease or a charge ... may lodge a caution with the Registrar forbidding the registration of dispositions of the land, lease or charge concerned and the making of entries affecting the same.

(2) A caution may either(a) forbid the registration of dispositions and the making of entries altogether; or (b) forbid the registration of dispositions and the making of entries to the extent therein expressed."

A caution would have had the effect of protecting any interest in the Property that the Appellant may have become entitled to.

Entitlement to vacant possession

- The learned judge found that the Respondent was entitled to vacant possession of the Property, holding that "[t]he Claimant ... has by her registered title proven herself to be absolute owner, as such she is entitled to vacant possession of the Property." Further, "[o]nce The Property was sold and she was given notice to quit, having no interest in The Property which would allow her legally to be present thereon, she becomes a trespasser." I agree.
- [23] I come now to address the matter of the court's jurisdiction under section 19 of the Court of Appeal Act, and specifically, whether that jurisdiction enables this court to make an order revoking the Grant of Probate issued to Norma Gillet on December 12, 2012. Section 19 of the Court of Appeal Act, Chapter 90 states as follows:
 - (1) On the hearing of an appeal under this Part, the Court shall have power to

 'a) confirm, vary, amend or set aside the order or make any such

 order as the Supreme Court or the judge thereof from whose order

 the appeal is brought might have made, or to make any order which

 ought to have been made, and to make such further or other order

 as the case may require;
 - (b) draw inferences of fact;
 - (c) direct the Supreme Court or the judge thereof from whose order the appeal is brought to enquire into and certify its finding on any

question which the Court thinks fit to be determined before final judgment in the appeal.'

(2) The powers of the Court under this section may be exercised notwithstanding that no notice of appeal or respondent's notice has been given in respect of any particular part of the decision of the Supreme Court or the judge thereof from whose order the appeal is brought or by any particular party to the proceedings in that court, or that any ground for allowing the appeal or for affirming or varying the decision of that court is not specified in such notice; and the Court may make any order on such terms as the Court thinks just to ensure the determination on the merits of the real question in controversy between the parties."

[24] Section 16 of the Wills Act, Chapter 203 provides that: -

"[a] will shall be revoked by the subsequent marriage of the testator except a will expressed to be made in contemplation of that marriage." It is clear that in this case, the testator married almost three years after the execution of his will, thereby invalidating that will."

Counsel for the Appellant mysteriously argues that section 19 gives this court the power to "ignore all procedural issues and objections and to decide the real issues between the parties." In effect, the Appellant avers that section 19 empowers the court to "compel the Respondent's predecessor in title to deliver up for cancellation the Probate

granted by the court in ignorance of the fact that the will in question had been revoked by operation of law." Never mind that the said predecessor in title is not a party to this suit. Counsel offers no authority for this point of view.

[25] The Respondent, on the other hand, directs our attention to the case of **Pedro Abraham Cowo v Rodrigo Daniel Cowo Jr. et al, Belize Court of Appeal (Civil Appeal) No. 7 of 2012**. In that case, a grant of Letters of Administration (with Will Annexed) had been made to the appellant on March 14, 2011. The Will was dated October 7, 1998. The testator had married on December 20, 2003. The respondents/claimants filed a challenge to the grant on or about May 10, 2011. A case management conference was held and a date for trial was set. Before the trial, the respondents/claimants filed a Notice of trial of Preliminary Issue with affidavit in support. That issue was

"Whether the marriage between [the deceased] and [Mrs Cowo] on the 20th day of December 2003 revoked the Will made by the said [deceased] on 7th day of October 1998;

AND

Whether Probate (sic) granted to [Pedro] on the 14th day of March 2011 is valid and subsisting in the face of [the deceased] being legally married after creating the Will."

[26] Hafiz-Bertram J heard both parties and granted an oral application to amend the claim. Further she ordered "pursuant to [section] 16 of the Wills Act of Belize that the said Will is invalid and the Claim as amended is allowed." The order was appealed. The appeal was largely concerned with procedural issues, in particular with reference to the timing of the application (after the case management conference) and the requirement for notice and filing under Rule 20.1 of the Supreme Court (Civil Procedure) Rules. The substantive grounds of appeal claimed that the judge wrongfully exercised her discretion by allowing the amended claim in a summary judgment without trial. The appeal was dismissed, the Court of Appeal agreeing that the appeal was more as to form than substance. As Sir Manuel Sosa P stated "these ... grounds of appeal do not, whether taken individually or as one, amount to anything. Moreover, they are being advanced in circumstances where the result of the litigation is a foregone conclusion capable only of being deferred, not of being avoided."

[27] The Respondent in the instant case, argued that the decision in the lower court arose by virtue of the exercise of the judge's exercise of "her inherent powers to suddenly conclude the proceedings." This is not strictly so, as in **Cowo**, there was a live application for revocation before the judge, and the learned judge had heard both parties and made a ruling on the preliminary point. That ruling effected, in the words of the statute, a "determination on the merits of the real question in controversy between the parties." There was no reason for the matter to proceed further.

[28] In this case, however, unlike Cowo, there was no application for revocation of

the Grant of Probate before the lower court. This was a claim for possession of the

Property, damages for trespass and costs. Further, and most tellingly, neither the

Executrix of the Will nor the daughters were parties to the suit.

In the circumstances, this court has no power to make an order under section 19(1)

revoking the Grant since the "Supreme Court or the judge thereof from whose order the

appeal is brought" could not have made such an order on the claim as stated. Neither

can this court make such an order under section 19(2) because the merits of the real

question in controversy between the parties concern the tension between one party with

a Land Certificate for the Property and another claiming an overriding interest in that

property.

[29] For all the reasons advanced, this appeal is dismissed, and the orders in the

court below are affirmed. Costs of this appeal to the Respondent to be agreed or

taxed.

DUCILLE JA

PARKE JA

[30] I have read the judgment, in draft of Ducille JA, and I concur in the reasons for

Judgment given, and the orders proposed therein.

PARKE JA

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