



CARIBBEAN COURT OF JUSTICE

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CCJ CLARIFIES PRINCIPLES ON DISREGARDING COMPANIES' SEPARATE LEGAL PERSONALITY

Port of Spain, Trinidad and Tobago. On Wednesday, 10 December 2025, the Caribbean Court of Justice (CCJ) delivered its judgment in Appeal No. BZCV2025/001, *Beth Clifford and Beltway Investment Group Inc v LCW Investments, LLC*, unanimously allowing the appeal and setting aside the decision of the Court of Appeal of Belize, which disregarded a company's separate legal personality.

A company is a creature of statute endowed with separate legal personality, that is, it is a legal entity, in its own right, separate from its members/shareholders. When a company is incorporated, therefore, it is said that a figurative veil is drawn between the company's assets and liabilities and those of its members/shareholders.

In 2017, LCW Investments, LLC ("LCW") entered into a contract with Green Development Partners Ltd ("GDP") for the purchase of land in Belize and for the construction of a house on that land. The contract provided that within 10 days of execution, LCW shall enter into a land purchase agreement with a third party. The contract also stipulated that LCW should wire all payments due under the contract to another company, Beltway Investment Group Inc ("Beltway"). Beth Clifford is the sole shareholder and director of both GDP and Beltway.

After LCW had paid the contract sum and experienced excessive delay in receiving title for the land and in the construction of the house, it cancelled the contract and commenced proceedings in the High Court against GDP, Beth Clifford and Beltway.

While the High Court awarded damages to LCW against GDP only for breach of contract, the Court of Appeal found Beth Clifford and Beltway jointly liable with GDP for breach of contract. It did so even though neither Beth Clifford nor Beltway was a party to the contract. The Court of Appeal considered that the structure of the companies under Beth Clifford's control (in ways that

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obscured their individual identities) combined with the nature of the transaction itself established the necessary impropriety to disregard GDP's separate legal personality and hold Beth Clifford jointly liable for the breach of contract. It also held Beltway liable on the basis that it had been wired the contract sum from LCW which had not received the lot title or house.

The CCJ held that there was no basis in law or fact to disregard the separate legal personality of GDP, nor to hold Beltway jointly liable. The appeal raised two key issues:

1. Whether the Court of Appeal erred in disregarding GDP's separate legal personality to impose liability on Beth Clifford, and
2. Whether Beltway was properly held jointly liable for GDP's breach of contract.

On the first issue, the majority of the CCJ articulated the approach that should guide the courts' exercise of their discretion to not treat a company as a legal entity separate from its members. They emphasised that the discretion should be exercised only where the corporate structure has been abused or used contrary to the purpose for which the benefit of incorporation is granted. On the facts, there was no evidence of abuse or misuse of GDP's corporate structure by Beth Clifford.

On the second issue, the Court found that Beltway wired the funds as the contract intended and there was no evidence of misuse of the funds.

The CCJ ordered that the decision of the Court of Appeal be set aside, the High Court's order restored, and that Beth Clifford and Beltway be paid their costs before this Court and in the courts below.

The panel of the CCJ comprised Justices Rajnauth-Lee, Barrow, Jamadar, Ononaiwu, and Ebue-Osuji. The appellants, Beth Clifford and Beltway, were represented by Mr Eamon H. Courtney, SC, and Ms Priscilla J. Banner, SC. The respondent, LCW, was represented by Mr E. Andrew Marshalleck Jr, SC and Mr Jaraad Ysaguirre.

The CCJ's full decision is available via www.ccj.org.

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About the Caribbean Court of Justice

The Caribbean Court of Justice (CCJ) was inaugurated in Port of Spain, Republic of Trinidad and Tobago on 16 April 2005 and presently has a Bench of seven judges presided over by CCJ President, the Honourable Mr Justice Winston Anderson. The CCJ has an Original and an Appellate Jurisdiction and is effectively, therefore, two courts in one. In its Original Jurisdiction, it is an international court with exclusive jurisdiction to interpret and apply the rules set out in the Revised Treaty of Chaguaramas (RTC) and to decide disputes arising under it. The RTC established the Caribbean Community (CARICOM) and the CARICOM Single Market and Economy (CSME). In its Original Jurisdiction, the CCJ is critical to the CSME and all 12 Member States which belong to the CSME (including their citizens, businesses, and governments) can access the Court's Original Jurisdiction to protect their rights under the RTC. In its Appellate Jurisdiction, the CCJ is the final court of appeal for criminal and civil matters for those countries

in the Caribbean that alter their national Constitutions to enable the CCJ to perform that role. At present, five states access the Court in its Appellate Jurisdiction, these being Barbados, Belize, Dominica, Guyana, and Saint Lucia. However, by signing and ratifying the Agreement Establishing the Caribbean Court of Justice, Member States of the Community have demonstrated a commitment to making the CCJ their final court of appeal. The Court is the realisation of a vision of our ancestors, an expression of independence and a signal of the region's coming of age.

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