IN THE HIGH COURT OF BELIZE, A.D. 2023

Claim No. 487 of 2021

BETWEEN

ELVIS PEREZ

CLAIMANT

AND

KEVIN FLOWERS

DEFENDANT

Before the Honourable Madam Justice Geneviève Chabot

Trial Dates: October 11th and 12th, 2022

Dates of Written Submissions: November 9th and 29th, and December 13th, 2022

Appearances

Rene A. Montero, for the Claimant

Jaraad A. Ysaguirre, for the Defendant

JUDGMENT

Introduction

1. Elvis Perez (the "Claimant") and Kevin Flowers (the "Defendant") entered into a contract pursuant to which the parties would exchange parcels of land, and the Defendant would perform certain works on those parcels for an amount of \$28,500.00. The Claimant alleges that the contract was preceded by an oral agreement under which the Defendant would assist him in procuring a dredging permit. The Claimant alleges that no work was done by the Defendant and seeks to have his money back. The Defendant denies receiving any payments from the Claimant under the contract. The Defendant denies the existence of any oral agreement. In his Counterclaim, the Defendant argues that the contract is unlawful and seeks its rescission.

2. For the following reasons, I find that the contract is unlawful under the *Land Utilization* Act^1 and must be rescinded. I also find that the Claimant made payments to the Defendant in a total sum of \$17,380.00 for services which have not been rendered, and must be returned to the Claimant.

Background

- 3. The Claimant filed a Claim seeking damages in the amount of \$22,380.00 against the Defendant. The Claimant alleges that he and the Defendant entered into an oral agreement on or about March 10th, 2020 for work to be done (the "Oral Agreement") for an amount of \$28,500.00. The work included:
 - i. The securing of a dredging permit;
 - ii. Bulldozer work on Calabash Caye and Caye Caulker; and
 - iii. Dredging on Calabash Caye.
- 4. The Claimant alleges that he paid \$11,620.00 to the Defendant for the dredging permit. It is agreed by the parties that no dredging permit has been provided to the Claimant.
- 5. The Claimant further claims that on or about April 17th, 2020, the parties agreed to the transfer to the Claimant of 3 acres of land situated on the north side of Caye Caulker, in consideration of 1 acre of land situated at Calabash Caye. The Defendant represented to the Claimant that his bulldozer was performing work on Caye Caulker on another project and could clear, level, and perform other work on the proposed 3 acres that were to be transferred to the Claimant. The Claimant claims that he paid a total of \$4,800.00 for that work to be performed, but that no work was done or could have been done on the said 3 acres.
- 6. The parties entered into a written agreement on or about May 1st, 2020 for the exchange of land and for work to be done at Calabash Caye and Caye Caulker (the "Written Agreement"). The Claimant alleges that he paid \$5,960.00 to the Defendant as an advance, and for work to be done on the proposed 3 acres at Caye Caulker. The Claimant asserts that to date the Defendant has failed or refused to transfer the 3 acres situated on the north side of Caye Caulker and to perform the work on Calabash Caye and Caye Caulker.
- 7. The Defendant denies that the parties entered into an oral agreement. The Defendant alleges that the payments made to him by the Claimant were in relation to the Defendant acting as an agent/presenter for the Claimant by lodging certain land documents for processing with

¹ Cap. 88, Rev. Ed. 2020.

the Land Titles Unit and obtaining the titles. The Claimant also allegedly paid him an additional \$2,120.00 for assistance in bringing a vehicle into the country.

- 8. Because there was no agreement between the parties, the Defendant says that he was not required to provide any sort of update or dredging work. The Defendant denies that he proposed to do work on any land to be transferred to the Claimant, or that he was paid for such work. The Defendant says that the payments made were for work done prior to, and separate from the May 1st, 2020 contract.
- 9. While he admits that the parties entered into the Written Agreement, the Defendant alleges that the transfer failed because the Claimant has yet to fulfill his obligation under the Written Agreement. Furthermore, the Defendant has discovered that the Claimant does not hold good and marketable title to the land he contracted to convey. In addition, the Written Agreement does not comply with the *Land Utilization Act*.
- 10. According to the Defendant, prior to this Claim, the parties rescinded the Written Agreement. No funds were transferred to the Defendant under the Written Agreement.
- 11. The Defendant filed a Counterclaim where he alleges that the Claimant fraudulently represented that he was the sole owner of a parcel of 2.27 acres of land situated at Calabash Caye. The Defendant alleges that the Claimant represented that he had good and marketable title and could transfer the land to the Defendant, but he is not in fact the sole owner of the land. The Defendant alleges that the Claimant's fraudulent or reckless representation induced him to enter into the Written Agreement. The Defendant also asserts that the transfer of a portion of the property requires approval from the Land Utilization Authority under the *Land Utilization Act*. However, there is no subdivision approval to date and the Claimant cannot undertake to sell or transfer the land without the requisite approval. The Defendant seeks the rescission of the Written Agreement.
- 12. In his Defence to the Counterclaim, the Claimant denied making any fraudulent and reckless representation, and asserts that the Defendant knew that the land at Calabash Caye was jointly owned by himself and his uncle. The Defendant was made aware that the Claimant had a Power of Attorney to deal with the property, including the sale and transfer of the property. The Claimant argues that even if the Written Agreement is rescinded, the Defendant still received an amount of \$22,380.00 which he must return to the Claimant.

Issues for determination

13. Although it arises in the Counterclaim, the issue of the lawfulness of the Written Agreement under the *Land Utilization Act* must be determined first. If the Written Agreement is found to be unlawful, the Written Agreement must be rescinded and the parties put back in their original positions. To do so, the Court will have to consider the

evidence in relation to payments allegedly made by the Claimant to the Defendant and decide whether the Defendant must return any money to the Claimant under either an alleged Oral Agreement made between the parties on or about March 10th, 2020, and/or the Written Agreement.

- 14. If the Written Agreement is found to be lawful, then the Court will turn to the other issues raised in the Claim Form, the Defence, and the Counterclaim, namely:
 - a. Was an Oral Agreement made on or about March 10th, 2020 between the parties?
 - b. Did the Claimant make any payment to the Defendant under either the Oral or the Written Agreement?
 - c. Was either the Oral or the Written Agreement breached by either party?
 - d. Was the Defendant unjustly enriched?
 - e. Alternatively, is the Claimant entitled to damages against the Defendant?
 - f. Did the Claimant falsely or fraudulently represent to the Defendant that he was the sole owner of 2.5 acres of land in Calabash Caye at the time the parties entered into the Written Agreement?

Analysis

Is the Written Agreement unlawful under the Land Utilization Act?

- 15. The Written Agreement is unlawful under the *Land Utilization Act* insofar as it provides for the alienation of land which was to be subdivided without the approval of the Minister responsible for land.
- 16. Under the Written Agreement, titled "Contract for Sale of Land", the Claimant was to "transfer one acre of a parcel of land of 2.5 acres situate at Calabash Caye, Belize District" to the Defendant in exchange for some consideration. A document titled "Valuation of Land" exhibited to the Claimant's witness statement shows that the parcel is listed as being 2.27 acres in size.² At paragraph 35 of his witness statement, the Claimant confirmed that "it was always [his] intention to subdivide the property and thereafter give the Defendant his portion as per our agreement dated 1st of May 2020".³
- 17. Section 4 of the *Land Utilization Act* provides that "a person wishing to subdivide land to which this Act applies shall submit an application to the Land Subdivision and Utilization

² Witness Statement of Elvis Perez dated May 13th, 2022, Exhibit EP-9.

³ Witness Statement of Elvis Perez dated May 13th, 2022 at para. 35.

Authority established under section 9". Under section 3(1) of the *Land Utilization Act*, the Act applies to "all land in Belize", unless declared otherwise by the Minister by an Order published in the Gazette. No such Order has been brought to the attention of the Court. The Claimant's parcel at Calabash Caye is therefore subject to the *Land Utilization Act*.

18. Pursuant to section 3(2) of the Land Utilization Act, "No person may subdivide any land to which this Act applies except in accordance with the provisions hereinafter contained". The Land Utilization Act sets out an application process. Under section 7(1) of the Land Utilization Act, "any purported subdivision in contravention of the provisions of this Act shall be void and of no effect". Section 14 of the Land Utilization Act prohibits a person from alienating any part of a land to be subdivided until the Minister gives the final approval:

14. The applicant shall not sell, lease, give or in any other manner alienate any part of the land which is to be subdivided until he has received the final approval of the Minister.

- 19. There is no evidence that the Claimant applied for, let alone received an authorisation to subdivide the parcel at Calabash Caye. The Written Agreement providing for the transfer of a subdivided portion of the 2.27 acres at Calabash Caye in return for a parcel on Caye Caulker was illegal and must be rescinded.
- 20. The Claimant argues that the Written Agreement is in two parts. The second part of the Written Agreement is for certain works to be done at Calabash Caye by the Defendant. The Claimant argues that even if the Written Agreement is unlawful, the Defendant has been unjustly enriched at the Claimant's expense and the Claimant is entitled to restitution from the Defendant for the sums paid for work at Calabash Caye.
- 21. Determining whether the works to be done under the Written Agreement can be severed from the land exchange requires a consideration of whether the parties made an Oral Agreement prior to making the Written Agreement. If the parties made an Oral Agreement for works to be done, the portion of the Written Agreement providing for works to be done can be considered separate from the land exchange. If no Oral Agreement was made, the whole Written Agreement must be rescinded and the Court will turn its mind to whether the Defendant has been unjustly enriched.

Was an Oral Agreement made on or about March 10th, 2020 between the parties?

22. The parties dispute whether an Oral Agreement was made between them prior to the Written Agreement. I find that, on the evidence, the Claimant made payments to the Defendant between March and June 2020 under an Oral Agreement for the securing of a dredging permit and for bulldozer work on Calabash Caye and Caye Caulker.

Dredging and dock permit

- 23. Exhibit EP-3 of the Claimant's witness statement shows two application forms filled out and signed by the Claimant on March 23rd, 2020. The first application form does not clearly state its purpose, but the second form is a Ministry of Natural Resources' application form in which the Claimant writes "Pier" as the purpose of the application, and "Calabash Caye" as its location. While the Defendant's name does not appear on the application forms, this exhibit shows that the Claimant was seeking a permit from the Ministry of Natural Resources around March 23rd, 2020.
- 24. The Claimant provided evidence of a payment made and received by the Defendant on March 17th, 2020 for the securing of a dredging permit. The Claimant produced a copy of his notebook. An entry dated March 17th, 2020, states as follows:

March 17, 2020

Received from Elvis Perez

- Two Thousand Five Hundred
- Dredging Permit/Dock Approval
- \$2,500.00
- 25. That entry shows what appears to be the Defendant's signature. The Claimant testified that he saw the Defendant sign the notebook and that he is familiar with his signature. In cross-examination, the Defendant did not dispute that his signature appears in the notebook.
- 26. The Claimant produced evidence of online bank transfers from his Scotia Bank account to an Atlantic Bank account under the name "K. Flowers" and with a number ending in "1184".⁴ In cross-examination, the Defendant agreed that this was his bank account. A transfer was made on March 20th, 2020 for an amount of \$1,500.00.⁵ A transfer was made on March 23rd, 2020, the same day as the application forms were signed by the Claimant, to the same bank account for an amount of \$2,000.00.⁶ Exhibit EP-6 shows that two transfers were made to one Kevin Flowers, one on March 25th, 2020 for an amount of \$1,500.00, and the other on March 27th, 2020 for an amount of \$1,320.00.⁷ The Claimant alleges that the \$1,320.00 payment was made on request of the Defendant as part of his commission. Exhibit EP-7 shows that a transfer for an amount of \$800.00 was made on April 15th, 2020

⁴ The full account number is shown on the bank statements, however it will not be reproduced in its entirety in this judgment to preserve the Defendant's privacy.

⁵ Witness Statement of Elvis Perez dated May 13th, 2022, Exhibit EP-2.

⁶ Witness Statement of Elvis Perez dated May 13th, 2022, Exhibit EP-4.

⁷ Witness Statement of Elvis Perez dated May 13th, 2022, Exhibit EP-6.

to the bank account under the name "K. Flowers" ending in "1184". The Claimant alleges that this payment consisted in the second part of the Defendant's commission.

- 27. The Claimant asserts at paragraph 13 of his witness statement that he also made a payment to the Defendant in cash for \$2,000.00. The Claimant relies on Exhibit EP-5 in support of this contention. Exhibit EP-5 shows a WhatsApp conversation between the Claimant and "Kevin" in which the Claimant writes: "I will have to transfer \$2k to your account and the balance cash". This does not prove that any payment was indeed made in cash, and if it was, the amount paid. The evidence does not establish on a balance of probabilities that \$2,000.00 was paid in cash to the Defendant.
- 28. Cecil Ramirez testified at the trial. Mr. Ramirez prepared the Written Agreement for the parties' signature. Mr. Ramirez introduced into evidence a WhatsApp message purportedly sent to him by the Claimant on March 31st, 2020 in which the Claimant writes "Just an update... I have given Kevin \$8k for the approval of the dock and dredging permit".⁸
- 29. The Defendant denies that any agreement was made in relation to a dredging or docking permit. The Defendant points out that the Written Agreement does not say anything about dredging or a dredging permit. In cross-examination, the Defendant denied that any of these payments were made in return for securing a dredging or dock permit. It is common ground that the Defendant never produced a dredging permit to the Claimant.
- 30. I find that, on a balance of probabilities, the evidence supports the Claimant's contention that the parties entered into an Oral Agreement under which the Defendant was to provide the Claimant with a dredging permit. The Claimant proved that he paid the Defendant an initial fee of \$2,500.00, and then \$7,120.00 under that Oral Agreement. Since no dredging permit was produced, the Oral Agreement was breached. The Claimant is entitled to the return of the sum of \$9,620.00.

Bulldozer and dredging work

31. The Claimant alleges that he made several other payments to the Defendant in April, June, and September 2020 for bulldozer work to be done at Calabash Caye and Caye Caulker. The Claimant asserts that these payments were made under an Oral Agreement which was later reduced into writing in the Written Agreement. The Defendant denies that any payments were made under any Oral or Written Agreement between the parties. The Defendant acknowledges receiving money from the Claimant, but asserts that these payments were made for other, unrelated work he performed for the Claimant.

⁸ Witness Statement of Cecil Ramirez dated May 12th, 2022, Exhibit CR-1.

- 32. I find that the parties agreed that the Defendant would perform bulldozer work on Calabash Caye and Caye Caulker. I further find that this work was to be performed as an integral part of the land exchange proposal, and as such that this agreement must be rescinded as part of the Written Agreement.
- 33. The Written Agreement provides evidence of the parties' intention that the Defendant perform "certain works" at Calabash Caye, and that he be paid \$28,500.00 for that work. The Written Agreement also provides evidence of the parties' agreement that work would be done on Caye Caulker and that this work would be invoiced by the Defendant. The Written Agreement provides in part as follows:

3. Landowner No. 1 recognizes that there are certain works to be done at Calabash Caye and at current estimate Landowner No. 1 shall pay to Landowner No. 2 the sum of Twenty Eight Thousand Five hundred Dollars (\$28,500.00)

4. Landowner No. 2 shall be entitled to further payments based on pro forma invoice or invoice presented to Landowner No. 1 for works to be executed or have been executed at Calabash Caye.

5. Landowner No. 2 shall be entitled to payments based on pro forma invoice or invoice presented by Landowner No. 1 for works to be executed or have been executed in respect of the three acres at Caye Caulker.

34. That the work to be performed was an integral part of the Written Agreement is evidenced by an entry in the Claimant's notebook dated July 31st, 2020,⁹ in which the Defendant signed the following:

I Kevin Flowers confirm I am the true owner of the 3 acres in Caye Caulker which is the subject of a signed agreement between myself and Elvis Perez dated May 1, 2020 for which I have already received relative funds.

Balance remains on the administration fees is \$4,000 to be received on completion of works and presentation of proof of ownership on the 3 acres in Caye Caulker.

35. While the meaning of "relative funds" will be addressed later, this entry shows that the parties had agreed to work being done as part of the land exchange proposal because the totality of the fees agreed to by the parties was to be paid upon "completion of works". In cross-examination, the Claimant admitted that the works contemplated in the Written Agreement included the provision of the dredging permit, which I already addressed. It is

⁹ Witness Statement of Elvis Perez dated May 13th, 2022, Exhibit EP-16.

notable that nowhere in his evidence, nor in his closing submissions, does the Defendant provide any explanation as to what "works" is referred to in the Written Agreement.

- 36. Because the Written Agreement is rescinded and the parties must be put into their original positions, I must now consider whether the parties exchanged any funds, other than the funds transferred for the dredging permit. I note that the fact that no work has been done at either Calabash Caye or Caye Caulker is not disputed; the Defendant denies any agreement for work to be done, and the Claimant claims that no work was done under the Written Agreement. As a result, if I am satisfied that funds were transferred from the Claimant to the Defendant for bulldozer or dredging work, then the Defendant would have been unjustly enriched and he must return these funds.
- 37. I find that, on the balance of probabilities, the Claimant paid the Defendant to do some bulldozer work under an Oral Agreement made prior to the Written Agreement. The expression "certain works" used in the Written Agreement is not capable of being interpreted other than in reference to a prior agreement between the parties. The July 31st, 2020 entry into the Claimant's notebook, reproduced above, was signed by the Defendant. That entry confirms that the Defendant had "already received relative funds". The Defendant's complete denial that any funds were ever transferred from the Claimant to him under either the Oral or the Written Agreement is therefore contrary to the evidence and puts into question the Defendant's credibility.
- 38. The meaning of "relative funds" cannot be determined with any certainty. Exhibit EP-16 contains a draft of the July 31st, 2020 entry in the Claimant's notebook in which a sum of \$25,000.000 is indicated as being the "relative funds" received by the Defendant. That draft entry is not signed by the Defendant, and is therefore not conclusive proof that the Claimant paid \$25,000.00 to the Defendant. As indicated above, however, the signed entry is proof that by July 31st, 2020, some sums had been paid to the Defendant.
- 39. The Claimant provided evidence of payments made to the Defendant between April and June 2020, other than the payments already addressed as payments made for the provision of a dredging permit. Exhibit EP-12 shows that the Claimant transferred to the Defendant's account the sums of \$2,000.00 on April 20th, 2020; \$2,000.00 on April 21st, 2020; and \$800.00 on April 28th, 2020. Exhibit EP-17 shows that the Claimant transferred a further \$960.00 on June 26th, 2020, and \$2,000.00 on June 29th, 2020. The Claimant asserts that Exhibit EP-17 also shows a payment of \$2,000.00 made on September 16th, 2020, however that payment appears to have been made to Cecil Ramirez and not to the Defendant. Exhibit EP-17 also shows a number of other payments made to the Defendant. The Claimant admits that he paid the Defendant for other work done, a point that will be addressed later. Finally, the Claimant states that he paid \$1,000.00 in cash, but provided no evidence of that

payment. In total, there is evidence that the Claimant paid the Defendant \$7,760.00 between April and June 2020.

- 40. On the balance of probabilities, I find that the \$7,760.00 was paid for bulldozer work to be done at Calabash Caye and Caye Caulker. The Written Agreement refers to "certain works to be done at Calabash Caye" and to "works to be executed or have been executed in respect of the three acres at Caye Caulker". The Claimant has been consistent in his testimony and cross-examination that "certain works" refers to bulldozer work. The Claimant brought two witnesses, Andrew Underwood and Answorth Dawson, who both confirmed that the Claimant asked them to look out for a bulldozer on the Caye Caulker property that was to be exchanged. Neither saw a bulldozer on the property.
- 41. On the other hand, the Defendant has been evasive as to the purpose of the payments made by the Claimant during that time period. In his Defence, the Defendant simply states that the "payments made were done for works that the Defendant did for the Claimant that were done prior to and separate from the contract dated 1st May, 2020". In his witness statement, the Defendant states that prior to entering into the Written Agreement, the Defendant had done work for the Claimant as a land agent, helped him obtain duty exemptions on the importation of a 2019 Toyota Tundra, filed conveyances on the Claimant's behalf, and did land tax payments on the Claimant's behalf. The Defendant exhibits to his witness statement documents he allegedly lodged on behalf of the Claimant and receipts for payments made.
- 42. That the Defendant performed other work for the Claimant in 2019 and 2020 is not disputed by the Claimant. The Claimant was candid about that fact, and pointed to the Court payments made to the Defendant for work unrelated to this Claim. The documents appended to the Defendant's witness statement do not support the Defendant's contention that the payments at issue in this Claim were made in relation to these documents. Documents appended at Exhibit KF-1 appear to show the Defendant's name as the agent for a Deed of Gift between the Claimant and one Evan Fitzgerald Gillett. There is no information as to how much the Defendant was paid to act as land agent for this transaction. In addition, the Deed of Gift was lodged on September 30th, 2019, 6 months before the first payment at issue in this Claim. There is nothing to connect the work as a land agent to the payments made by the Claimant to the Defendant between March and June 2020.
- 43. The Defendant appends a Land Tax Statement dated September 6th, 2019 under the account of Evan Fitzgerald Gillett. The Defendant's name does not appear anywhere on this document. The Defendant also appends three receipts for work performed by a surveyor. One of the receipts is dated October 9th, 2020 and another is dated October 24th (the year is not visible). Both are outside the scope of this Claim because the last payment alleged to have been made by the Claimant was in September 2020. The other receipt is dated May

24th 2020, and provides evidence of a payment jointly made by the Claimant and the Defendant in the sum of \$2,350.00. However, the receipt indicates that the surveyor was to work in the Grace Bank area. The parties both alluded to a project in Grace Bank in their pleadings and witness statements. The payment evidenced by this invoice does not appear related to this Claim. In any event, the source of the funds provided to pay for the surveyor's invoice has not been established.

- 44. Finally, the Defendant appends to his witness statement a series of receipts signed by Cecil Ramirez. These receipts date from April 25th, 2019 to March 16th, 2020 and are for "facilitation fees". Some refer to "Perez Land Acquisition". These receipts prove that the Defendant worked for Cecil Ramirez as facilitator for certain transactions, including a transaction in relation to a land acquisition by the Claimant. What these receipts do not show, however, is that the payments were made from the Claimant directly to the Defendant, and therefore do not provide a satisfactory explanation for the payments proven to have been made by the Claimant to the Defendant.
- 45. In light of the evidence presented by both parties, I am satisfied that the Claimant made payments to the Defendant between March and June 2020 for bulldozer work to be done at Calabash Caye and Caye Caulker. I have not been persuaded by the Defendant's contention that these payments were payments for other work unrelated to either the Oral or the Written Agreement. The Defendant is not credible in his complete denial of any payments made under either Agreement. Clear evidence has been provided to show that he received some payments from the Claimant under either Agreement. I prefer the evidence of the Claimant, which was clear, cogent, and consistent. The Claimant did not seek to embellish or exaggerate his Claim. The Claimant was candid in pointing to the Court payments he admits were made for other work performed by the Defendant. His assertions were supported by the documentary evidence.
- 46. As a result, I find that the Defendant was unjustly enriched and must return the sum of \$7,760.00 for work not performed. This is in addition to the sum of \$9,620.00 to be returned under the Oral Agreement for the dredging permit.
- 47. As each party was partly successful, there will be no order as to costs.

IT IS HEREBY ORDERED

- (1) The "Contract for Sale of Land" dated May 1st, 2020 is rescinded;
- (2) The Defendant shall pay the Claimant the sum of \$17,380.00;
- (3) Interest pursuant to sections 175 and 176 of the Senior Courts Act;
- (4) Each party shall bear their own costs.

Dated February 27th, 2023

Geneviève Chabot Justice of the High Court