

**THE MANAGEMENT OF NATIONAL PORT AUTHORITY**, by and thru its  
Managing Director, **MOSES P. HARRIS, JR.**, Appellant, v. **JOHN S. NAGBE et al.**  
and the **CHAIRMAN** and **MEMBERS OF THE BOARD OF GENERAL**  
**APPEALS**, Ministry of Labour, Appellees.

APPEAL FROM THE NATIONAL LABOUR COURT, MONTSERRADO  
COUNTY.

Heard: June 27, 1988. Decided: July 29, 1988.

1. Release issued by employees at instance of employer and which is not in compliance with employer's handbook is fraudulent, especially where employees are not informed of their full entitlement.
2. A person cannot release a claim of which he has no knowledge and of the existence of which he has been fraudulently kept in ignorance.
3. There cannot be a release without an unequivocal act showing expressly or by necessary implication an intention to release.
4. A release is a writing manifesting an intention to discharge another from an obligation and must be signed by the party executing the release.
5. A release is the relinquishment, concession or giving up of a right, claim, or privilege by the person in whom it exists or to whom it accuses, to the person against whom it might have been demanded or enforced.

Appellant appealed from a judgment of the National Labour Court confirming the decision of the Board of General Appeals which found that the appellant was obligated to the appellees in the amount of \$98,789.21, being the balance due under a pension scheme which the appellant had established with the American Life Insurance Company for the benefit of its employees. Under the scheme established by the employee, the employees paid five percent (5%) of their gross salaries to the scheme while the employer paid seven percent (7%) of the employees gross salaries, which the employees would be entitled to upon retirement.

The appellees, upon being retired, were paid certain amounts by ALICO, the insurance company, and were made to sign releases relieving ALICO and the appellant of all further claims. However, when the appellees discovered that they had been underpaid, they demanded their full payment. When the demands yielded no

positive results, the appellees filed an action in the Ministry of Labour to recover the amount involved. The hearing officer ruled in favor of the appellees, which ruling was confirmed by the Board of General Appeals and the National Labour Court on appeal.

On a further appeal to the Supreme Court, the ruling was affirmed. The Supreme Court held that the appellees claims were not barred since the releases which were executed by them were predicated on fraud perpetrated on them by the appellant, in that although the appellant had calculated and was aware of the amounts which were due the appellees, it had failed to reveal the amount to the appellees, knowing fully well that the appellees were not aware of their full entitlement. Instead, the Court said, the appellant had allowed ALICO to pay the appellees less than was due them. The Court further held that as the releases were not legal, the appellees were not bound thereby and were therefore entitled to additional compensation.

*John T Teenvia* and *Gloria E. Greene* appeared for appellant. *Pei Edwin Gausie* and *M. Fahnbulleh Jones* appeared for appellees.

JUSTICE JUNIUS delivered the opinion of the Court.

In January, 1973, the National Port Authority (NPA), appellant herein, launched a scheme known as the National Port Authority (Liberia) Retirement Scheme for the benefit of its employees. Predicated upon this Scheme, the appellant entered into a contract with American Life Insurance Company (ALICO) under which contract the appellant agreed to deduct 5% from the gross monthly salary of each employee and to pay it to ALICO as the employees' contribution towards the retirement. Under the contract also the appellant was required to pay an amount equivalent to 7% of the employees' salaries to ALICO as its contribution towards the retirement benefit for her employees. Thereafter, the appellant prepared, published and distributed among its employees a handbook on the aforesaid retirement scheme (called the pension plan) and other matters affecting its permanent employees.

Following the retirement of appellees in October 1983, they were sent to ALICO by appellant to receive their retirement benefits under the scheme. At ALICO, each appellee received a check covering five (5) years lump sum payment of his retirement (pension) benefits, for which each of them executed a release which was attached to the check received by them.

After appellees received from ALICO what was believed to be their total

contributions towards the retirement scheme, they soon discovered that the amount paid to each of them by ALICO, for which releases had been issued by them relinquishing all claims against both ALICO and the appellant, was an under payment of the total amount due them.

Appellees returned to their employer, the appellant, for redress, but all of their efforts proved fruitless. Thereafter appellees filed a complaint on July 12, 1933 against the appellant at the Ministry of Labour. The complaint was heard by a hearing officer whose ruling both appellee and appellant excepted to and appealed to the Board of General Appeals for review. In their appeal, the parties requested the Board of General Appeals to ascertain a sum certain regarding the retirement benefits to which each of the appellees was entitled. Upon a hearing duly had, the Board of General Appeals remanded the case to the hearing officer for further proceedings. Again a ruling was made by the hearing officer to the effect that appellees were entitled to \$98,789.21, being the balance he determined was due them of their unpaid benefits. The hearing officer further determined and confirmed his previous ruling that appellees' were entitled to pension benefits for the residue of their lives. Appellant excepted to this ruling and again appealed to the Board of General Appeals. After hearing of the appeal by the Board of General Appeals, the ruling of the hearing officer was confirmed. Appellant excepted to the decision of the Board of General Appeals and appealed to the Civil Law Court, Sixth Judicial Circuit, Montserrado County, for a judicial review of the Board's decision. To appellant's petition for judicial review, appellees filed returns. With the creation of the National Labour Court, the file in this case and all other labour cases were transferred from the Civil Law Court to this new judicial forum. The case was heard before the National Labour Court judge who rendered final judgment in favour of appellees, confirming the decision of the Board of General Appeals. Appellant excepted to this final judgment and announced an appeal to this Honourable Court of last resort for final review and determination.

The main contention which is the decisive issue in this case is whether the releases signed by appellees divested them of further claims against the appellant?

According to the NPA Handbook, at page 19, entitled "Termination Benefits, "an employee who terminates his services within one to five years will receive all of his contributions plus interest thereon." This is the mode of payment stipulated by the appellant in favour of appellees and they are entitled to receive their full contributions plus appellant's contribution and interest. Appellees have all qualified to receive full contributions under the retirement scheme. Yet, acting contrary to the scheme,

ALICO issued a release to each employee to sign for a sum of money which did not represent the total amount due each retired employee.

Appellants counsel contends that it was based upon negotiation that the five (5) year's lump sum payment of retirement of each retired employee was made. We cannot accept this argument, for it was mandatory for ALICO to pay to the appellees their full entitlement since they had qualified for such payment. No further negotiations were necessary. The wording of the handbook quoted above was as clear as day light and needed no further negotiations. Thus, the releases submitted to the appellees and which were signed by them, but which were not fully in compliance with the handbook were fraudulent. Appellees did not know their full entitlement or the exact amounts they were entitled to receive. Appellant calculated same but refused to disclose the amount to appellees before sending them to ALICO. It was only after they had received what ALICO claimed to be their just compensation that the actual calculation was discovered by them. 66 AM. JUR. 2d., *Release*, § 10, under "Intention of Parties" pp. 706-707, states: "A person cannot release a claim of which he has no knowledge and of the existence of which he had been fraudulently kept in ignorance." As such, the National Labour Court judge was correct when he ruled that "there cannot be a release without an unequivocal act showing expressly or by necessary implication an intention to release." "A release is a writing manifesting an intention i to discharge another from an obligation and must be signed by the party executing the release. *Monrovia Construction Corporation v. Wazami*, 23 LLR 58 (1974). The documents signed by the retired employees were not releases as the intention was absent.

Black's Law Dictionary 1453 (4' ed.) defines a release as "The relinquishment, concession or giving up of a right, claim, or privilege, by the person in whom it exists or to whom it accuses, to the person against whom it might have been demanded or enforced." A release is itself a discharge and one cannot discharge another of what has not been brought to his or her attention.

Appellant's main contention during the arguments and also as spelled out in its brief is that the release serves as an estoppel against the appellees asserting claims against the appellant. This being the case, we have decided to treat only that issue.

We note here briefly in passing that the validity of the NPA-ALICO contract under which the employees of NPA were to benefit was not of concern in this case. Appellees accepted the contract and are claiming only that they have not been fully compensated as per the contract.

In view of the foregoing, we hold that the document issued by ALICO and signed by appellees was not a release. Hence, the judgment of the National Labour Court is and same is hereby affirmed and confirmed, with costs against appellant. And it is hereby so ordered.

*Judgment affirmed.*