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COMPANY LIQUIDATOR: COMPARATIVE APPRAISAL OF HIS RIGHTS, DUTIES AND PROBLEMS (NIGERIA, BRITAIN AND AMERICA)

Ph.D (LAW) PROPOSAL

BY

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MAT NO: IUO/PG/LAW/Ph.D/2009/011791

A Ph.D THESIS PROPOSAL PRESENTED TO THE COLLEGE OF LAW, IGBINEDION UNIVERSITY, OKADA, EDO STATE, IN PARTIAL FULFILLMENT OF THE REQUIREMENT FOR THE AWARD OF THE DOCTOR OF PHILOSOPHY (Ph.D) DEGREE IN LAW

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LL.M (Lond.) Ph.D (Lond.) B.L (Nig.)

2013

1.1 Background to the Study

A company, as Viscount Haldane has noted[1], is an abstraction who's directing mind and will, must be found in the person of some human individual. This statement is true of a company at all times, whether liquidation has commenced or prior to that, when, the company is a going concern, the responsibility of conducting its affairs and managing its business is entrusted to the directors who are in various ways subject to the control and direction of the shareholders. The intervention of winding-up alters and changes, the existing pattern of administration. This is due to the fact that the company itself continues to exist as a different entity without undergoing any extension or reduction of its powers, without any principal changes in the formal structure of its administration as in the persons by whom and the purpose for which its affairs are thereafter conducted[2].

This thesis will highlight on the rights, duties, and challenges of a company liquidator in Nigeria, Britain and United States and his relevance in corporate management and by extension on the liquidation process and its effect on a company. Winding-up of a company puts an end to the position of the directors, as most of the functions and several powers of the directors are assumed by liquidator[3]. On winding-up the board of directors becomes *functus officio* and its powers are assumed by the liquidator. The rationale behind this, is that the directors are considered to have been responsible for the company's difficulties in the first place and should be kept away from its affairs, since it is those in affairs who have the power to cause harm, their removal is therefore a fundamental pre-requisite to any remedial action. This removal automatically occurs on liquidation except in certain compelling circumstances.

Basically, the essence of the appointment of a liquidator during liquidation is for the liquidator to take over control of the company, collect its assets, pay its debts and distribute any residue amongst the members in accordance with their rights, and ultimately carry out the process of dissolution of the company. The liquidator possesses some inalienable rights under the law. These are the roles of the liquidator, and if he breaches any of these duties, he is liable either to an action at the suit of the person indemnified by breach of a statutory duty owned to him or to a misfeasance.

The liquidator also possesses some rights accorded to him. He is expected to seek for guidance in the performance of his duties from the committee of inspection. Furthermore, he is entitled to help and advice from a variety of other sources: he may apply for the appointment of a special manager; he may also appoint a solicitor and can at any time apply to Court for direction. Apart from this, there are several reasons why liquidation is commonly chosen as a procedure to end the life of a company. These reasons are as follows: Liquidation ensures that the assets of a company are distributed equitably among creditors, it reduces the cost borne by the community in having insolvent companies continue to trade. It also enables a dormant company to be de-registered, facilitates an

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[1] *Leonard's carrying Co V. Asiatic Petroleum Co. (1915) AC 705.*
[2] *Mcpherson, B.H. The law of company Liquidation the law relating to liquidation of limited liability companies 2nd Edition Sydey Melbourne Brisbane, Perti 1980.*
[3] N.D.I.C. V.F.M.B. Ltd (1997) NWLR (pt 501) 519 at 530-531 per Belgore JSC Paras F-B.

independent investigation into the affairs of the company and increases the potential for redress for creditors against those who breached their obligations according to the law. Also where the company is insolvent and the members cause it to be wound up in order to realize the investment represented by their share or interest in the property of the company.

Sometimes liquidation forms part of a scheme for amalgamation with some other company or enterprise and less commonly, though by no means infrequently, it is sought as a means of putting a stop to oppression or mismanagement in the affairs of the company[4]. This thesis shall critically examine the position of the liquidator in Nigerian, Britain and American corporate laws given their comparative analysis.

Not much has been done in liquidatorship from the legal point of view in Nigeria. This is not surprising since liquidators generally in practice are accountants. The importance of injecting legal principles and lawyers into the practice cannot be over emphasized. Peculiar problems encountered by the liquidator in the exercise of his powers and duties shall be critically examine to make the research unique and meaningful.

The thesis took a comparative critical analysis at the institution as it operates in Nigeria, England and United States of America, and makes suggestions for adoption in Nigeria in the light of the experiences in these other jurisdictions. The basis of the institution can be broadened in Nigeria so as to attract lawyers. One important benefit of this suggestion is that lawyers involved in managing corporate crisis, are likely to keep in mind the institution as an alternative remedy, instead of an outright dissolution of the company.

As already stated, the approach in this thesis is comparative in nature, using the Companies and Allied Matters Act 1990 as the basis for comparison. Relevant case law from other jurisdictions will be relied upon in support of legal principles. The relevance of a company liquidator in corporate management, the rules and practice governing company liquidation and the determination of the extent to which the rights and duties of a company liquidator protect the interest of the creditors and contributories and as well as recommendation to the improvement of the law on company liquidation[5].

It is greatly expected that this research would serve as a veritable reference document in the comparative appraisal of a company's liquidator in the aforementioned nations. It's vital contribution shall be in the area of its empirical analysis, explanation, which is the lacuna this study will fill. Firstly it helped to spotlight the factors militating against the liquidator in Nigeria, United Kingdom and the United States of America. The study shall assist in identifying the priority needs of the liquidator, and perhaps is one of the pioneering doctorial thesis in this area, hence it is unique, thorough and systematic. The

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[4] Liquidation: www.claytonutz.com.

[5] Okara, K and A.I. Ologbosere: Procedural issues in company liquidation and receivership; Being a paper presented at the 24th Advances course in practice and procedure, organised by the Nigerian Institute of Advanced Legal Studies, Lagos, Nigeria, on the 25th of October, 2004, available online at www.wikipedia.org – 06-7-2012 at 6.30pm.

legal consequences of liquidation shall also be examined relatively as they relate to liquidation under the three corporate regimes respectively.

1.2 Statement of the Problem

A lot of people do not know about liquidator, there are a lot of misconceptions. In Nigeria, there are relative dearths of actual statistics of companies liquidated or undergoing liquidation. However, the appointment of liquidators became more popular as a result of the economic depression prevalent in Nigeria in the past years. The downturn of the Nigerian economy in recent years as well as the devaluation of the Nigerian currency (The Naira) as compared to the diverse convertible currencies, specially the US $ (US Dollar) since the late 1980's have taken their toll on all business sectors of the economy[6].

Most lending institutions and indeed the various consortia that were created to give out loans, have in an attempt to protect their interest insisted in the execution of a mortgage by the borrower by way of debentures, which invariably resulted in the appointment of a receiver in the event of default by the borrower. But the harsh economic climate, inconsistent government economic policies, mismanagement and fraudulent practices in companies, resulted in a high rate of default on the repayment of those loans/credits.[7]

The liquidator is needed not only when a company is insolvent and threatened, but also when a company is expanding or restructuring, but giving useful advice as regards option. This research addressed the salient issues in understanding the Nigerian, British and American experiencees. We shall consider the legislation, judicial decisions governing liquidator ship (insolvency regime) with particular emphasis on the corporate entities, the judicial enforcement mechanism etc. There is no doubt that the state of liquidatorship in Nigeria had not kept pace with developments in other jurisdictions. The absence of body to control, regulate and the practice of liquidator is a major factor against its development.

The study seeks to improve, promote, develop, create and facilitate the standards of performances and discharge of all powers, functions and duties of liquidators, enhance liquidatorship practice and administration, effect the training and education of people, skilled and experienced in liquidatorship, promote better understanding of the problems connected thereto. It will also accomplish the exchange of information and deepen awareness of the usefulness and relevance of liquidator in Nigeria, Britain and United States of America. It will also address the impact of legislative reforms and development of laws in these nations in the area of liquidation, receivership, bankruptcy and corporate governance as well as management in a realistic and pro-active manner.

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[6] Olusoji Omole: Thresholds and Developments on the Law on Receivers and Corporate Re-organisation: New Dimension in Nigeria Law Institute of Advanced Legal Studies Lagos, Law Series No. 3, 1989.

[7] Okonkwo, C.O. – Legal Framework for Mergers and Acquisitions at the Retreat on Merger and Acquisitions in the Nigeria Banking Industry organised by Central Bank of Nigeria; and West African Institute for Financial and Economic Management (WAIFEM) September 17-19, 2004, Abuja, Nigeria, available online at www.wikipedia.org 5-7-2012 at 6.00pm.

The insurgence of increasing litigation involving liquidatorship in Nigeria and elsewhere, this study undoubtedly shall be a very through comparison of the three (3) afore-cited legal systems. In the light of the above, what this thesis shall treat are as stated above.

My interest in initiating a study concerning liquidator, rights, duties and challenges in Nigeria, Britain and particularly the United States of America arose due to the increasing incidence of companies wound up due to unhealthy economic environment and financial problems in these nations. Considering the fact that international companies are becoming more involved in corporate business outside their national boundaries, it becomes necessary to undertake a comparative study of company liquidators, its effects and remedies.. The fundamental aim is to address these problems. The aim of this study was to make a complete appraisal of the rights, duties and problems of a company liquidator in Nigeria, Britain and the United States of America. The liquidator occupies a unique position on the corporate governance of a company. This study is a novel one, as no previous work has been done before in this area of company law.

It is against the background that the study shall be undertaken to unravel the causes and effects of company liquidation, and the challenges faced by the liquidators. This research involves an extensive examination of the laws, rules and practice regulating the liquidation of a company, as well as the determination of the scope, rights and duties of the liquidator in the protection of creditors and shareholders. As well as inherent problems faced by liquidators. The research shall also bring out far-reaching recommendations aimed at enhancing the law and practice of company liquidatorship in Nigeria.

1.3 Research Questions

The most important research questions that shall be addressed in this study are as follows:

1. What are the meaning, reasons, types, grounds and effects of liquidation?
2. What are the mode of appointment and exercising control of the liquidator powers?
3. What are the nature, duties and rights of company liquidators in Nigeria?
4. What are the nature, duties and rights of company liquidators in Britain?
5. What are the nature, duties and rights of company liquidators in the United States of America?
6. What are the methods of terminating the appointment as well as the remedies for breach of liquidator's duties in Nigeria?
7. What are the ways of terminating the appointment and the remedies for breach of liquidators duties in Britain?
8. What are the ways of terminating the appointment and the remedies for breach of liquidators duties in the United States of America?
9. What are the problems encountered by liquidators in Nigeria, Britain and the United States of America?
10. What are the solutions to the above problems associated with company liquidators in Nigeria, Britain and America?

1.4 Objectives of the Study

More specifically, this study shall be undertaken with the following objectives in mind:

1. To examine the meaning, reasons, types, grounds and effects of liquidation.
2. To critically evaluate the mode of appointment, and exercise of control of the liquidators powers.
3. To appraise the nature, duties and rights of company liquidators in Britain.
4. To access the nature, duties and rights of company liquidators in Britain.
5. To evaluate the nature, duties and rights of company liquidators in the United States of America.
6. To lucidly consider the methods of termination of appointment of liquidators, coupled with the remedies for breach of liquidators duties in Nigeria.
7. To examine the termination of appointment and remedies for breach of liquidators duties in Britain.
8. To carefully access the mode of terminating the appointment and the remedies for breach of liquidators duties in the United States of America.
9. To critically analyze the problems faced by liquidators in Nigeria, Britain and United States of America.
10. To proffer solutions to the problems associated with company liquidators in Nigeria, Britain and America

1.5 Literature Review

This part conceptualizes the key variable center to the study which is "liquidator" it is a review of some existing literature in order to establish the gap the study filled. It is important to state that there are several literatures in this area of research both locally and internationally. While most of the literature articulated a small aspect of company liquidators and concluded that most nation is yet to embrace the company liquidator, it is sad that most of the literature has not penetrate and sufficiently consider the company liquidator in this three jurisdictions.

Different legal scholars have diverse views as to what liquidation or winding-up is. According to Prof. Gower[8], liquidation or winding-up are used interchangeably to refer to the process whereby a company's life is ended and its property managed for the benefit of its creditors and shareholders. The process, according to Prof. Gower also resembles bankruptcy and follows its rules closely if the company is insolvent. Gower's book is essentially on English Law.

Prof. Oshio[9] (1995) deals with liquidation, winding up of a company, types of winding up etc. Kubasek[10] in her book dealt with alternative to bankruptcy, causes of bankruptcy and

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[8] *Gowers, L.C.B. Gower's principle of modern company law, 4th Ed. (London) Stevens & Sons, 1979, page 719.*

[9] Oshio, E. Modern Company Law in Nigeria, Lycopath Press, Benin City, Edo State, Nigeria, 1995 ISBN 978-33171-1-3.

business bankruptcy. This is just an American work. But this thesis is a combination of Nigeria, Britain and American law/context. That is the gap that this study seeks to fill and cover in a single form. This study therefore intends to fill that particular void in the existing literature.

There is no sphere of law without existing work; for a doctoral research or proposal, it is imperative not to ignore these existing works. The researcher shall in a lucid and concise manner x-ray existing materials and comparatively analyzed them within other jurisdiction, using the internet, existing articles, textbooks, statutes, case law primarily. However, it must be emphatically stressed here that there is very limited work on the chosen topic – company liquidator comparative appraisal of this rights, duties and problems (Nigeria, Britain and American).

No wonder this research is fundamentally necessary. The primary objective is that this study shall serve as an effective useful tool for company liquidators in Nigeria, Britain and America for schools, legal minds, Nigerians and the international community. Most previous works on Nigeria company law or liquidator dealt with the companies Act 1968 and CAMA 1990, but this study covers CAMA Cap C20 laws of the Federation of Nigeria (LFN) 2004 applicable in Nigeria.

Akanki (1982)[11] Sasegbon (1991)[12] Orojo (1992)[13] Oshio (1995)[14] merely dealt with issues *such as judicial discretion to wind up a company, company liquidators, and when it should* be used, compulsory liquidation and so on. Pennington (1973)[15] Gower (1979)[16] and McPherson (1980)[17] only covered liquidators, how liquidation affects the company, problems faced during voluntary liquidation, insolvency practice, advantages and disadvantages of liquidation, alternative to liquidation; aftermath of a company's voluntary liquidation, and how liquidations affects the company.

Balleisen (2001)[18] Sandage (2006)[19] Depam Phils (2009)[20] Kubasek[21], Adolf Berle[22], Blumberg wrote on the multinational challenge to corporation law, the modern corporation

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[10] Kubasek; N. Students Mastery Guide to Accompany Modern Business Law the---------- Castle Rock Las Vegas Nevada, U.S.A McGraw-Hill College Book.
[11] Akanki, E.O. Judicial Discretion to wind up a company (1982) N.C.C Review 110.
[12] Sasegbon D. Nigerian Companies and Allied Matters Law and Practice (Lagos Nigeria, DSC Publications) 199.
[13] Orojo: Nigerian Company Law and Practice (London, Sweet and Maxwell, 1976).
[14] Oshio: opcit.
[15] Pennington, R. Pennington's Company Law 3rd Edition, London Butterworth, 1973.
[16] Gower: op cit.
[17] McPherson: B.H. The Law Relating to Liquidation on Limited Liability Companies, 2nd Edition Sydney Publishers 1980.
[18] Balleisen, E. (2001). Navigating failure: Bankruptcy and Commercial law, Antebellum America, Chapel Hill, University of North Carolina Press. ISBN 0-8078-26 00-6.
[19] Sandage, S.A: (2006). Born losers: A History of Failure in America, Cambridge, Mass, Harvard University Press ISBN 0-674 0-674-02107-X.
[20] Depam Phils, D.M. (2009) Mergers, Acquisitions and other Academic Press, America, ISBN 978-0-12-374878-2.
[21] Kubasek, N. opcit.

and private property, corporate law, chasing assets in insolvency/bankruptcy, bankruptcy law for people in several financial difficulties, navigating a loan, history of failure in America, alternatives to bankruptcy, causes of bankruptcy and so on.

But, nor of the about comprehensively either in a single document lucidly studied the institution of the company liquidator in the three jurisdictions underscored in this study. As already stated, the approach in this thesis shall be comparative in nature, using the companies and Allied Matters Act 2004, British Companies Act and the United States Bankruptcy Act as the basis for comparison.

Relevant case law from the three countries will be relied upon in support of the legal principles. Commercial transactions worldwide are as old as creation. It cannot take place without disputes arising there from. Rapid societal developments in all areas of economic life require other means of resolving the disputes among people and institutions, particularly when one recognizes the problems in litigation procedures with its attendant costs and delays.

The institution of liquidator is an effective remedy of promoting industrial harmony and financial accountability. The position of liquidator is one of the hallmarks of corporate law. The concept of liquidator in Nigeria, Britain and America have attracted much attention these past years, especially with the global economic multidimensional challenges usually, when there are business failures, the company just go into extinction, while the creditors/contributories as well as the shareholders just suffer without compensation and remedies. From the foregoing discussion, it is clear that this work on this area of law particularly as it relates to Nigeria, Britain and America has not reached appreciable extent, hence the need to embark on this research.

This thesis is essentially a child of necessity carried out to cover the yearning gaps in the existing literature. It is unique, novel, appropriate and imperative as no study has been carried out in a single scholarly work encompassing Nigeria, Britain and America prior till now. With the rich outcome of this study, the obvious practical difficulties, paucity of legal knowledge and information relating to corporate liquidators would be greatly solved.

1.6 Research Methodology

Legal research, as every other field of human endeavour has a pattern of performance which is called research method. Method is the way adopted by legal researcher in their bid to gain systematic, reliable and valid knowledge about legal phenomena. According to Brandney, research questions can be legitimately answered by reference to the statutes and judgments as well as academic commentaries on these sources, are within the domain of doctrinal or the black letter method of research.

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[22] Blumberg, M.R., and Schumer, C.E. Sustaining New York and US global Financial Services Leadership available at
http://www.senate.gov/schumerwebitegress.com/specialreports2007//NYReport112.finalpdf2007

Enquiry into any aspect of law can be doctrinal or non doctrinal. Doctrinal is to research into the law as it is in the books, non-doctrinal approach is a research into the working of the law in the society. From the title of this research, it is clear that the researcher wishes to explore doctrinal approaches with particular attention to library research.

The researcher will rely on primary and secondary sources. Primary sources are the Companies and Allied Matters Act, the constitution and other relevant legislations, and text books. Secondary sources will include journals, conference proceedings, seminars and workshops papers and internet materials.

Secondary data means information and data gathered from existing documents, records and other essential literature on the subject matter. These include published textbooks, articles in journals, magazines, newspapers, law reports (judgments) statutes, cases, panel and administrative reports etc. Materials from the internet and various websites would also source pertaining to company liquidator: comparative appraisal of his rights, duties and problems in Nigeria, Britain and America.

Such rich materials shall be source from the various libraries, Federal Ministry of Justice Abuja, Edo State Ministry of Justice, Benin City, High Court of Justice Library Benin City, Igbinedion University Okada, University of Benin Library, Ambrose Alli University Library, Nigerian Institute for Advanced Legal Studies (University of Lagos), Central Bank of Nigeria, Corporate Affairs Commission, British High Commission, American Embassy, other Nigerian Universities Libraries, as well as other related institutions, under the effective guidance of my highly esteemed Ph.D supervisor (Professor Dorubo Narebor). In this thesis reliance shall placed on local and foreign authorities on the law of liquidatorship.

The data obtained will be presented, collated, analysed and the information presented in a form to give it originality. The analysis of the discourse therefore shall be narrative, historical, expository, descriptive, explanatory, and argumentative. This study also covers Nigeria, Britain and America. Some of the researcher's lecturers/contemporaries in the Oba Erediauwa College of Law shall be consulted on the relevance of the research questions to the research topic at every stage. Their contributions and input will form part of the final draft of this work.

1.7 Scope and Limitations of the Study

The scope envisaged in this research shall necessitate visits to the Central bank of Nigeria, British and America Embassies and the Corporate Affairs Commission. Apart from textbooks, law reports and statutes, corporate literature including published articles in journals, decided cases of the superior courts, the scope of the research envisaged in this work will involve visiting the British High Commission and American Embassy respectively in Nigeria for collection of available data and statistics pertaining to corporate liquidators in Britain and America. The research will entailed initially (where imperative, and subject to available funds and visas) travelling briefly to London and America to source for factual and legal corporate data on the subject-matter of this research. This shall

no longer be necessary where original data collected from the British High Commission and American Embassy as well as the internet are considered adequate. This study required coverage of Nigeria, Britain and America. This is indeed a daunting and tedious exercise in a doctoral work. It is impossible to visit the three countries to carry research of this manner with its attitudes of many people especially at the Corporate Affairs Commission (C.A.C), Abuja who are unwilling to release corporate data relating to companies liquidated in Nigeria will make this exercise a herculean task.

Due to the vastness of Britain, part of Britain will be covered in this study. Similarly, it is practically impossible to cover the entire fifty states in America, so this research work was restricted to the state of California in this study. It will be impossible to visit all the location in the three countries to carry out empirical study due to financial and visas challenges coupled with the, nature of the terrains involved and vastness of the geographical entities.

One major limitation of this work shall be the necessity of the study. It is because there are limited literatures on the study. This limitation will be overcome by substantial data collection from local and foreign sources. The research will be limited to an analysis of existing legal and statutory authorities in the three jurisdictions with the aim of determining whether they have adequately address the rights, duties, and problems of company liquidators.

This research covered a period of three (3) years. That is from 1990 to 1993. Although, attempt had been made by legal scholars, judicial pronouncements as well as status towards company liquidators in Nigeria, Britain and America separately, such works are not uniform and comprehensively contained in a single document. Such gaps, lacuna and limitations has undoubtedly created the controversy and conflicting gap as to the uniformity in the subject area, hence the need to carry out this research. Therefore statistical comparison of the incidence of companies liquidated in Nigeria, Britain and United States of America from 1990 to 1993 will be carried out. In doing this, the thesis will be divided into ten (10) chapters.

The research will be conducted under the effective guidance and surveillance of my designated supervisor. Despite the aforementioned, this study has effectively carved out through rigorous research to enrich the eventual outcome of the research. I strongly believed that the successful completion of the PhD thesis will create fresh knowledge to existing published texts on the subject matter of this research. However, the study will rely on relevant literature from secondary sources to compliment the primary sources.

1.8 Definition of Terms

Introductory Aspect

This exercise is imperative and expedient in other to offer operational definitions and explanatory details to some vital concepts/terminologies used in this research. The aim is

to ensure that the context which a concept/terminology is used in this study meant precisely what it is utilized for.

Winding Up: Winding up is the process, leading to dissolution or liquidation of a company, a company may cease to exist by being dissolved and struck off the register of companies. A company may be wound up; because it has become insolvent (broke); the creditors or the company itself seeks to minimize the loss by closing down the business and selling all its assets. Winding up may be by the court, involuntarily by members, or voluntary but subject to the supervision of the court. Winding up a company means bringing the life of a company to an end[23].

Liquidation: Liquidation of a company is a process whereby the affairs of a company are wound up and its assets or properties are administered for the benefit of its creditors and members. By this process, the life of the company is brought to an end. The term, "winding-up" is also used interchangeably with liquidation. Liquidation is a normal means by which a company's existence is brought to an end. It is also referred to winding up and/or dissolution. When a company goes into liquidation, normally, a liquidator is appointed to gather in all the company's assets and settle all claims against the company. If there is any surplus after paying off all the creditors of the company, this surplus is then distributed to the members (shareholders)[24].

Liquidator: A liquidator is a person empowered by law to get the assets of a company and distribute them to the creditors. To that end, a liquidator has a duty to investigate what assets can be realized and what other recoveries can be made. A liquidator is a person who is appointed by the company or the court to wind up the affairs of a company and to distribute the assets, if any among creditors and contributors in accordance with the articles. A liquidator represents the interests of all creditors, especially the unsecured creditors upon the appointment of the liquidator, all the powers of the director cease. Liquidator is provided for by section 422 CAMA Cap C20 laws of the federation of Nigeria (LFN) 2004 aforesaid, when a liquidator is appointed, all the powers of the directors ceases forthwith. The word (liquidator) is not defined anywhere in the Companies and Allied Matters Act. But, Emiola believes that a liquidator is identified rather by his duties and powers than by his label. According to him, the liquidator is seen as an agent of the company because the Companies and Allied Matters Act 2004 confers powers on him equal to those of the directors' while the company is still a going concern. Orojo said that a liquidator is a officer of the court who is appointed for the purpose of conducting the proceedings in winding up of a company and carrying out such related functions as the court may stipulate. Furthermore, the court in VICO AGRO ALLIED INDUSTRIES LTD V ORIENT BANK OF NIGERIA reaffirmed the definition of a liquidator as a person called up to wind up the affairs of a company. A liquidator is also defined as the person who conducts a winding up. To my mind, having regard to the varying definitions, that postulated in VICO (SUPRA) is more applicable and plausible[25].

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[23] www.wikipedia.org.
[24] www.wikipedia.org.
[25] Musa v. Ehidiamen (1994)3 NWLR (Pt 334) 545 at 548.

1.9 Significance of the Study and Expected Contribution to Knowledge

Nigeria, Britain and the United States of America occupies unique and leading positions in the global scene, and community of nations such as the Organization of Petroleum Exporting Countries (OPEC), Economic Community of West African States (ECOWAS), African Union (AU), European Union (EU), North Atlantic Treaty Organization (NATO) and even as members of the members of the security council of the United Nations (UN). All these are as a result of their rich natural endowment, strategic positions, human potentials, economic might, enormous business and investment opportunities.

However, the above hinges on the numerous companies and industrialization in these nations, but due to business uncertainties and global economy meltdown the financial fortunes of these corporate entities are seriously threatened and fast dwindling occasioning in huge financial losses to these corporations. This is where the liquidator comes into the fore in the corporate governance.

This study shall efficiently address and effectively contribute to the ongoing discourse about the need to further strengthen the position of liquidators in companies. It also served as a veritable material to the existing subject, corporate, economy growth; program me and developmental efforts of the various levels of governments in Nigeria, Britain and America. It will serve as a great veritable asset to interested scholars, students, legal practitioners, the bench, professional groups, business communities, non-governmental organizations, lecturers, researchers, institutions and the general public. As they will find the ideas, principles, arguments, propositions and law in this research of immerse advantage.

Other significance of this research is that it will recognize the problems of the company liquidators in Nigeria and make recommendations that will enhance the nation. It will create more awareness about the importance of company liquidators to policy makers, academics and jurists and bring recommendations on how best the problems of company liquidators will be solved. It is hoped that this research work will enlighten persons who are interested in company liquidation, on the rights, duties and challenges of company liquidation at the international level. Finally, it enhanced the existing body of knowledge and practice of company liquidation and corporate governance. It will show more light company liquidator, as well as being an indispensable and fundamental veritable reference for future research work/ studies. It is the intention of this researcher that this thesis will bring useful suggestions and harmonise the laws generally to improve Nigeria as it relates to the subject matter under review. This thesis will highlight and elicit the importance of company liquidators to national economic growth and development.

1.11 Summary and Conclusion

In this thesis we shall try to depict the nature, the rights, duties and challenges of a company liquidator, his powers and the organs that control his powers. We will also in our discourse examine the effects of liquidation on the company, and also consider who is qualify to serve as a company liquidator. All the divergent issues in the study shall be

comprehensively summarized for proper understanding and comprehension. Winding up puts an end to the office of the directors, because most of the functions and many of the powers of the directors are assumed by the liquidator. The most important rule of all is the basic principle of company liquidation, that on winding up the board of directors become functus officio and its powers are assumed by the liquidator. The rationale behind this is that the directors who are consider to have been responsible for the company's ills in the first place should be kept at a distance from its affairs, since it was those in control who had the power to cause harm; their removal is therefore an important step to any remedial action. This removal automatically occurs on liquidation except in certain circumstances. Hence, the essence of the appointment of a liquidator during liquidation is for the liquidator to take control of the company, collect its assets, pay its debts and distribute any surplus among the members in accordance with their rights and finally carry out the process of dissolution of the company. Hence for the problems articulated, there shall be useful suggestions that would undoubtedly tackle them, as well as enhanced our corporate law system.

The enormity of the liquidator's responsibility is best appreciated when it is borne in mind that coordinating the liquidation process includes balancing the conflicting interest of the parties who stood to benefit from the liquidation, that is, the creditors and the contributories. Hence, it is imperative for anybody appointed liquidator to have considerable skill and experience in corporate and insolvency practice.

Outline of the Study/Chapterization

To conveniently do this work, this thesis was set out and organized into ten broad chapters as underscored below in the chapterisation hereto:

CHAPTER ONE: This examines the general introduction

1.1 Background to the study
1.2 Statement of the problem
1.3 Research questions
1.4 Objectives of the study
1.5 Research methodology
1.6 Scope and limitations of the study
1.7 Definition of terms
1.8 Significant of the study
1.9 Expected contribution to knowledge

CHAPTER TWO: This chapter is concentrated on the Literature Review.

CHAPTER THREE: This is a discourse on the reasons, types, grounds and effect on liquidation. The appointment, exercise and control of liquidators powers, coupled with the nature, duties and rights of company liquidators in Nigeria.

3.1 Reasons for liquidation
3.2 Types of liquidation
3.3 Grounds and effects of liquidation
3.4 The qualification of a liquidator
3.5 Disqualification of a liquidator
3.6 Appointment, status, powers and control of liquidators
3.7 Nature of a Company Liquidator in Nigeria
3.8 Duties of a Company Liquidator in Nigeria
3.9

CHAPTER FOUR: This will appraise the nature, duties and rights of company liquidators in Britain

4.1 Nature of Company Liquidators in Britain
4.2 Duties of Company Liquidators in Britain

CHAPTER FIVE: This will examines the Natures Duties and Rights of Company Liquidators in America

5.1 Nature of Company Liquidators in the United States of America
5.2 Duties of Company Liquidators in the United States of America
5.3

CHAPTER SIX: This shall assess termination of appointment and remedies for breach of duty by liquidators in Nigeria.

6.1 Termination of Appointments of Liquidators in Nigeria
6.2 Remedies for Breaches of Duties Company Liquidators in Nigeria

CHAPTER SEVEN: This will evaluates the termination of appointment and remedies for breach of duty of liquidators in Britain.

7.1 Termination of Appointments of Liquidators in Britain
7.2 Remedies for Breaches of Duties Company Liquidators in Britain
7.3

CHAPTER EIGHT: This chapter will lucidly assess the Termination of Appointment and Remedies for Breach of Duty by Liquidators in America.

8.1 Termination of Appointments of Liquidators in America
8.2 Remedies for Breaches of Duties Company Liquidators in America

CHAPTER NINE: This chapter shall appraise the major problems encountered by liquidators in Nigeria, Britain and America.

9.1 Major Problems Encountered by Liquidators in Nigeria
9.2 Major Problems Encountered by Liquidators in Britain
9.3 Major Problems Encountered by Liquidators in the United States of America

CHAPTER TEN: This will be the Conclusion, Summary, Recommendations, Findings and Contribution to Knowledge.

10.1 Conclusion
10.2 Summary
10.3 Major Findings
10.4 Recommendations
10.5 Contribution to Knowledge