

bank who called her alerting her of a cheque withdrawal by the 1st and second Defendants on the first occasion. PW1 objected saying she did not authorize the payment but the bank paid the cheque. Later, on a second occasion when the two went back for another payment, again PW1 was alerted and she objected. It is on this occasion that the bank stopped paying their cheques on the advice of its legal department. By the time PW1 got a bank statement for the account in August 2017, there was only Shs: 3,232,719/=. The bank had continued paying out money to the first and second Defendants.

3. The first and second Defendant's conduct of being hostile, abusive and evasive on the phone and failure to meet with the Plaintiff to discuss the matter is not conduct of an innocent person in the circumstances of this case.
4. The first and second Defendants are liable for the loss incurred by the Plaintiff. It is meaningless to make the third Defendant liable when the actions are of individual share holders. Moreover, if the third Defendant were made liable, it would have the effect of unfairly implicating the Plaintiff in the fraud of the first and second Defendants. I will therefore not find any liability of the third Defendant in the circumstances of this case. When I lift the veil, liability is for the first and second Defendants. I therefore find them liable for the loss the Plaintiff incurred. However, my determination of actual liability, including for costs will be made after hearing the defence case of the fourth Defendant.

I so order.

Lydia Mugambe.
Judge.
25th February 2019.