



# In The Supreme Court of Bermuda

CIVIL JURISDICTION

2026 No 43

**BETWEEN:**

**CRAIG ORLANDO WALLS**

**PLAINTIFF**

**AND**

**BERMUDA MONETARY AUTHORITY**

**DEFENDANT**

*Application to strike out proceedings as an abuse of the process of the court RSC Order 18 rule 19 (1) (c); res judicata; issue estoppel*

**Date of hearing:** 18 May 2026

**Date of Ruling:** 12 June 2026

*Appearances*

*Ben Adamson of Conyers Dill & Pearman Limited for the Bermuda Monetary Authority*

*Mr Craig Walls in person*

**RULING ON STRIKE OUT APPLICATION**

**MARTIN J in CHAMBERS**

**Introduction and disposition**

1. This is the court's ruling on the defendant's application to strike out the plaintiff's claim as an abuse of the process of this of the court under Order 18 rule 19 (1) (d) of the Rules of the Supreme Court of Bermuda ("the RSC"). The essential ground relied upon is that the claim that the plaintiff seeks to pursue in these proceedings relates to matters which were the subject of a binding compromise agreement between him and the defendant, and that the plaintiff is therefore not entitled to reopen matters which were the subject of that compromise agreement.

2. For the reasons given below, the court has ordered that the plaintiff's writ and endorsement of claim is to be struck out with an award of costs in favour of the defendant, to be taxed on the indemnity scale.

## **Background**

3. The facts of the case are undisputed. These facts are set out in the affidavits of Ms Mesheiah Keane and Mr Walls, which are admissible on an application under RSC Order 18 rule 19 (1) (d).
4. Mr Walls was employed by the Bermuda Monetary Authority ("the BMA") between 2000 and 2017 as a senior analyst. While Mr Walls was employed in this capacity, he was also a trustee of the Bentley Friendly Society ("the BFS") and was active in promoting the business of that organisation. The BFS is registered as a friendly society under the Friendly Societies Act 1868 and operates as an unregistered insurance provider for its members.
5. The BMA considered that Mr Walls' position as a trustee of the BFS and his activities in relation to the promotion of the business of the BFS constituted a conflict of interest with his position as a senior analyst because the BMA has responsibility for regulating insurance business in Bermuda. As a result, as a condition of his continued employment as a senior analyst at the BMA, in 2014 the BMA required Mr Walls to resign as a trustee of the BFS and to cease active participation in the promotion of the business of BFS. The BMA did not prohibit Mr Walls from continuing to be a member of the BFS. Mr Walls gave an undertaking to the BMA in the terms requested and resigned as a trustee of the BFS.
6. However, in breach of that undertaking, Mr Walls continued to promote the interests of the BFS in various ways and (amongst other things) made allegations on behalf of the BFS that the BMA "*may be misappropriating funds*" and that the BMA was "*a nefarious lot*" and he appeared as a representative of the BFS in proceedings in the Supreme Court<sup>1</sup>.
7. As a result of these breaches of the undertaking, the BMA terminated Mr Walls' employment for serious misconduct. Mr Walls then issued proceedings against the BMA in the Supreme Court in action 2018/65 for wrongful termination of employment and alleged that the BMA had infringed his constitutional rights of freedom of association by requiring him to resign as a trustee of the BFS and requiring him to cease active participation in the promotion of the affairs of the BFS as a condition of his continued employment.
8. The BMA entered into a settlement agreement with Mr Walls dated 31 December 2018 ("the Settlement Agreement") which provided that all claims made by Mr Walls which arose out of his employment and all other claims made in action 2018/65 were compromised and settled on payment of a sum of money ("the Settlement Sum"). After the execution of the Settlement Agreement, the BMA paid the Settlement Sum and Mr Walls formally discontinued action 2018/65 with no order for costs being made.

---

<sup>1</sup> Paragraph 9 of the affidavit of Mesheiah Keane.

9. In February 2026, Mr Walls issued these proceedings. In the general endorsement of the writ setting out his claims, Mr Walls seeks declarations that his constitutional rights were infringed by the BMA in 2014. Mr Walls seeks damages seeks damages for those infringements, as well as for the damage to his reputation and “deterrent” damages.
10. In his affidavit dated 17 March 2026 filed “in support of” the Writ in these proceedings, Mr Walls alleges that the conduct in requiring him to resign as a trustee of the BFS and requiring him to cease active participation in the promotion of the business affairs of the BFS in 2014 was a breach of his right of freedom of association that is guaranteed by section 10 (1) of the First Schedule to the Bermuda Constitution Order 1968 (“the Constitution”). He says that he is justified in bringing the present claim at this time (after a nine year delay) because the BMA made threats that it would seek to recover its costs against him<sup>2</sup>, and that the infringements he alleges amount to a continuing wrong and says there is no limitation period for bringing applications for relief against the infringement of the rights guaranteed under the Constitution.
11. The statement of claim in this action states clearly that the claim relates to his dismissal for gross misconduct in 2014 on the grounds that it was wrongful and in breach of his constitutional right of freedom of association<sup>3</sup>. Mr Walls’ affidavit of 17 March 2026 also explains that the present claim relates to exactly the same matters which were alleged in the pleadings in action 2018/65.
12. The Settlement Agreement which compromised Mr Walls’ claims in action 2018/65 provided that in consideration of the payment of a sum (which was duly paid) Mr Walls agreed to:

*“...release and forever discharge the [BMA] for the Supreme Court Claims [defined] as well as any and all manner of actions, causes of actions, claims, disputes, debts, dues, accounts, bonds, covenants, contracts, agreements and compensation, and demands of every name and nature, whether at law, in equity, administrative, in contract, to or criminal, under statute or at common law, whether now known or unknown which [Mr Walls] had, now has or hereafter may have arising out of or in connection with [Mr Walls’] former employment and/or its termination or otherwise.”*

13. In clause 4.4 of the Settlement Agreement Mr Walls gave warranties that:

*“...any claims of unfair dismissal, wrongful and/or constructive dismissal, discrimination, breach of human and/or constitutional rights , damage to reputation and /or breach of contract against the [BMA] ...are hereby unconditionally and irrevocably waived by [Mr Walls] and will not be repeated, referred to or pursued by [Mr Walls] or by anyone else on his behalf.”*

---

<sup>2</sup> The precise connection between the allegation that the BMA threatened to seek costs of legal proceedings against him in 2014 and the delay in making the claim until 2026 is not easy to see.

<sup>3</sup> Paragraphs 26-34 and 35-39.

14. In clause 4.5 of the Settlement Agreement Mr Walls confirmed and accepted that he entered into the Settlement Agreement “*voluntarily in full and final settlement of any or all legal claims rights of action...howsoever arising against the BMA*”.

### **The principal arguments**

15. The BMA relies upon the provisions of the Settlement Agreement as providing comprehensive contractual commitments which are binding upon Mr Walls, and the performance of the obligations under the agreement by both parties. The BMA has performed its obligations to pay Mr Walls the Settlement Sum. Mr Walls also performed his obligation to discontinue his claim with no order for costs being made. The BMA says that the doctrines of *res judicata* and issue estoppel prevent Mr Walls from re-litigating an issue that has been compromised, so his claims are incontestably bad. They cannot succeed in law. The BMA says that it should not be put to the time trouble and expense of defending a hopeless claim, so it should be struck out at a preliminary stage as an abuse of the process of the court.
16. However, Mr Walls says that it is not possible in law for the BMA to contract out of the Constitution, so the Settlement Agreement does not operate to prevent him raising his claims, and there is no time limit against bringing claims under the Constitution. He says these points are arguable and ought to be permitted to go to trial. Mr Walls says that he did not appreciate the constitutional dimension of the case when he executed the Settlement Agreement and that is why it has taken him until now to reassert his claim.

### **The court’s evaluation and decision**

17. It is a basic legal principle that a party is not entitled to litigate the same issues twice. This principle is usually expressed as “issue estoppel” or “*res judicata*” or “accord and satisfaction” which are variations of the same principle in different factual situations, but their effect is the same. The court will also not allow its process to be abused by parties seeking to re-litigate matters which have already been decided or which have been settled or compromised.

#### *Res judicata*

18. The case law that established the principle of *res judicata* goes back to (at least) **Henderson v Henderson**<sup>4</sup> but more modern applications of the principle in relation to compromises and settlements can be found in **Yat Tung Investment Co Ltd v Dao Heng Bank**<sup>5</sup>, **The Alexandros T and Others**<sup>6</sup> and **Test Claimants in the Franked Investment Group Litigation v HMRC**<sup>7</sup>. These principles have been applied by the courts in Bermuda in numerous cases, including **Trustee 1 and Others v Attorney General and Others**<sup>8</sup> and **Masri v Consolidated Contractors International Company SAL and Teyseer Contracting Company WLL**<sup>9</sup>.

---

<sup>4</sup> (1843) 3 Hare 100.

<sup>5</sup> [1972] AC 581.

<sup>6</sup> [2013] UKSC 70.

<sup>7</sup> [2020] UKSC 47.

<sup>8</sup> [2014] SC Bda 52 Com.

<sup>9</sup> [2009] Bda LR 12.

19. Although *res judicata* and abuse of process have different juridical origins, one being a rule of substantive law and the other being a procedural power, they are overlapping both have the same objective and effect: to prevent abusive and duplicative litigation<sup>10</sup>.
20. In this case it is clear and undisputed by Mr Walls that he seeks to re-open the claim that he settled with the BMA, but he says that the BMA cannot rely on the Settlement Agreement because it is not possible to contract out of the rights guaranteed by the Constitution.
21. This is a misunderstanding of what the Settlement Agreement means. The Settlement Agreement did not seek to limit Mr Walls' rights of freedom of association. The Settlement Agreement compromised an allegation or claim that Mr Walls' termination of employment was wrongful because it involved or was based upon an alleged infringement of his right to freely associate. Apart from the fact that the facts asserted by Mr Walls in his affidavit of 17 March 2026 are inconsistent with that claim, the claim that there had been a breach of his constitutional rights was fully compromised. Mr Walls promised to accept the sum paid as a complete satisfaction of his claim that his constitutional and other rights had been infringed. The Settlement Sum was paid so that Mr Walls' claim was satisfied in full, although the BMA had always denied that there had been any breach of Mr Walls' rights. In addition, Mr Walls expressly waived his right to make a claim that his constitutional rights had been infringed by the termination of his employment, or in relation to his former employment or otherwise. Mr Walls discontinued action 2018/65 on the basis that he would not have to pay the costs of the proceedings.
22. According to ordinary principles of law, Mr Walls thereby validly compromised all his rights to pursue a claim that his constitutional rights were infringed by the BMA in 2014 as a result of the settlement of his claims in action 2018/65 and the terms of its discontinuance, including claims of infringement of human or other constitutional rights<sup>11</sup>. It is not clear if Mr Walls took legal advice when he executed the Settlement Agreement, but it does not matter if he did or not: he is bound by the legal effect of the Settlement Agreement. It is expressed in plain language and it is obvious that its effect was to compromise Mr Walls' claims howsoever arising.
23. The court (usually) applies the principle of *res judicata* to prevent plaintiffs from bringing multiple claims about the same grievance and to achieve finality in litigation. Action 2018/65 and the present proceedings involve exactly the same claims. This is accepted by Mr Walls. The claims in action 2018/65 were settled and the action was discontinued with no order for costs. This amounts to a determination of all the claims that were included in that action, therefore the principle of *res judicata* applies to prevent Mr Walls from re-litigating that claim in these proceedings. Therefore, the court dismisses the present proceedings on the grounds that they raise issues which have already been resolved by agreement between the parties.

#### *Abuse of process*

24. In addition, and in the alternative, the court must exercise its powers to protect parties from being required to defend the same claim more than once, and to prevent plaintiffs from

---

<sup>10</sup> Per Lord Sumption JSC in **Virgin Atlantic Airways Limited v Zodiac Seats UK Limited** [2014] AC 160 at paragraph 25 cited by Hellman J in **Trustee 1 and Others v AG and Others** (supra).

<sup>11</sup> See eg **BCCI v Ali** [2001] UKHL 8.

requiring defendants to expend money, time and energy in defending a hopeless claim. The court does not allow its process to be used as a means to harass or intimidate defendants into paying settlements to avoid the risk of incurring costs which may not be recoverable. A claim that has already been settled cannot succeed. The court is also required to prevent an abuse of its own process and the waste of time and court resources in adjudicating on claims that are incontestably bad. This approach has been taken by the Bermuda court in similar situations in the past<sup>12</sup>.

25. This case obviously falls into the category of cases which are duplicative of earlier proceedings which have been resolved by agreement between the parties, and therefore the court has no hesitation in striking out the writ and statement of claim and hereby dismisses the proceedings as an abuse of the process of the court. There must be finality in litigation.

### **Costs**

26. By the terms of the Settlement Agreement Mr Walls agreed that if he breached the Settlement Agreement, he would have to pay back the Settlement Sum and reimburse the BMA for all the costs associated with its recovery. In these proceedings the BMA does not make a claim for repayment of the Settlement Sum. However, it seems to me that in accordance with the contractual obligation to pay all of the costs of enforcing the Settlement Agreement, Mr Walls should also pay all the costs of these proceedings. The present claim is clearly an abuse of process brought by Mr Walls in a wrong-headed violation of the Settlement Agreement.
27. Alternatively, in the exercise of the court's discretion in the award of costs to meet the justice of the case, the court considers that it is just that Mr Walls should reimburse the BMA for the costs of defending the proceedings and applying to strike them out, so that the BMA is properly compensated for the expenses incurred as a result of the conduct of Mr Walls in mounting a claim that he knows very well he has already compromised.
28. Therefore, on each of the grounds set out above, the court awards all the costs of these proceedings, including the strike out application, to the BMA and directs that the costs shall be taxed on the indemnity scale.
29. The BMA is to file an order in those terms in due course.

Dated this day, 12 June 2026



---

**THE HON. MR. JUSTICE ANDREW MARTIN**  
**PUISNE JUDGE OF THE SUPREME COURT**

---

<sup>12</sup> See eg **Moulder v Slaughter and Others** in action 2016/ 491 (unreported) 27 July 2017 per Kawaley CJ.