

**REPUBLIC OF LIBERIA
NATIONAL LOTTERY AUTHORITY ADMINISTRATIVE HEARING
MONTSERRADO COUNTY**

BEFORE HIS HONOR..... CLLR. JOEL ELKANAH THEOWAY HEARING OFFICER

NATIONAL LOTTERY AUTHORITY
of Sinkor, Old Road, Montserrado County
Republic of Liberia.....**COMPLAINANT**

VERSUS

THE MANAGEMENT OF LIPAY, INC.
of 24th Street, Sinkor, Montserrado County
Republic of Liberia.....**1ST DEFENDANT**

AND

THE MANAGEMENT OF 1 X BET
of 24th Street, Sinkor, Montserrado County,
Republic of Liberia.....**2ND DEFENDANT**

ACTION OF UNAUTHORIZED ASSIGNMENT OF SPORTS BETTING LICENSE AND THE ILLEGAL OPERATION OF ONLINE GAMING

RULING AND JUDGMENT

The Complainant, National Lottery Authority, was represented by Counsellors Jerome Kolleh and Adolphus Karnuah, while the 1st Defendant, LIPAY INC., was represented by Counsellors Kabinah M. Ja'neh and Sayma Syrenius Cephus of TOUN-YA LEGAL COUNSULTANCY & ARBITRATION CHAMBERS.

INTRODUCTION AND JURISDICTION

1. This matter comes before this Hearing Officer for an administrative hearing following the suspension of the operational license of the 1st Defendant, LIPAY, INC., by the Complainant, the National Lottery Authority, on December 16, 2025. The Complainant alleged that the 1st Defendant violated the National Lottery Authority Act and the NLA Gaming Regulation 001 by engaging in the unauthorized assignment of its sports betting license to the 2nd Defendant, 1XBET, and by permitting illegal online gaming operations in Liberia.
2. The National Lottery Authority is an administrative agency established by an Act of the Legislature on December 22, 2014. The NLA is vested with the authority to promulgate regulations, issue licenses, monitor gaming operations, and enforce compliance. The jurisdiction of this hearing is derived from Section 28.2 of the NLA Act, which authorizes the NLA, following investigation and opportunity for a hearing, to impose fines, suspensions, and revocations of licenses. Section 6.9 of the NLA Gaming Regulation 001 provides that a license is non-transferable and that any purported transfer shall be void and the license subject to revocation. Section 15 of the Regulation provides that a license may be revoked for contravention of license conditions or improper procurement.
3. The jurisdiction and procedure of this Hearing are also derived from the Administrative Procedure Law found in Liberian Code of Laws Revised, Title 12, Chapter 82, which provides for Executive agencies to conduct administrative hearings to afford their licensees the opportunity to be heard and provide a defence of allegations of violation prior to denial or revocation of licenses or other services.

4. It is also important to note that the Supreme Court of Liberia has affirmed that administrative agencies must act in accordance with due process. In *Kruah v. Weah*, 42 LLR 148 (2004), the Court held that ***"the due process right must be accorded everyone, whether before the court or an administrative agency; and any act which deprives a person of his property or other rights without according him these fundamental and constitutional rights is violative of our Constitution."*** In *Ayad v. Dennis*, 23 LLR 165 (1974), the Supreme Court defined due process as requiring ***"there must be a tribunal competent to pass on the subject matter, notice actual or constructive be given, an opportunity to appear and be heard in person or by counsel, or both."***
5. In this proceeding, the 1st Defendant was given adequate notice, the opportunity to file pleadings, the right to be represented by counsel, the right to present witnesses and evidence, the right to cross-examine adverse witnesses, and the right to submit legal memoranda. The 1st Defendant availed itself of these rights throughout the proceedings. This Hearing Officer was appointed by the NLA to ensure impartiality, and this ruling is based solely on the evidence presented and the applicable law.

FACTS SUMMARY

6. In December of 2025, the National Lottery Authority issued a formal notice to the Management of LIPAY Inc., citing serious breaches of the NLA Act of 2014 and its accompanying Regulations. The NLA, otherwise known as the Authority, had, in the course of performing its regulatory duties, observed extensive advertising and promotional activities throughout Monrovia that featured the 1XBET brand. The NLA's Director of Monitoring and Evaluation reported to the Director General that billboards, radio advertisements, and social media posts of 1XBET operations were appearing in the public domain. A meeting was called, and the Department was asked to provide information on 1XBET.
7. Billboards had been placed at prominent locations, including the Gabriel Tucker Bridge, the Freeport of Monrovia, Karnga's Building at Doula Market, the Cow Factory at the Somalia and Jamaica Road intersection, St. Michael Junction, Chicken Soup Factory, and Parker's Paint at Red Light. These billboards prominently featured the 1XBET brand with no visible reference to any entity other than what the investigative report described as a "reference link" to LIPAY Incorporated, which was not readily visible to the public. Radio advertisements further promoted the 1XBET platform. The NLA, observing these activities, reasonably believed that 1XBET was directly operating in Liberia without a license. The Authority therefore commenced an investigation into 1XBET's operations in Liberia.
8. It was during this investigation that LIPAY, INC. emerged as the purported license holder that was publishing these 1XBET-related promotions. When invited by the NLA, LIPAY revealed that it entered into a Trademarks License Agreement with DIDIANE LTD, a company registered in the Republic of Cyprus, and that this agreement, executed on May 13, 2025, granted LIPAY the right to use the 1XBET trademarks in Liberia, in exchange for a monthly royalty payment of United States Five Thousand Dollars.
9. The investigative report, titled "Report from a Special Team Investigating LIPAY's Bet Illegal Operations," dated December 9, 2025, was prepared by the Deputy Director General for Operations following the instruction of the Director General. The report documented the presence of billboards at seven locations and noted that the branding prominently featured 1XBET with a reference link to LIPAY Incorporated. The report concluded that 1xBet is a high-risk operator with repeated global compliance problems, and that its operations in Liberia have shown similar issues, including unpaid winnings and licensing breaches.
10. During the Hearings, NLA's Director of ICT, Mr Lawrence P. Maurice, testified that the NLA ICT Department conducted a technical investigation into the 1XBET platform. He testified that the IP address for the 1XBET platform resolved to the same infrastructure

server operated by 1xBet Global. He further testified that the certificate was issued by the same provider based in Germany. Deeper into the matter, he found that the payment gateway platform directed all payments to a 1XBET wallet rather than to LIPAY's wallet. He testified that, under the Orange and MTN systems, LIPAY Bet did not have any system installed within Liberia, and that all payments to and from the 1XBET Liberia Platform went directly to 1XBET global outside Liberia. He testified that the ICT department had access to mobile money transaction records through which they opened two accounts on the 1XBET Liberia Platform and 1xBet global, respectively. He produced annexes to his report that addressed the payment gateway aspect and the social media account of 1xBet's operation in Liberia, which show that funds were being paid into accounts opened in the name of 1XBET. He testified that on the 1XBET platform, "at the bottom part", LIPAY bet is mentioned. He stated that from the NLA, they do not have any License or Agreement with 1xBet, nor have they received a request for payment integration.

11. The NLA contended and proffered evidence to prove that LIPAY had violated the Regulation by failing to disclose its relationship with DIDIANE LTD, by engaging in a de facto transfer of its license, and by permitting an unlicensed foreign entity to operate a sports betting platform in Liberia. The NLA further asserted that the 2nd Defendant, 1XBET, was operating illegally in Liberia without a license. Conclusively, the NLA contended that the Defendants' actions had caused financial losses to the NLA and the Government of Liberia.
12. For its part and in its own defense, 1st Defendant, LIPAY, denied all allegations. LIPAY asserted that it had not violated any Regulation and had not transferred its license. LIPAY contended that the agreement with DIDIANE LTD was merely a branding agreement and did not require NLA registration or disclosure. LIPAY argued that the agreement was included in its application package and was therefore disclosed. LIPAY further argued that 1XBET is a brand, not a legal entity, and that the 1st Defendant cannot be held liable for the operations of a brand. LIPAY contended that the NLA had failed to prove its allegations by a preponderance of the evidence.

THE ISSUE

13. From this factual narrative, the central contention emerges as the singular issue of whether LIPAY's conduct, which is the use of the 1XBET brand without conspicuously and overtly depicting its own identity and directing financial flows to accounts in the name of 1XBET, constitutes a violation of the NLA Gaming Regulation 001 or other applicable laws, for which its license should be revoked and other fines imposed.

DISCUSSION

14. At first glance, this case appears to present a straightforward question of regulatory compliance. The NLA argues that LIPAY effectively transferred its license to a foreign entity, while LIPAY contends that it merely engaged in a legitimate branding arrangement. But as the pieces of evidence unfold, the answer proves far more elusive and far more consequential than either party suggests.
15. There is a powerful argument to be made in LIPAY's favor. The evidence is clear that LIPAY did not formally transfer its license. No sale agreement was signed. No assignment document was executed. No consideration changed hands for the license itself. LIPAY's manager testified unequivocally that the license was never transferred. The NLA's own expert witness confirmed that advertising a third-party brand does not constitute a transfer of a license. By the strict letter of Section 6.9, which speaks of a license being "non-transferable," one could argue that no transfer occurred.

16. Moreover, LIPAY's use of the 1XBET brand was not unlawful in itself. The Liberia Intellectual Property Act of 2016 permits the use of trade names, provided they are not *"likely to mislead the public."* See **Section 10.13(c) of the Liberia Intellectual Property Act, 2016**. A logical conclusion could be drawn that LIPAY was simply leveraging the global recognition of a well-known brand to attract customers, a common and legitimate business strategy.
17. Furthermore, the NLA has not proven that LIPAY ceded operational control to DIDIANE LTD. LIPAY remained the license holder. LIPAY's employees remained in place. LIPAY's manager testified that the agreement was merely for branding. The evidence does not establish that DIDIANE LTD directed the day-to-day operations or made management decisions. At first glance, one can see that LIPAY was simply paying for the right to use a brand name.
18. There is also a plausible argument that the NLA overstepped its authority. Section 6.4 requires the NLA to assess the suitability of "each associate of the applicant." But it might also be logical to conclude that DIDIANE LTD was not an "associate" within the meaning of the Regulation. The term "associate" is not defined. DIDIANE LTD could merely be a supplier or service provider, terms which are not defined in Regulation 001.
19. On these grounds, one could find that LIPAY violated no regulation. The license was never transferred. The branding arrangement was lawful. The use of the platform was routine. The Complaint would be dismissed. LIPAY's license would be restored. The NLA's fines and penalties would be set aside. This is a coherent and legally defensible outcome.
20. And yet, upon closer examination, this seemingly straightforward narrative begins to unravel. The evidence, when viewed as a whole, tells a different story, one that cannot be reconciled with LIPAY's defense.
21. The investigative report documented that the billboards prominently featured the 1XBET brand with only a "reference link" to LIPAY Incorporated. The NLA's Director of Monitoring and Evaluation initiated the investigation after reporting the presence of extensive 1XBET promotional materials. The NLA itself, upon observing these advertisements, reasonably believed that 1XBET was directly operating in Liberia without a license. If the regulator could not readily tell that LIPAY was involved, how could the public? The small reference link, buried in fine print, did not inform the public that LIPAY was the licensed operator. It was not co-branding. It was a substitution.
22. The financial flows deepen this concern. The NLA's Director of ICT testified that the payment gateway platform directed all payments to a 1XBET wallet rather than to LIPAY's wallet. He testified that, under the Orange and MTN systems, LIPAY Bet had no system installed within Liberia, and that all payments to and from the 1XBET Liberia Platform went directly to 1XBET global outside Liberia. He produced annexes to his report that spoke to the payment gateway aspect. The 1st Defendant's own manager testified that 1XBET is a brand, not a legal entity. Yet LIPAY chose to open financial accounts in the name of 1XBET or link them to the 1XBET global payment wallet. LIPAY knew that 1XBET had no license to operate in Liberia and that 1XBET was not a bona fide company. This is not a branding arrangement. It is a perpetuation of the appearance that 1XBET, an unlicensed entity, was present and legally operating in Liberia.
23. The legal framework governing trade names reinforces this conclusion. Section 10.13(c) of the Liberia Intellectual Property Act of 2016 provides that *"any unauthorized use of a trade name, whether as a trade name, a mark or other business identifier, likely to mislead the public, shall be deemed unlawful."* LIPAY's use of the 1XBET brand was likely to mislead the public. Section 5.7 of the General Business Law, Title 14, Liberian Code of Laws Revised, further provides that *"no person, partnership, or corporation shall, with intent to deceive or mislead the public, assume, adopt or use as, or as part of, a corporate, assumed or trade name, for advertising purposes or for the purposes of trade, or for any other purpose, any name or designation or any symbol or simulation*

thereof, which may deceive or mislead the public as to the identity of such person, partnership or corporation." LIPAY's conduct crossed this line. It was not merely using a brand. It was creating a false identity.

24. Regarding the submission of the agreement, the NLA's Director of Monitoring testified that LIPAY produced the Trademarks License Agreement only during the investigation. LIPAY's Managing Director, in response to questions on the cross, stated that the agreement was among the application documents. However, no documentary evidence was presented by either party to substantiate or refute this claim. The Hearing Officer notes that even if the agreement were physically placed in the application package, the question remains whether such a placement, without specific reference, explanation, or acknowledgement by the regulator, satisfies the disclosure requirement under Section 6.4, particularly given the agreement's potential to fundamentally alter the licensee's appearance to the regulator and the public. This is especially true where the arrangement has never been seen in this jurisdiction or sector and appears to have been abused to create a false identity.
25. The NLA's expert witness testified that only a legal entity can hold a license. 1XBET is a brand, not a legal entity. DIDIANE LTD has never applied for or received a license. LIPAY knew that 1XBET had no license to operate in Liberia and that 1XBET was not a bona fide company. Yet LIPAY opened its financial accounts in the name of 1XBET and presented itself to the public as 1XBET. This is a purported transfer of the license's benefits and authority. It is a circumvention of Section 6.9 of NLA Regulation 001.
26. The purpose of Section 6.4 of NLA Regulation 001 regarding associates, is to ensure that the NLA can assess the suitability of all persons and entities involved in gaming operations. LIPAY's failure to disclose its relationship with DIDIANE LTD prevented the NLA from determining whether DIDIANE LTD had any criminal history, regulatory violations, or other disqualifying factors in other jurisdictions. The NLA was deprived of the opportunity to protect the public interest.
27. The Hearing Officer has considered both arguments. The evidence in favor of LIPAY is not without force. But the evidence in favor of the NLA is overwhelming.
28. The decisive consideration is this: LIPAY's conduct was not a matter of mere non-disclosure or technical non-compliance. It was a deliberate and calculated course of action designed to circumvent the regulatory framework. LIPAY used its license not to operate a transparent and accountable business, but to create the false appearance that a foreign, unlicensed entity was legally operating in Liberia. It misled the public. It directed financial flows to accounts in the name of 1XBET, a brand name that is not a registered company in Liberia, which LIPAY knew had no license. It hid its relationship with DIDIANE LTD from the regulator.
29. The law does not permit LIPAY's conduct. Section 6.9 of Regulation 001 speaks of "purported transfers" for a reason. The term covers not just formal assignments but any action that gives the appearance of a transfer. LIPAY's conduct was a purported transfer. The license was used to legitimize the operations of a foreign entity. The public was led to believe that 1XBET was the operator. The financial flows went to accounts in the name of 1XBET. LIPAY was the license holder in name only.
30. Section 6.4 of Regulation 001 requires disclosure of associates. DIDIANE LTD was an associate. The Trademark Agreement was material. LIPAY failed to disclose it in a manner that would allow the NLA to assess it. The burden of proof lies on the applicant. LIPAY failed to meet it.
31. Section 14.1(b) of Regulation 001 prohibits operating without a license. DIDIANE LTD had no license. 1XBET is a brand and cannot hold a license. LIPAY permitted an unlicensed foreign entity through its brand to conduct operations. This is a violation.
32. The Intellectual Property Act prohibits trade names likely to mislead the public. LIPAY's use of the 1XBET brand was likely to mislead the public. The billboards featured 1XBET with no reference to LIPAY, except for a minuscule reference link. The NLA itself could

not tell who was operating. This is precisely the type of misleading conduct the law prohibits.

33. Section 5.7 of the General Business Law, Title 14, Liberian Code of Laws Revised, prohibits the use of trade names for advertising that deceives or misleads the public. LIPAY's conduct violated this duty.
34. The Hearing Officer finds that the NLA has proven its case by a preponderance of the evidence. LIPAY violated Section 6.4, Section 6.9, Section 14.1(b), and Section 14.1(d) of the NLA Gaming Regulation 001. LIPAY also violated the Liberia Intellectual Property Act and the General Business Law of Liberia.

JUDGMENT

WHEREFORE, in view of the foregoing, and based upon the preponderance of the evidence, it is hereby ORDERED AND ADJUDGED as follows.

- A. The Complaint against the 2nd Defendant, THE MANAGEMENT OF 1 X BET, is hereby DISMISSED WITHOUT PREJUDICE for misjoinder and failure to sue a legal entity.
- B. The 1st Defendant, THE MANAGEMENT OF LIPAY, INC., is found LIABLE for violating Section 6.4, Section 6.9, Section 14.1(b), and Section 14.1(d) of the NLA Gaming Regulation 001.
- C. The sports betting license issued to the 1st Defendant, LIPAY, INC., is hereby REVOKED pursuant to Section 6.9 and Section 15 of the NLA Gaming Regulation 001. The revocation is effective immediately.
- D. The 1st Defendant, LIPAY, INC., is ordered to pay administrative fines pursuant to Section 14.1(o) of the NLA Gaming Regulation 001 in the total amount of United States Dollars Ten Thousand (\$10,000.00), representing Two Thousand Five Hundred Dollars for each of the four violations found herein, as follows:
 - i. Violation of Section 6.4: Failure to disclose its material relationship with DIDIANE LTD as an associate at the time of its application and during the term of its license. Fine: United States Dollars Two Thousand Five Hundred (\$2,500.00).
 - ii. Violation of Section 6.9: Misuse of its license to create the false appearance that a foreign, unlicensed entity was operating in Liberia, thereby circumventing the non-transferability provision of the Regulation. Fine: United States Dollars Two Thousand Five Hundred (\$2,500.00).
 - iii. Violation of Section 14.1(b): Permitting an unlicensed foreign entity to operate a sports betting platform in Liberia under its license. Fine: United States Dollars Two Thousand Five Hundred (\$2,500.00).
 - iv. Violation of Section 14.1(d): Contravening the terms and conditions of its license. Fine: United States Dollars Two Thousand Five Hundred (\$2,500.00).
- E. All costs associated with these proceedings are assessed against the 1st Defendant, LIPAY, INC. The Bill of costs for this Hearing will be prepared and served on LIPAY to pay.
- F. The 1st Defendant, LIPAY, INC., shall pay all amounts due within thirty days of this Judgment.
- G. The 1st Defendant, LIPAY, INC., shall not reapply for a gaming license in Liberia for a period of two years as of the date of this judgment.

- H. The NLA is mandated to publish this Judgment in a newspaper of general circulation in Liberia at the expense of the 1st Defendant.
- I. The Clerk of this Administrative Hearing is ordered to serve a certified copy of this Ruling and Judgment upon all parties.

AND IT IS HEREBY SO ORDERED.

GIVEN UNDER MY HAND, this 22nd day of *June*, A.D. 2026.



Cllr. Joel Elkanah Theoway, LL.M. LL.M, LL.B, BA
HEARING OFFICER
NATIONAL LOTTERY AUTHORITY ADMINISTRATIVE HEARING
MONTERRADO COUNTY, REPUBLIC OF LIBERIA