Title:
Simny G. Guy vs. Gilbert G. Guy, et al. (GR No. 178056)

Facts:
Goodland Company, Inc. (GCI) is a family-owned corporation of the Guy family. Simny G. Guy, a stockholder and board director of GCI, received notifications regarding a special stockholders' meeting conducted on September 7, 2004, where respondents Gilbert G. Guy and others were allegedly elected as new directors. The notice was dated August 31, 2004, but Simny only received it on September 22, 2004. Consequently, Simny and a purported stockholder, Grace Guy Cheu, contested the election in the Regional Trial Court (RTC) for lack of notice, improper calling, and unauthorized issuance.

The RTC issued a Temporary Restraining Order against the respondents preventing them from assuming positions as new directors/officers. Respondents then informed the RTC of a 2005 annual stockholders' meeting, suggesting the case was moot due to the election of new officers. The RTC disagreed, asserting the relevance of the case to the validity of the recent meeting's notice.

On June 25, 2007, the RTC dismissed the complaint, ruling the meeting and election were valid as the notice complied with legal and by-law requirements and Cheu was not a stockholder of record. The Court of Appeals affirmed this decision. Simny brought the case to the Supreme Court, arguing the invalidity of the 2004 meeting and the lack of due notice.

Issues:
1. Whether the notice for the special stockholders' meeting was properly sent in compliance with legal and by-law requirements.
2. Whether the meeting was called by the proper corporate authority.
3. Whether Grace Guy Cheu should have been notified of the meeting as an alleged stockholder of record.

Court's Decision:
The Supreme Court denied the petition and affirmed the CA Decision, holding:
1. The notice was sent correctly, as required by the Corporation Code and the GCI by-laws.
2. The meeting was appropriately called by then Vice-President Gilbert G. Guy, acting as President, in line with the Corporation Code and GCI by-laws.
3. Grace Cheu was not a stockholder of record and was thus not entitled to any notice of the meeting.

Doctrine:
The Court reiterated the doctrine under the Corporation Code (Sec. 50) and the by-laws of corporations concerning the notice requirement for stockholders' meetings. The notice must be sent in accordance with the law or by-laws, but actual receipt before the meeting is not required. It is the sending (depositing in the mail) of the notice that counts, not its actual receipt by the stockholder. Moreover, only registered stockholders are entitled to notice of corporate meetings.

Class Notes:
Key elements/concepts:
– Notice Requirement: According to the Corporation Code and corporate by-laws, notice must be sent to stockholders within the prescribed time before any meeting. Actual receipt is not necessary if the notice is sent according to the by-laws.
– Proper Authority to Call Meeting: A corporate meeting, including the calling of any special stockholders' meeting, must be made by the appropriate authority as per the by-laws and the Corporation Code.
– Stockholder of Record: Only stockholders registered in the stock and transfer book are considered stockholders of record and are entitled to notice of stockholders' meetings.
– Verba legis: The principle that when the law is clear, it must be applied as written without interpretation.

Historical Background:
The historical context of this case reflects the corporate governance practices in the Philippines and follows established procedures under the Corporation Code. The facts underscore the importance of adhering to corporate by-laws and statutory provisions, illustrating the legal responsibilities of corporate officers and the rights of stockholders. The case demonstrates the judicial system's role in resolving intra-corporate disputes.