

Title: **\*\*Edgardo T. Yambao vs. Republic of the Philippines\*\***

Facts: The Office of the Ombudsman (OMB) recommended investigating Ret. Lt. Gen. Jacinto C. Ligot and his family, including Edgardo Tecson Yambao (petitioner), for possible violation of the Anti-Money Laundering Act due to their grossly disproportionate wealth to their income. The OMB identified unexplained wealth of approximately P54,001,217.00. Based on these findings, the Anti-Money Laundering Council (AMLC) conducted its investigation and sought a freeze order from the Court of Appeals (CA) against the Ligots and Yambao's monetary instruments and properties.

Yambao filed a motion to lift the freeze order, which was denied by the CA. He also moved for reconsideration and requested a summary hearing based on new procedural rules in A.M. No. 05-11-04-SC. However, the CA deemed Yambao's case not applicable to the new rules, as the issues regarding the freeze order's extension and lifting had been resolved before these rules came into effect.

Issues:

1. Whether the CA erred in holding that the freeze order against Yambao was no longer pending and hence not covered by A.M. No. 05-11-04-SC.
2. Whether Yambao was entitled to due process as guaranteed by the constitution and the new rules.
3. Whether the CA erred in determining that probable cause existed to issue and extend the freeze order against Yambao's monetary instruments.
4. Whether the CA erred in not allowing Yambao to be tried separately from the other respondents.

Court's Decision:

The Supreme Court partly granted Yambao's petition. It found the CA's extension of the freeze order beyond six months violated Yambao's due process rights. The Court applied A.M. No. 05-11-04-SC to Yambao's case, ruling that the CA should have allowed a summary hearing following the new procedural rules. Hence, the Supreme Court lifted the freeze order against Yambao's properties but maintained that other preservation orders by the Sandiganbayan may still apply.

Doctrine:

The Supreme Court clarified that the extension of a freeze order's effectivity cannot exceed six months without violating an individual's right to due process. It emphasized the

temporary nature of freeze orders as interim reliefs to preserve assets potentially linked to illegal activities.

Class Notes:

- A freeze order's objective is to temporarily preserve monetary instruments/properties related to unlawful activities.
- A freeze order is effective for 20 days but can be extended, not exceeding six months, to balance the state's interest and an individual's constitutional rights.
- The standard for issuing a freeze order is the determination of "probable cause" that assets are related to an unlawful activity.
- The rules in A.M. No. 05-11-04-SC apply to cases where motions for reconsideration or summary hearing requests are pending at the time of its effectiveness.

Historical Background:

This case reflects the Philippine judiciary's efforts to balance the state's anti-corruption and anti-money laundering initiatives with the constitutional rights of individuals. It underscores the evolving procedural standards for freeze orders and asset preservation amidst legal challenges involving public officials and their associates.