

Title:

Nestle Philippines, Inc. and Nestle Waters Philippines, Inc. v. Uniwide Sales, Inc., et al.

Facts:

****Initial SEC Petition and Rehabilitation Plan:****

- ****25 June 1999:**** Respondents, comprising Uniwide Sales, Inc., Uniwide Holdings, Inc., and associated companies, filed a petition with the Securities and Exchange Commission (SEC) for suspension of payment, establishment of a rehabilitation receiver, and approval of a rehabilitation plan (SEC Case No. 06-99-6340).
- ****18 October 1999:**** An Interim Receivership Committee submitted an initial rehabilitation plan focusing on core business activities.
- ****14 February 2000:**** An Amended Rehabilitation Plan (ARP) was filed, incorporating a proposed P3.57 billion capital infusion by Casino Guichard Perrachon.
- ****11 April 2001:**** The SEC approved the ARP.
- ****11 October 2001:**** Following Casino Guichard Perrachon's withdrawal, a Second Amendment to the Rehabilitation Plan (SARP) was filed and subsequently approved by the SEC on 23 December 2002.

****Petitioners' Objection and Court Filings:****

- ****Post-23 December 2002:**** Petitioners, Nestle Philippines, Inc. and Nestle Waters Philippines, Inc., as unsecured creditors, contested the SARP's approval, requesting consultation and revision in terms and conditions.
- ****13 January 2004:**** The SEC rejected petitioners' appeal.
- ****Subsequent Appeal:**** Petitioners turned to the Court of Appeals, seeking review of the SEC's decision.
- ****10 January 2006:**** The Court of Appeals denied the petitioners' appeal, upholding the SEC's decision.
- ****13 September 2006:**** The Court of Appeals denied petitioners' motion for reconsideration and referred the supplemental motion for reconsideration to the SEC due to new operational developments involving respondents' supermarkets.

****Further Proceedings and SEC's Involvement:****

- ****11 July 2007:**** The SEC received a Third Amendment to the Rehabilitation Plan (TARP).
- ****29 September 2008:**** A Revised Third Amendment to the Rehabilitation Plan (revised TARP) was filed.
- ****30 July 2009:**** The SEC ordered a reappraisal of Metro Mall property involved in the revised TARP, amid creditor opposition.

- **17 September 2009:** The SEC called for a determination on continuation of the rehabilitation proceedings.
- **6 November 2009:** Respondents' motion for reconsideration of the termination order was denied as a prohibited pleading.
- **13 January 2010:** Rehabilitation case was terminated by the SEC.

Consolidation and Current Petition:

- **30 September 2010:** SEC consolidated appeals against various orders questioning the termination of rehabilitation proceedings.
- **3 November 2006:** Petitioners filed the present petition for review with the Supreme Court.

Issues:

1. **Whether the Second Amendment to the Rehabilitation Plan (SARP) should be revoked and the rehabilitation proceedings terminated following operational changes.**

Court's Decision:

The Supreme Court dismissed the petition as premature, emphasizing the necessity to allow the SEC's expertise and jurisdiction to resolve the ongoing rehabilitation and the impact of new developments.

Key Findings:

- **Supervening Events:** Several incidents affected the feasibility and implementation of SARP, necessitating ongoing administrative consideration.
- **Doctrine of Primary Administrative Jurisdiction:** The Court underscored the principle that issues requiring specialized knowledge of an administrative body should first be resolved in the appropriate administrative forum before judicial intervention.
- **Pending SEC Cases:** The pending cases before the SEC en banc addressing the continuation and feasibility of the rehabilitation proceedings rendered the Supreme Court's deliberation premature at this stage.

Doctrine:

Doctrine of Primary Administrative Jurisdiction: Courts should defer to administrative agencies with specialized expertise on matters within their jurisdiction, particularly when administrative and technical complexities are involved.

Class Notes:

Key Elements and Concepts:

- **Primary Administrative Jurisdiction:** Judicial deference to administrative bodies, especially in complex, specialized matters.
- **Rehabilitation Proceedings:** Involves formulation, amendment, and approval of rehabilitation plans; iterative process with multiple stakeholders.
- **Procedural History:** Multiple levels of appeals, administrative orders, and considerations reflecting dynamic fact pattern adjustments.

Relevant Legal Provisions:

- **Section 5.2, RA No. 8799:** SEC's retained jurisdiction over suspension of payments/rehabilitation cases.
- **Relevant Cases:**
 - *Maria Luisa Park Association, Inc. v. Almendras*
 - *Ferrer, Jr. v. Roco*
 - *Fabia v. Court of Appeals*

Historical Background:

This case is set against the backdrop of economic challenges faced by the Uniwide Group and the broader context of financial instability in the late 1990s and early 2000s. It illustrates the complexity of corporate rehabilitation processes in the Philippines, particularly in the aftermath of the Asian financial crisis and subsequent economic reforms. Administrative and judicial engagement in such rehabilitation cases emphasizes both procedural robustness and adaptive management responding to evolving business realities.