

****Title: Cojuangco v. Sandiganbayan****

****Facts:****

1. ****Background of the Case****: The case involves the election of directors for San Miguel Corporation (SMC) during its annual stockholders' meeting on April 18, 1995. The petitioners, Eduardo M. Cojuangco, Jr. and others, sought positions in the SMC Board but were outvoted by nominees of the Presidential Commission on Good Government (PCGG), named as respondents.

2. ****PCGG's Involvement****: The PCGG had used its sequestered shares from SMC to vote in favor of its nominees. These shares were originally owned by 43 corporate stockholders and were registered in the names of the nominees to qualify them for board membership. Petitioner Estelito P. Mendoza also used the sequestered shares to vote but claimed his group's votes were improperly counted.

3. ****Election Results Contested****: Following the election, the respondents were declared elected to the SMC Board, occupying the top 15 slots, whereas the petitioners did not make it, occupying only the 16th to 20th slots.

4. ****Procedural Steps****:

- ****Initial Protest****: Mendoza contested the election results, arguing improper appreciation of votes.

- ****Quo Warranto Petition****: The petitioners filed a quo warranto petition with the Sandiganbayan, challenging the legitimacy of the election results, asserting that the respondents did not own the required number of shares for board qualification.

- ****Sandiganbayan's Dismissal****: On May 9, 1995, the Sandiganbayan, following a precedent from Garcia vs. Sandiganbayan, dismissed the petition stating it lacked jurisdiction over the extraordinary remedy of quo warranto.

5. ****Subsequent Actions****:

- The petitioners filed a motion for reconsideration, which the Sandiganbayan also denied.

- Ultimately, the petitioners sought relief from the Supreme Court, challenging the Sandiganbayan's decision to dismiss their petition for lack of jurisdiction.

****Issues:****

1. ****Jurisdiction****: Whether the Sandiganbayan has the jurisdiction to hear cases involving

quo warranto, particularly in connection with cases regarding ill-gotten wealth and incidents involving the PCGG's actions.

2. **Interpretation of Ra 7975**: Whether the passage of Republic Act No. 7975, which provides the Sandiganbayan jurisdiction over certain writs, impacts the original jurisdiction over quo warranto actions related to PCGG cases.

Court's Decision:

1. **Quo Warranto Jurisdiction**: The Supreme Court found merit in the petitioners' appeal, ruling that the Sandiganbayan did have jurisdiction over the quo warranto action. The case involved sequestered shares closely related to the PCGG mandate, thus falling under the jurisdiction conferred by Executive Orders concerning ill-gotten wealth.

2. **Support from Precedent Cases**: The Court referenced its decisions in PCGG vs. Peña and related cases which broadened the Sandiganbayan's jurisdiction to include incidents arising from the investigation and recovery of ill-gotten wealth. Even though Garcia vs. Sandiganbayan restricted such jurisdiction, this case was found to specifically involve PCGG actions, justifying the jurisdiction of the Sandiganbayan.

3. **Remedy and Directions**: The Court directed the Sandiganbayan to process and resolve the petition for quo warranto, effectively setting aside the previous resolution.

Doctrine:

- **Jurisdiction Over Quo Warranto**: While ordinarily, the Sandiganbayan may not entertain petitions for quo warranto, it possesses jurisdiction over such petitions when they arise directly from issues involving alleged ill-gotten wealth and ancillary actions by the PCGG under relevant executive orders.

Class Notes:

- **Key Principle**: In matters involving sequestered properties linked to alleged ill-gotten wealth, the Sandiganbayan can exercise original jurisdiction over related petitions, including quo warranto, if they pertain to the legitimacy of actions taken by entities like the PCGG.

- **Statutory Interpretation**: The Sandiganbayan's jurisdiction defined by Executive Orders related to the PCGG extends to all cases substantively tied to the management and control of sequestered assets.

****Historical Background:****

- ****Context of PCGG****: This case must be understood against the backdrop of efforts by the Philippine government, through the PCGG, to recover assets deemed plundered during the regime of Ferdinand Marcos. The PCGG's mandate included seizing properties believed to have been acquired through corrupt practices.
- ****Post-EDSA Reforms****: The creation and action of the PCGG were part of broader reforms following the 1986 People Power Revolution, aiming to restore integrity and accountability in government sectors and recover public resources.