

**FINASIA INVESTMENTS AND FINANCE CORPORATION, PETITIONER,
VS. THE COURT OF APPEALS, HON. FERNANDO P. AGDAMAG, IN HIS
CAPACITY AS PRESIDING JUDGE OF THE REGIONAL TRIAL COURT
OF MA...**

G.R. No. 107002. October 07, 1994

Ponente: KAPUNAN, J.

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KAPUNAN, J.:

Petitioner seeks the reversal of the decision of the Court of Appeals holding that private respondent Rosito A. Castro's "claim" against petitioner Finasia Investments and Finance Corporation (FINASIA, for short) is not one within the contemplation of Section 6(c) of Presidential Decree 902-A, as amended, which provides for the suspension of all actions for claims against corporations, partnerships or associations under management or receivership pending before any court, tribunal, board or body.

The facts of the case are as follows:

Sometime in 1982, FINASIA extended a loan to Felicisimo Francisco in the amount of One Hundred Sixty Two Thousand One Hundred Sixty Six and 43/100 (P162,166.43). As security for the loan, Francisco executed a Real Estate Mortgage dated 8 September 1982 over a parcel of land owned by private respondent Rosito A. Castro, under a Special Power of Attorney dated 6 September 1982 executed by Castro in favor of Francisco.

Subsequently, FINASIA executed a Deed of Assignment dated 23 December 1983 and a Supplemental Deed of Assignment dated 27 March 1985 in favor of Pioneer Savings and Loan Bank (PSLB), ceding all its collectibles and collaterals to the latter, including the Promissory Note executed by Francisco, in consideration of the release by PSLB of all of FINASIA's obligations to it.

On 27 January 1990, Castro instituted a complaint against FINASIA, PSLB and Francisco, praying for the declaration of nullity of the Special Power of Attorney, the Real Estate Mortgage, and the Deed of Assignment with preliminary injunction before the Regional Trial Court of Makati, presided by respondent Judge Fernando P. Agdamag. Castro alleged in the complaint that the power of attorney he supposedly executed in favor of Francisco was a forgery.

Claiming that it had been placed under receivership by the Securities and Exchange Commission (SEC) which had appointed a Rehabilitation Receiver, on 21 June 1991, FINASIA filed with the Regional Trial Court a Motion to Suspend Proceedings under Section 6(c) of PD 902-A, as amended, which states:

Sec. 6. In order to effectively exercise such jurisdiction, the Commission shall possess the following powers:

x x x.

c) To appoint one or more receivers of the property, real and personal, which is the subject of the action pending before the Commission in accordance with the pertinent provisions of the Rules of Court in such other

cases whenever necessary in order to preserve the rights of the parties-litigants and/or protect the interest of the investing public and creditors: Provided, however, That the Commission may, in appropriate cases, appoint a rehabilitation receiver of corporations, partnerships or other associations not supervised or regulated by other government agencies who shall have, in addition to the powers of regular receiver under the provisions of the Rules of Court, such functions and powers as are provided for in the succeeding paragraph d) hereof: Provided, further, That the Commission may appoint a rehabilitation receiver of corporations, partnerships or other government agencies, such as banks and insurance companies, upon request of the government agency concerned: Provided, finally, that upon appointment of a management committee, rehabilitation receiver, board, or body, pursuant to this Decree, all actions for claims against corporations, partnerships or associations under management or receivership pending before any court, tribunal, board or body shall be suspended accordingly.

On 24 September 1991, the trial court issued an order denying FINASIA's motion on the ground that the subject of the action is not, strictly speaking, a claim against petitioner as contemplated by Sec. 6(c) of P.D. 902-A. A motion for reconsideration of said order was, likewise, denied by the trial court in its resolution of September 11, 1992; hence, FINASIA filed before respondent Court of Appeals, a special civil action for certiorari and prohibition under Rule 65 of the Rules of Court to set aside the order of the trial court dated April 7, 1992 and resolution dated September 11, 1992. In its decision promulgated on April 7, 1992 in CA-G.R. SP No. 27192, the Court of Appeals dismissed the petition, holding that:

x x x. The word 'claim' as used in statutes requiring the presentation of claims against someone must be construed to mean debts or demand of a pecuniary nature (Vide *Gutierrez vs. Baretto-Datu*, 115 Phil. 744). It is in this sense that Sec. 6(c) of P.D. 902-A should be construed, and from that construction arises the necessity of determining whether the 'claim' against FINASIA in Civil Case No. 90-234 is a claim for a debt or a pecuniary liability so as to fall within purview of the decree.

The principal cause of action in Civil Case No. 90-234 relates to the genuineness or nullity of the Special Power of Attorney reportedly conferred upon Francisco and by which he was able to execute the real estate mortgage over Castro's property, the principal defendant in that case being Francisco. The cause of action is, in the true meaning of the word 'claim' not a demand for the payment of a debt or for the enforcement of a pecuniary liability. The substance of the decree is to prevent a creditor from obtaining an advantage or preference over another and since the principal purpose of a Civil Case No. 90-234 is to secure a judicial pronouncement on the question whether the Special Power of Attorney is a forgery or not, a possible affirmative ruling will not amount to a preference or advantage to Castro who has not been shown to be a creditor or FINASIA.

Besides, to suspend Civil Case No. 90--234 is to deny Castro the opportunity to prove his thesis that the Special Power of Attorney supposedly conferred by him upon Francisco is a forgery. This situation will in turn open the possibility that Castro may lose his property without being able to do anything against it. This will be rank in justice, a situation which no law ever contemplates.

x x x x x x x x.

WHEREFORE, the petition is DISMISSED.[1]

On 30 April 1992, FINASIA filed a motion for reconsideration of the aforecited decision but the same was denied by public respondent in its Resolution dated 11 September 1992;[2] hence, the present recourse.

We agree with the public respondent that the word 'claim' as used in Sec. 6(c) of P.D. 902-A, as amended, refers to debts or demands of a pecuniary nature. It means "the assertion of a right to have money paid. It is used in special proceedings like those before administrative court, on insolvency." [3]

The word "claim" is also defined as:

Right to payment, whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, or unsecured; or right to an equitable remedy for breach of performance if such breach gives rise to a right to payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured, unmatured, disputed, undisputed, secured, unsecured.

In conflicts of law, a receiver may be appointed in any state which has jurisdiction over the defendant who owes a claim.[4]

As used in statutes requiring the presentation of claims against a decedent's estate, "claim" is generally construed to mean debts or demands of a pecuniary nature which could have been enforced against the deceased in his lifetime and could have been reduced to simple money judgments; and among these are those founded upon contract.[5]

Consequently, the word "claim" which means "right to payment," should not be confused with the principal cause of action in Civil Case No. 90-239 which simply seeks the nullification of the Special Power of Attorney and other documents because the signature of Castro appearing therein is a forgery. The cause of action therein does not consist of demand for a payment of debt or enforcement of pecuniary liability. It has nothing to do with the purpose of Section 6(c) of P.D. 902-A, as amended, which is to prevent a creditor from obtaining an advantage or preference over another with respect to action against corporation, partnership, association under management or receivership and to protect and preserve the rights of party litigants as well as the interest of the investing public or creditors. Moreover, a final verdict on the question of whether the special power of attorney in question is a forgery or not will not amount to any preference or advantage to Castro who was not shown to be a creditor of FINASIA.

WHEREFORE, the petition is hereby DENIED.

SO ORDERED.

Cruz, (Chairman), Davide, Jr., Bellosillo, and Quiason, JJ., concur.

[1] Rollo, pp. 21-24.

[2] Rollo, *ibid*.

[3] Sibal, PHIL. LEGAL ENCYCLOPEDIA, p. 132, 1966 ed.

[4] BLACK'S LAW LEGAL DICTIONARY, p. 224, 5th ed.

[5] Gutierrez vs. Barretto Datu, 115 Phil. 741, [1962].

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