

REPUBLIC OF THE PHILIPPINES (PRESIDENTIAL COMMISSION ON GOOD GOVERNMENT)

G.R. No. 108292. September 10, 1993

Ponente: MELO, J.

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MELO, J.:

The four (4) herein consolidated petitions have as their common prayer the nullification of the already approved and partially implemented compromise agreement dated November 3, 1990 executed between Roberto S. Benedicto and the Presidential Commission on Good Government (PCGG) represented by its then Chairman, David M. Castro, and the setting aside of the Sandiganbayan decision dated October 2, 1992 approving the compromise agreement and rendering judgment in accordance with its terms. G.R. No. 108548-49 and 108550 were filed by eleven (11) sugar cane planters and two (2) corporations engaged in the milling of sugar cane who additionally ask for permission to intervene and to be admitted as parties to Civil Cases No. 0024 and No. 0028 before the Sandiganbayan.

The subject matters of the disputed compromise agreement are Sandiganbayan Civil Case No. 0009, Civil Case No. 00234, Civil Case No. 0034, the Phil-Asia case before the Tanodbayan and PCGG I.S. No. 1. The cases arose from complaints for reconveyance, reversion, accounting, restitution, and damages against former President Ferdinand E. Marcos, members of his family, and alleged cronies, one of whom is said to be respondent Roberto S. Benedicto.

The compromise agreement involved in these petitions is the third one in a series of global settlements effected between the Republic and respondent Benedicto. In March, 1990 the cases brought by the Republic against Benedicto in the United States were settled through a plea bargaining agreement approved by the New York Court and a "Settlement and Partial Release of Claims" approved by the California Court of Los Angeles. On July 20 and 23, 1990, the cases in Switzerland involving Benedicto's bank deposits in that country were settled by another agreement between the Republic and Benedicto. In fact, as early as December, 1986, the PCGG and Benedicto had already entered into temporary arrangements covering the management and operations of Benedicto's media business - BBC Channel 2, IBC Channel 13, Sining Makulay (CATV), and the Daily Express. No questions have been raised against the first two settlements. The management issue at Broadcast City was decided by this Court in *Benedicto vs. Board of Administrators of Television Stations RPN, BBC and IBC* (207 SCRA 659 [1992]).

Under the compromise agreement, Benedicto and his group-controlled corporations ceded to the government certain pieces of property listed in Annex A of the agreement and assigned or transferred whatever rights he may have, if any, to the government over all corporate assets listed in Annex B of the agreement (pp. 115-125, Rollo in G.R. No. 108292).

The PCGG in turn, lifted the sequestrations over the property listed in Annex C (p. 125, Rollo) as well as other assets mentioned in the agreement. The Government also extended absolute immunity to Benedicto, members of his family, and officers and employees of the listed corporations such that there would be no criminal

investigation or prosecution for acts or omissions prior to February 25, 1986 that may be alleged to have violated penal laws, including Republic Act NO. 3019, in relation to the acquisition of the assets under the agreement.

The government agreed to recognize the constitutional right to travel of Mr. and Mrs. Benedicto and to interpose no objections to the issuance or restoration of their passports by the government office concerned.

According to the PCGG G.R. No. 108292 and G.R. No. 108368, respondent court committed grave abuse of discretion approving an agreement containing provisions contrary to law, morals, good customs, public policy, and public order. The PCGG contends that its consent was obtained through fraud and misrepresentation; that it is not in estoppel to question the validity of the agreement; and that the respondent court was wrong in passing upon the PCGG's inability to return what was ceded to it should the agreement be disapproved.

The authority of the PCGG to enter into compromise agreements in civil cases and to grant immunity, under certain circumstances, in criminal cases is now settled and established. In *Republic of the Philippines and Jose O. Campos, Jr. vs. Sandiganbayan, et al.* (173 SCRA 72, [1989]), this Court categorically stated that amicable settlements and compromises are not only allowed but actually encouraged in civil cases. A specific grant of immunity from criminal prosecutions was also sustained. In *Benedicto vs. Board of Administrators of Television Stations RPN, BBC, and IBC* (207 SCRA 659 [1992]), the Court ruled that the authority of the PCGG to validly enter into compromise agreements for the purpose of avoiding litigation or putting an end to one already commenced was indisputable. The Court took cognizance of the fact that the compromise agreement which is now the subject of the present petitions was pending before the Sandiganbayan for determination and approval and, therefore, dismissed the petition directed against the agreement's implementation and enforcement.

Since this Court specifically ordered the Sandiganbayan to act on the compromise agreement between the PCGG and Benedicto, what remains to be done is to ascertain the propriety of the action of the Sandiganbayan in approving the agreement, and the validity of the agreement itself.

The Sandiganbayan stated in its decision that the contract on its face does not appear to be contrary to law, morals, or public policy and that it was entered into freely and voluntarily by the parties (p. 79, Rollo in G.R. No. 108292). There is no intimation of vitiated consent on the part of the PCGG. On its finding that the compromise agreement was entered into by the parties freely, voluntarily, and with full understanding of its consequences, respondent court stated that the agreement is conclusive and binding upon it.

We agree with the following observations of the Sandiganbayan:

A party that availed himself of and complied with the provisions of a judicial compromise is under estoppel to question its validity. (*Serrano vs. Miave*, 13 SCRA 461). In a regime of law and order, repudiation of an agreement validly entered into cannot be made without any ground or reason in law or in fact for such repudiation. (*Rodriguez vs. Alikpala*, 57 SCRA 455).

It is in consequences of this that the Supreme Court in *Mayuga vs. Court of Appeals*, 154 SCRA 309, held that a compromise upon its perfection became binding upon the parties and has the effect and authority of res judicata even if not judicially approved. (Underlining supplied)

In this connection, therefore, We hold that plaintiff is in estoppel to question the validity of the herein Compromise Agreement since it had already received benefits thereunder, such as:

"1. Full take over and control of Oriental Petroleum shares of stocks owned by Piedras Mining and the exercise by the latter company of the pre-emptive rights granted by Oriental Petroleum. Said shares have a total value now of P1,094,816,379.00 (P.0675 and P.0775/per A and B shares, respectively).

2. Full take over, control and management of Broadcast City (Channel 13) inspite of Supreme Court decision in

G.A. No. L-87710 that the Board of Administration, created under Executive Order NO. 11, continued management is no longer legally possible, upon formal representation and that Benedicto will comply fully with the terms and conditions of the Compromise Agreement. Said assets have a total estimated value of P450 million.

3. Complete turnover of California Overseas Bank, with capital account of US\$18 Million (P406 million), to the Philippine Government which was in turn sold by the Philippine Government to the PNB.

4. Receipt of US\$16.271 million (P386.0 million - P23.71/\$1.00). The total value of the aforesaid assets transferred to the Philippine Government amount to P2.336 Billion.”

In *Katipunan Labor Union vs. Caltex*, 101 Phils. 1224, the Supreme Court, through Justice J. B. L. Reyes, stated in effect that a compromise is governed by the basic principle that the obligations arising therefrom have the force of law between the parties (citing Article 1159, New Civil Code), which means that neither party may unilaterally and upon his own exclusive volition escape his obligation under the contract.

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Since a compromise has, upon the parties and their successors-in-interest, the effect of *res judicata*, it can only be rescinded on the ground of vitiated consent, and, this is true even if the compromise turns out to be unsatisfactory to either of the parties (*Castro vs. Castro*, 97 Phils. 705). By merely asking for a renegotiation of the agreement, the PCGG herein has impliedly admitted that the agreement is not contrary to law, public policy or morals nor was there any circumstance which had vitiated or does now vitiate consent.”

(Decision, pp. 26-27; pp. 104-105, Rollo in G.R. No. 108292)

In fact, the Court has consistently ruled that a party to a compromise cannot ask for a rescission after it has enjoyed its benefits. Thus in *Barairo vs. Mendoza* (G.R. No. 82545, May 15, 1989 Resolution), re-echoing 5 Ruling Case Law, 883 (1914) it was held:

Compromises are to be favored, without regard to the nature of the controversy compromised. They cannot be set aside because the event shows all the gain to have been on one side, and all the sacrifice on the other, if the parties have acted in good faith and with a belief of the actual existence of a settlement be made, free from fraud or mistake, whereby there is a surrender or satisfaction, in whole or in part, of a claim upon one side in exchange for or in consideration of a surrender of value, upon the other, however baseless may be the claim upon either side or harsh the terms as to either of the parties, the other cannot successfully impeach the agreement in a court of justice which re-echoed 5 Ruling Case Laws 883 (914).

And in *Pasay City Government vs. CFI of Manila* (132 SCRA 156 [1984]), was most emphatic in ruling that a party to a compromise agreement cannot ask for its rescission after it has enjoyed its benefits. Then Justice, later Chief Justice Makasiar had this to say: -

[I]t is obvious that the respondent-appellee did not only succeed in enforcing the compromise but said plaintiff-appellee likewise wants to rescind the said compromise. It is clear from the language of the law, specifically Article 2041 of the New Civil Code that one of the parties to a compromise has two options: 1) to enforce the compromise; or 2) to rescind the same and insist upon his original demand. The respondent-appellee in the case herein before Us wants to avail of both of these options. This can not be done. The respondent-appellee cannot ask for rescission of the compromise agreement after it has already enjoyed the first option of enforcing the compromise by asking for a writ of execution resulting thereby in the garnishment of the Pasay City funds deposited with the Philippine National Bank which eventually was delivered to the respondent-appellee. (at p. 168)

It is equally puerile for the PCGG to contend that the agreement is congenitally defective from the mere happenstance that the agreement was not authenticated before the consular officials abroad and without the

participation of witnesses and of the Solicitor General. While the rule of *lex loci celebrationis* generally governs forms and solemnities of contracts under Article 17 of the Civil Code (Vitug, *Compendium of Civil Law and Jurisprudence*, 1986 First ed., p. 11), the principle of *lex rei sitae* generally applies with respect to formalities for the acquisition, encumbrance, and alienation of real and personal property (1 Paras, *Civil Code of the Philippines* annotated, 1989 12th ed., p. 107). And relative to this precept on *lex situs*, Philippine substantive law is certainly clear on the matter that contracts are obligatory, in whatever form they may have been entered into, subject to the existence of all the essential requisites for their validity (Article 1356, New Civil Code). The fact that the compromise agreement was not authenticated before the consular officers abroad, as well as the absence of witnesses, cannot be of much legal significance under Philippine law inasmuch as the requirement under Article 1358(a) of the Civil Code, that a contract intended to extinguish or transmit real rights over the immovables must be in a public document is merely designed for greater efficacy or convenience (4 Tolentino, *Commentaries and Jurisprudence on the Civil Code of the Philippines*, 1991 ed., p. 546).

Neither does the absence of the Solicitor General's participation render the agreement invalid since under both Executive Order No. 2 and Executive Order No. 14-A, it is the PCGG which has been "primarily charged" with the responsibility of recovering illegally acquired or misappropriated assets. It should perhaps be recalled at this juncture that it was during this period that the OSG withdrew or counsel in PCGG cases, compelling the latter to hire high-priced and supposedly competent lawyers of its own. Indeed, these events were the backdrop of the widely acclaimed and erudite decision penned by Justice Florida Ruth P. Romero wherein the OSG was advised of its duties, the scope of its authority, the mandate of its office, and thence ordered to re-enter its appearance in PCGG cases. In fine, the OSG is the least qualified agency to raise the argument that it had no participation in the agreement.

The PCGG submits the notion that Benedicto can renege on his undertaking because the compromise does not have a clause for breach of warranty. Again, we must point out that the insinuation (p. 30, Petition; p. 35, Rollo in G.R. No. 108292) along this line is uncalled for due to the language of Paragraph 4:

IV. Cooperation in Preservation/Recovery Efforts.

The parties herein hereby undertake to cooperate with each other in the preservation or recovery of sequestered properties and business, including joint action or defense in the enforcement or resistance as the case may be, or claims affecting the sequestered properties and businesses involved in this Agreement.

as well of Paragraph 6 of the Compromise Agreement:

VI. Further Acts/Documents.

Each party to this Agreement agrees to perform such other and further acts and authorizations, including the execution and delivery of such other and further documents as may be reasonably necessary to carry out the provisions of this Agreement.

which serve as built-in safeguards against amnesia, so to speak, and possible repudiation. At any rate, and assuming in *gratia argumenti* that a breach occurs, the remedy of the PCGG is clearly set forth in Article 2041 of the Civil Code:

Art. 2041. If one of the parties fails or refuses to abide by the compromise, the other party may either enforce the compromise or regard it as rescinded and insist upon his original demand.

It is advocated by the PCGG that respondent Benedicto retaining a portion of the assets is anathema to, and incongruous with, the zero-retention policy of the government in the pursuit for recovery of all ill-gotten wealth pursuant to Section 2(a) of Executive Order No. 1. While full recovery is ideal, the PCGG is not precluded from

entering into a compromise agreement which entails reciprocal concessions if only to expedite recovery so that the remaining "funds, assets and other properties may be used to hasten national economic recovery" (3rd WHEREAS clause, Executive Order No. 14-A). To be sure, the so-called zero retention mentioned in Section 2(a) of Executive Order No. 1 had been modified to read:

WHEREAS, the Presidential Commission on Good Government was created on February 28, 1986 by Executive Order No. 1 to assist the President in the recovery of ill-gotten wealth accumulated by former President Ferdinand E. Marcos, his immediate family, relatives, subordinates and close associates;

which undoubtedly suggests a departure from the former goal of total restitution.

Contrary to the PCGG's observation that the value of the assets ceded by Benedicto should have been reflected in the contract, Section 5 of Executive Order No. 14-A does not seem to impose such an element as a condition sine qua non to the validity of a projected settlement. Information as to net worth of Benedicto's assets need not be stated in the four corners of the agreement since his duty to disclose all his property is supposed to be made before the PCGG or to the Sandiganbayan when called upon to testify as a vital witness on other ill-gotten wealth cases under Section 5 of EO 14-A. It is needless to stress that the series of negotiations which culminated in the signing of the agreement on November 3, 1990 afforded every opportunity for Benedicto to reveal his assets for the PCGG's evaluation in conjunction with its general function to collate evidence relative to ill-gotten wealth (*Bataan shipyard and Engineering Co., Inc. vs. PCGG* (150 SCRA 181 [1987])).

The fact that certain details peculiar in other compromise agreements, such as those found in the Fonacier, Razon and Floirendo deals, are not reflected in the Benedicto agreement does not mean that the settlement is susceptible to challenge, especially so when the PCGG itself concedes that any future agreement need not follow the pattern fixed in previous contracts (p. 33, Petition; p. 38, Rollo in G.R. No. 108292).

To support the thesis that the agreement per se is contrary to law, the PCGG shifts discussion to the salient portions of Republic Act No. 3019, the Anti-Graft and Corrupt Practices Act, particularly those with respect to acts allegedly causing undue injury to the government, resulting into a manifestly disadvantageous contract and leading to unwarranted privileges (p. 35, Petition; p. 40, Rollo in G.R. No. 108292). But these assumptions remain mere verisimilitudes, unsupported by evidence that indeed the contract was entered into under circumstances which would invite reasonable suspicion of bad faith on the part of those privy thereto.

To backtrack from the effects of the settlement, the PCGG relies on the principle that the State is never estopped by acts of its agents, as applied in cases which require no citation, and as affirmed by Section 15, Article 11 of the 1987 Constitution:

The right of the State to recover properties unlawfully acquired by public officials or employees, from them or from their nominees or transferees, shall not be barred by prescription, laches, or estoppel.

We agree with the statement that the State is immune from estoppel but this concept is understood to refer to acts and mistakes of its officials especially those which are irregular (*Sharp International Marketing vs. Court of Appeals*, 201 SCRA 299; 306 [1991]; *Republic vs. Aquino*, 120 SCRA 186 [1983], which peculiar circumstances are absent in the case at bar. Although the State's right of action to recover ill-gotten wealth is not vulnerable to estoppel, it is non sequitur to suggest that a contract, freely and in good faith executed between the parties thereto is susceptible to disturbance ad infinitum. A different interpretation will lead to the absurd scenario of permitting a party to unilaterally jettison a compromise agreement which is supposed to have the authority of res judicata (Article 2037, New Civil Code), and like any other contract, has the force of law between privies thereto (Article 1159, New Civil Code; *Hernaez vs. Kao*, 17 SCRA 296 [1966]; 6 Padilla, Civil Code annotated, 7th ed., 1987, p. 711; 3 Aquino, Civil Code, 1990 ed., p. 463). Thus, as empha-sized by Justice Escareal in Civil Case No. 0034:

Viewed against the backdrop of the foregoing factual antecedents and legal principles, We are of the considered opinion that new PCGG Chairman Magtanggol C. Gunigundo lacks the legal and moral authority to overturn and set aside a previous valid and authorized contract/transaction entered into by his predecessor in behalf of the Republic. To rule otherwise is to sanction an unlawful betrayal by one party of the trust and confidence reposed by the other. It must be noted that the parties to the Agreement are plaintiff Republic of the Philippines, as represented by the PCGG, and defendant Roberto S. Benedicto, not anybody else. With this basic premise, it logically follows that after the due execution of the Agreement by and between PCGG, as representative of plaintiff Republic of the Philippines, and defendant Benedicto, the same has acquired a binding and res judicata effect as against the parties thereto. Perforce, any change in the administrative structure and/or personalities within the PCGG cannot defeat the validity and binding effect thereof between the parties. A ruling to the contrary is not only illogical and irrational, but inequitable and pernicious as well, for it may open the door for capricious adventurism on the part of the policy-makers of the land, and disregard for the majesty of the law, which could ultimately bring about the citizenry's loss of faith and confidence in the sincerity of the government in its dealings with the governed.

(p. 115-116, G.R. No. 108368)

Within the context of the Civil Code, the principle of estoppel under Article 1431 is only of suppletory application insofar as they are not in direct friction with other provisions of the Code, such as the binding effect of a compromise agreement under Article 2037, the Code of Commerce, the Rules of Court and special laws (Article 1432, New Civil Code; 4 Paras, Civil Code Annotated, 12th ed., 1989, p. 172). The real office of the equitable norm of estoppel is limited to supply deficiency in the law but it should not supplant positive law.

Furthermore, this Court will reject a settlement only if it contravenes Article 2035 of the Civil Code (prohibiting compromises on the civil status of persons, the validity of marriage or a legal separation, or any ground for such separation, future support, the jurisdiction of courts, and future legitime) or if the stipulations thereof are repugnant to law, morals, good customs, public order, or public policy (First Philippine Holdings Corp. vs. Sandiganbayan, 202 SCRA 212 [1991]).

The Sandiganbayan stated in its questioned decision that "the essence of compromise being mutual concessions by the parties to avoid or end litigation, it is to be expected that neither will be able to maintain his initial demands wholly unaltered" (Periquet vs. Reyes, 21 SCRA 1503 [1967]). As succinctly stated by Justice Cipriano A. del Rosario in his concurring opinion, any compromise has at its very essence reciprocal concessions; that "One must give if one must take. If only one takes all, then one must first win. But in a compromise, all win by taking some and giving some" (p. 108, Rollo in G.R. No. 108292).

The arguments that the compromise is too one-sided in favor of Benedicto and that undue injury has been caused to the Government while unwarranted benefits and advantages have been given to Mr. Benedicto, his family, and employees contrary to Republic Act No. 3019, have no merit.

The compromise agreement was the result of a long drawnout process of negotiations with each party trying to come out as best as it could. There can be no question of its being freely and voluntarily entered into by the then PCGG Chairman with full authority from the Commission itself.

The Sandiganbayan had ample opportunity to examine validity of the compromise agreement and to look into any iniquitous or illegal features, express, implied, or hidden. Two years elapsed from the time the agreement was executed up to the time it was judicially approved. The joint motion to approve the compromise agreement filed by the PCGG and Benedicto dated November 22, 1990 was followed seven days later by an opposition from Solicitor General Frank Chavez. Comments, replies, various motions, a temporary restraining order of the Court in Guingona vs. PCGG and our decision in that case - 207 SCRA 659 (1992), memoranda, hearings set for

August 11, 1992 September 1, 1992, and September 17, 1992, oppositions, manifestations, and the September 17, 1992 resolution of the Sandiganbayan preceded its now questioned October 2, 1992 decision. Every question regarding the legality and propriety of the compromise agreement was fully threshed out before the Sandiganbayan by the parties. We are not dealing with the usual compromise agreement perfunctorily submitted to a court and approved as a matter of course. The PCGG-Benedicto agreement was thoroughly and, at times, disputatiously discussed before the respondent court. There could be no deception or misrepresentation foisted on either the PCGG or the Sandiganbayan.

In *Araneta vs. Perez* (7 SCRA 923 [1963]), we ruled that a compromise once approved by final orders of the court has the force of *res judicata* between the parties and should not be disturbed except for vices of consent or forgery. It is a long established doctrine that the law does not relieve a party from the effects of an unwise, foolish, or disastrous contract, entered into with all the required formalities and with full awareness of what he was doing (*Tanda vs. Aldaya*, 89 Phil. 497 [1951]). Courts have no power to relieve parties from obligations voluntarily assumed, simply because their contracts turned out to be disastrous deals or unwise investments (*Villacorte vs. Mariano*, 89 Phil. 341 [1951]).

In the case at bar, the compromise agreement, as stated by Sandiganbayan, was signed and executed by the parties "with their eyes wide open" (Decision, p. 23; p. 101, Rollo in G.R. No. 108292). The PCGG knew the strength of the evidence in its hands, the advantages of immediate recovery, the projected income if forthwith privatized, and other benefits to the Government. The Sandiganbayan itself in two years of proceedings and deliberations rejected the allegations of fraud, deception, illegality, and contrariness to morals, good customs, public policy and public order now raised again before us.

There is another aspect of these petitions presented by petitioners which appears inconsistent and infeasible. The original prayer of the new PCGG Chairman was to "renegotiate a more just, fair and equitable agreement" (Annex G of Petition in G.R. No. 108292, p. 191, Rollo). At the risk of being redundant, we once again must emphasize that the government has already taken over everything ceded to it by Benedicto. In fact, it is already selling if it has not yet sold various ceded property under the privatization program. In other words, the agreement has not only been executed, it has been implemented. Even as the PCGG seeks to nullify and declare void the compromise agreement, it has no intention of returning any of the pieces of property which it received under the agreement. It states that the rules on the question of "restitution" are not those on rescissible contracts but those on void and inexistent contracts in the Civil Code.

The PCGG seemingly forgets that the ownership of the ceded property has been vested in the government not because it won its cases in the courts and the true ownership or illegal acquisition has been definitively established. It cannot assume that its allegations have been sustained by the Sandiganbayan. Ownership has been transferred because of the compromise agreement, not because of any evidence presented in court by either side on the merits or demerits of the reconveyance and reversion cases.

The Compromise Agreement itself declares:

WHEREAS, following the termination of the United States and Swiss cases, and also without admitting the merits of their respective claims and counterclaims presently involved in uncertain, protracted, and expensive litigation, the Republic of the Philippines, solely motivated by the desire for immediate accomplishment of its recovery mission and Mr. Benedicto, being interested to lead a peaceful and normal pursuit of his endeavors, the parties have decided to withdraw and/or dismiss their mutual claims and counter-claims under the cases pending in the Philippines earlier referred to;

In other words, the Government wanted to recover as much as it could and as fast as possible while Benedicto

wanted to buy peace without admitting guilt. If the PCGG wants to nullify the agreement it entered into freely and voluntarily, it must be willing to return all the property ceded to it because of the Agreement and recover them by proving its cases in the course of judicial proceedings. This is an essential first step. It cannot renege on the agreement while holding on to property which it received as a result of said agreement.

More than any person or institution, the government should honor its solemn commitments. It would set a bad precedent and result in public disenchantment with government if every new head of a government agency is allowed to freely disown the legitimate agreements of his predecessors, especially those bearing court approval and, even as everything is already final and implemented, insist on further rounds of negotiations. Under the PCGG's theory, there would be nothing to prevent any of its future Chairmen from repudiating and revoking acts of his predecessors. The vital element of trust, honor, and stability in dealing with the government would be lost.

The petitioners in G.R. Nos. 108548-49 and 108550 filed their petitions to set aside the denial of their motion to intervene. They raise essentially the same grounds as the PCGG in the two other cases in their bid to set aside the compromise agreement. According to said petitioners, they are intervening because Benedicto should compensate them and the sugar industry for the systematic plunder of the industry. We agree with the Sandiganbayan that their rights can be fully protected in a separate proceeding.

There is no doubt that interested parties who claim ownership of some assets embraced in the settlement can participate in pending litigations involving ill-gotten wealth before the Sandiganbayan as held in *Republic vs. Sandiganbayan* (184 SCRA 382 [1990]) with reference to incidents arising from, incidental to, or interwoven with, cases falling within respondent court's exclusive and original jurisdiction (*PCGG vs. Peña*, 159 SCRA 556 [1988]). But inasmuch as the petitioners in G.R. No. 108548-50 filed their motion for leave to intervene and to admit memorandum in intervention on November 13, 1992 (p. 7 Petition; p. 8, Rollo in G.R. No. 108548-49; p. 7, Petition; p. 7, Rollo in G.R. No. 108550) or after promulgation of the impugned decision on October 2, 1992, it cannot be gainsaid that the intended intrusion was not seasonably raised before or during the trial spoken of by Section 2, Rule 12 of the Revised Rules of Court, to wit:

Sec. 2 - Intervention - A person may, before or during a trial, be permitted by the court, in its discretion to intervene in an action, if he has legal interest in the matter in litigation, or in the success of either of the parties, or an interest against both, or when he is so situated as to be adversely affected by a distribution or other disposition of property in the custody of the court or of an officer thereof.

At any rate, availability of a separate proceeding for petitioners as third persons to the compromise agreement before the Sandiganbayan, in accordance with the ruling of this Court in *Republic vs. Sandiganbayan* (184 SCRA 382 [1990]) and in *PCGG vs. Peña* (159 SCRA 556 [1988]), proscribes intervention under Section 2(b), Rule 12 of the Revised Rules of Court:

Sec. 2(b) - Discretion of court - In allowing or disallowing a motion for intervention, the court, in the exercise of discretion, shall consider whether or not the intervention will unduly delay or prejudice the adjudication of the rights of the original parties and whether or not the intervenor's rights may be fully protected in a separate proceeding.

WHEREFORE, the petitions in G.R. No. 108292, 108368, 108548-49, and 108550 are hereby dismissed. The restraining orders issued in the respective cases dated March 10, 1993, March 23, 1993, and March 24, 1993, are hereby lifted and the parties to the compromise agreement are ordered to comply strictly with the terms thereof.

SO ORDERED.

Narvasa, C.J., Cruz, Padilla, Bidin, Griño-Aquino, Regalado, Davide, Jr., Romero, Nocon, Bellosillo, Puno, and Vitug, JJ., concur.

Feliciano, J., on leave.

Quiason, J., no part.

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