

**REPUBLIC OF THE PHILIPPINES, REPRESENTED BY THE
PRESIDENTIAL COMMISSION ON GOOD GOVERNMENT, PETITIONER,
VS. SANDIGANBAYAN (THIRD DIVISION), PROVIDENT
INTERNATIONAL RESOURCES COR...**

G.R. No. 113420. March 07, 1997

Ponente: PANGANIBAN, J.

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PANGANIBAN, J.:

Two principal questions are presented for resolution in this petition: one, whether a proper judicial action was filed against respondent corporations in compliance with, and within the period contemplated in, Section 26, Article XVIII of the Constitution; and two, the validity of the sequestration order signed and issued "For The Commission" by only one PCGG Commissioner.

These questions are resolved by the Court in this special civil action for certiorari and mandamus with prayer for a writ of preliminary injunction and/or temporary restraining order, seeking to set aside the Resolutions dated December 4, 1991,[1] and October 27, 1993,[2] of the Sandiganbayan (Third Division) in Civil Case No. 0132 entitled "Provident International Resources Corporation and Philippine Casino Operators Corporation vs. Presidential Commission on Good Government."

The earlier Resolution granted the motion for judgment on the pleadings filed by petitioners below, declaring as automatically lifted the writ of sequestration issued against petitioner-corporations and ordering the Presidential Commission on Good Government ("PCGG") to restore to them their assets, properties, records and documents subject of the writ. The second Resolution denied PCGG's motion for reconsideration.

The Facts

On March 19, 1986, pursuant to powers vested upon it by the President of the Philippines under Executive Order No. 1, promulgated on February 28, 1986, the PCGG issued a writ[3] of sequestration against all assets, movable and immovable, of Provident International Resources Corporation[4] and Philippine Casino Operators Corporation ("respondent corporations").

On July 29, 1987, Petitioner Republic of the Philippines, through the Solicitor General, filed before the Sandiganbayan a complaint,[5] docketed as Civil Case No. 0021, against Edward T. Marcelo, Fabian C. Ver, Ferdinand E. Marcos and Imelda R. Marcos for reconveyance, reversion, accounting, restitution and damages. Said complaint sought to recover from named defendants alleged ill-gotten wealth. Among the corporations listed[6] in the complaint as being held and/or controlled by Defendant Marcelo, and among the assets apparently acquired illegally by defendants, were respondent corporations. Later, on October 30, 1991, the complaint was amended[7] to include both corporations as parties-defendants.

Prior to such amendment, specifically on September 11, 1991, respondent corporations filed before the Sandiganbayan a petition[8] for mandamus praying for the lifting of the writ of sequestration issued by PCGG

against them and for the restoration of their sequestered assets, properties, records and documents, on the ground that PCGG failed to file the appropriate judicial action against them within the period prescribed under Section 26,[9] Article XVIII of the 1987 Constitution.

On December 4, 1991, public respondent issued the assailed Resolution, the dispositive portion of which states:

"WHEREFORE, the Motion for Judgment on the Pleadings is hereby granted. As prayed for, judgment is hereby rendered, as follows:

- 1) The writs of sequestration issued against herein petitioner-corporations are hereby declared automatically lifted, as of August 2, 1987, for failure of the respondent to file the proper judicial action against them within the period fixed in Section 26 of Article XVIII of the 1987 Constitution.
- 2) The respondent PCGG is hereby ordered to restore to the petitioners all their assets, properties, records and documents, subject of the sequestration.

Without pronouncement as to costs."[10]

Respondent Sandiganbayan based its ruling on PCGG vs. International Copra Export Corporation[11] ("PCGG vs. Interco") and Republic vs. Sandiganbayan and Olivares[12] ("Republic vs. Olivares") which similarly held that the mere listing or inclusion of corporations among certain properties allegedly amassed, beneficially owned or controlled by individual party-defendants in a complaint filed for recovery of ill-gotten wealth, does not justify the failure of PCGG to implead said corporations in a proper judicial action within the period fixed in Section 26, Article XVIII of the Constitution.

PCGG filed a motion for reconsideration. In denying said motion on the ground that the allegations therein were "essentially a mere rehash of respondent's Answer to the Petition as well as Opposition to the Motion for Judgment on the Pleading," public respondent further noted that the sequestration order dated March 19, 1986, was issued and signed by only one PCGG commissioner in violation of Section 3 of the PCGG Rules and Regulations.[13]

Issues

In imputing against Respondent Sandiganbayan grave abuse of discretion amounting to lack or excess of jurisdiction in granting respondent corporations' petition for mandamus, petitioner assigns the following errors[14] in the assailed Resolutions:

1. declaring the writ of sequestration to have been automatically lifted for alleged failure of petitioner to file the proper judicial action against respondent corporations within the period fixed in Section 26, Article XVIII of the 1987 Constitution;
2. applying the rulings in PCGG vs. Interco and Republic vs. Olivares that the filing by petitioner of the judicial action against a stockholder of the sequestered company is not the judicial action contemplated by the Constitution; and
3. ruling that the sequestration order dated March 19, 1986, signed by only one PCGG commissioner, violated Section 3 of the PCGG Rules and Regulations requiring the authority of two (2) PCGG commissioners for the issuance of such order.

The errors assigned may be condensed into two principal issues, to wit:

1. Whether a proper judicial action was filed against respondent corporations in compliance with, and within the period contemplated in, Section 26, Article XVIII of the Constitution; and

2. Whether the sequestration order issued on March 19, 1986 against respondent-corporations was valid and effective despite having been signed by only one commissioner, contrary to the PCGG Rules and Regulations requiring the authority of at least two commissioners therefor.

Petitioner contends that the complaint docketed as Civil Case No. 0021 filed on July 29, 1987, against Edward Marcelo, et al. and amended on September 11, 1991, to implead respondent corporations as defendants, is the proper judicial action contemplated under the subject provision of the Constitution that would warrant the continuance of the sequestration. The Solicitor General further claims that Civil Case No. 0021 justifies the application of the doctrine of "piercing the veil of corporate fiction" since the records bear prima facie evidence that respondent corporations, which are wholly owned and controlled by defendants therein, were used to hide their ill-gotten wealth. Anyhow, he says, this issue has even been rendered moot and academic with the amendment of the complaint impleading respondent corporations as parties-defendants in the aforementioned case. In addition, petitioner postulates that Civil Case No. 0021 which sought to recover ill-gotten wealth was an action in rem or quasi in rem, the alleged ill-gotten wealth (respondent corporations, among others) of individual defendants, being the res or subject matter of the case.

As regards the second issue, petitioner avers that one signatory to the sequestration order complies with the requirement under the PCGG Rules since said order was signed "FOR THE COMMISSION." Petitioner explains that during the organizational stage of the PCGG, the rule of the Commission in the issuance of sequestration orders was that "any Commissioner can file or issue a sequestral order provided the order has the conformity, verbal or written, of another Commissioner." [15] It cites the minutes of the meeting of the Commission on October 15, 1987, in support of this contention:

"The authority of at least two commissioners which is required under Sec. 3 of the PCGG Rules and Regulations may be written or verbal authority. Such authority may be reflected in the Minutes or the Commission meeting held en banc covering the pertinent recommendation/approval on the issuance of the order; or the Commissioner-in-charge intending to issue the Order may simply obtain the concurrence of another (sic) Commissioner after explaining the evidence supporting such order.

It is sufficient for only one Commissioner to sign the Order 'FOR THE COMMISSION'. After April 11, 1986, the Commission has encouraged the practice of two Commissioners signing the Order. (Excerpt from Minutes of PCGG Meeting on 15 October 1987, Annex 'L')" [16]

Respondent corporations, on the other hand, pray for the denial of the instant petition because petitioner allegedly failed to take the appropriate remedy which should have been an appeal under Rule 45 of the Rules of Court, and not a certiorari proceeding under Rule 65, since the petition does not proffer a question of jurisdiction.

With respect to the issues raised by petitioner, respondent corporations aver that Republic vs. Sandiganbayan, Lobregat, et al. [17] ("Republic vs. Lobregat"), modifying PCGG vs. Interco and Republic vs. Olivares, cannot be made to apply to the case at bench since the assailed Resolutions had already become final and executory prior to the promulgation of the decision in the first case mentioned. They also contend that the sequestration order signed by only one PCGG Commissioner is null and void.

The Court's Ruling

Preliminary Issue: Propriety of Rule 65 as Mode of Appeal

Before proceeding to the resolution of the principal issues raised in the petition, we first dispose of the procedural question on the propriety of certiorari under Rule 65 of the Rules of Court as the remedy in assailing the subject Sandiganbayan Resolutions.

We answer in the affirmative, and treat this case as an exception to the general rule governing petitions for certiorari. Normally, decisions of the Sandiganbayan are brought before this Court under Rule 45, not Rule 65.[18] However, where the issue raised is one purely of law, where public interest is involved, and in case of urgency, certiorari is allowed notwithstanding the existence and availability of the remedy of appeal.[19] Certiorari may also be availed of where an appeal would be slow, inadequate and insufficient.[20]

The nature of this case is undeniably endowed with public interest and involves a matter of public policy.[21] One of the foremost concerns of the Aquino Government in February 1986 (after the Marcoses fled the country) was the recovery of unexplained or ill-gotten wealth reputedly amassed by former President and Mrs. Ferdinand Marcos, their relatives, friends and business associates. Thus, the Provisional Constitution (Proclamation No. 3) mandated the President to "give priority to measures to achieve the mandate of the people to: x x x (d) recover ill-gotten properties amassed by the leaders and supporters of the previous regime and protect the interest of the people through orders of sequestration or freezing of assets or accounts x x x"[22] Not too long ago, in *Republic vs. Lobregat*, the Court described this undertaking as "surely x x x an enterprise 'of great pith and moment'; it was attended by 'great expectations'; it was initiated not only out of considerations of simple justice but also out of sheer necessity - the national coffers were empty, or nearly so." Hence, the Presidential Commission on Good Government was created by Executive Order No. 1 to assist the President in the recovery of unexplained wealth whether located in the Philippines or abroad. Executive Order No. 14 further conferred on the Sandiganbayan exclusive and original jurisdiction over all cases of ill-gotten wealth, and provided that "technical rules of procedure and evidence shall not be strictly applied to x x x (said) civil cases." [23]

We further opined in the same case that:

"Political normalization of the country -- which fortunately came not too long after the EDSA Revolution of 1986 -- did not abrogate, or diminish the strength of the lofty state policy for recovery of ill-gotten wealth, no matter that its prosecution has thus far yielded what not a few are disposed to regard as at best only mixed results, or was attended by much abuse on the part of some of its officers or 'fiscal agents'; indeed, that circumstance should vigorously argue for its more sustained and effective pursuit and implementation.

And equally, if not more, important, strong paramount public policy is not to be set at naught by technical rules of procedure or by narrow constructions of constitutional provisions that frustrate their clear intent or unreasonably restrict their scope. x x x"[24]

First Issue: Requisite Judicial Action Filed Within Period Prescribed

This issue is not novel. We have sufficiently and extensively discussed and resolved this in *Republic vs. Lobregat* which was a consolidation of twenty petitions before this court presenting a common issue summed this wise:

"Does inclusion in the complaints filed by the PCGG before the Sandiganbayan of specific allegations of corporations being 'dummies' or under the control of one or another of the defendants named therein and used as instruments for acquisition, or as being depositaries or products, of ill-gotten wealth; or the annexing to said complaints of a list of said firms, but without actually impleading them as defendants, satisfy the constitutional requirement that in order to maintain a seizure effected in accordance with Executive Order No. 1, s. 1986, the corresponding 'judicial action or proceeding' should be filed within the six-month period prescribed in Section 26, Article XVIII, of the (1987) Constitution?"[25]

As in this case, the corporations, in which defendants in the original complaints allegedly owned and controlled substantial interest, were not impleaded as parties-defendants but merely mentioned or listed, and specifically described in the complaints as instruments in the illegal acquisition of wealth, or as depositaries of illegal wealth, or as constituting the fruits thereof. In fact, one of the respondent-corporations (Marcelo Fiberglass Corporation, the assets of which were also sequestered) in that case was of exactly the same status as herein

respondent-corporations, having been likewise listed in Civil Case No. 0021 as one of the companies controlled by therein defendant Edward Marcelo.[26]

We ruled then that impleading the corporations in which the complaints sought to recover defendants' shares of stock -- allegedly purchased with misappropriated public funds, in breach of fiduciary duty, or otherwise under illicit or anomalous conditions -- "clearly appear(ed) to be unnecessary. If warranted by the evidence, judgments may be handed down against the corresponding defendants divesting them of ownership of their (shares of) stock, the acquisition thereof being illegal and consequently burdened with a constructive trust, and imposing on them the obligation of surrendering them to the Government." [27]

We explained thus:

"And as to corporations organized with ill-gotten wealth, but are not themselves guilty of misappropriation, fraud or other illicit conduct -- in other words, the companies themselves are the object or thing involved in the action, the res thereof -- there is no need to implead them either. Indeed, their impleading is not proper on the strength alone of their being formed with ill-gotten funds, absent any other particular wrongdoing on their part. The judgment may simply be directed against the shares of stock shown to have been issued in consideration of ill-gotten wealth.

x x x Distinguished, in terms of juridical personality and legal culpability from their erring members or stockholders, said corporations are not themselves guilty of the sins of the latter, of the embezzlement, asportation, etc., that gave rise to the Government's cause of action for recovery; their creation or organization was merely the result of their members' (or stockholders') manipulations and maneuvers to conceal the illegal origins of the assets or monies invested therein. In this light, they are simply the res in the actions for the recovery of illegally acquired wealth, and there is, in principle, no cause of action against them and no ground to implead them as defendants in said actions.

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Even in those cases where it might reasonably be argued that the failure of the Government to implead the sequestered corporations as defendants is indeed a procedural aberration, as where said firms were allegedly used, and actively cooperated with the defendants, as instruments of conduits for conversion of public funds or property or illicit or fraudulent obtention of favored Government contracts, etc., slight reflection would nevertheless lead to the conclusion that the defect is not fatal, but one correctible under applicable adjective rules -- e.g., Section 10, Rule 5 of the Rules of Court [specifying the remedy of amendment during trial to authorize or to conform to the evidence]; Section 1, Rule 20 [governing amendments before trial], in relation to the rule respecting the omission of so-called necessary or indispensable parties, set out in Section 11, Rule 3 of the Rules of Court. It is relevant in this context to advert to the old, familiar doctrines that the omission to implead such parties 'is a mere technical defect which can be cured at any stage of the proceedings even after judgment'; and that, particularly in the case of indispensable parties, since their presence and participation is essential to the very life of the action, for without them no judgment may be rendered, amendments of the complaint in order to implead them should be freely allowed, even on appeal, in fact even after rendition of judgment by this Court, where it appears that the complaint otherwise indicates their identity and character as such indispensable parties.

Again, even conceding the adjective imperfection of the omission to implead the sequestered corporations as indispensable or necessary parties, it bears repeating that their sequestrations would not thereby be rendered functus officio, since, as already pointed out, judicial actions or proceedings have in truth been filed concerning or regarding said sequestration in literal and faithful compliance with Section 26, Article XVIII of the Constitution." [28]

The instant petition falls squarely within the case cited. Respondent corporations were among the properties listed

in the original complaint (Civil Case No. 0021) as having been illegally accumulated by the defendants "in flagrant breach of public trust and of their fiduciary obligations as public officers, with gross abuse of power and authority and in brazen violation of the Constitution and laws of the Philippines." They were subsequently impleaded as parties-defendants in the same case by way of an amended complaint duly granted by public respondent.[29] Hence, we reiterate our rule cited above that, with these premises, there was faithful compliance with Section 26, Article XVIII of the Constitution.

The seeming contradictions of the Court's rulings in *Republic vs. Lobregat* and in the *Republic vs. Interco* and *Republic vs. Olivares* cases have already been clarified in the recent case of *Republic vs. Sandiganbayan, Sipalay Trading Corporation and Allied Banking Corporation*[30] in this manner:

"These fresh pronouncements,[31] however, did not reverse, abandon or supplant 'INTERCO'. What the Court did was to explain the two apparently colliding dispositions by making this 'hairline', but critical, distinction:

'XVI . The 'Interco' and 'PJI ' Rulings

'This Court is not unmindful of the fact that its Resolution of July 26, 1991 on the petitioner's motion for reconsideration in G.R. No. 92755 (PCGG vs. Interco) appears to sustain the proposition that actual impleading in the recovery action of a corporation under sequestration for being a repository of illegally-acquired wealth, is necessary and requisite for such proposed or pending seizure to come under the protective umbrella of the Constitution. But Interco is to be differentiated from the cases now under review in that in the former, as already elsewhere herein made clear, there was a lack of proof, even of the prima facie kind, that Eduardo Cojuangco, Jr. owned any stock in Interco, the evidence on record being in fact that said corporation had been organized as a family corporation of the Luys.

'So, too, this Court's judgment in the so-called 'PJI Case' (*Republic of the Philippines [PCGG] v. Sandiganbayan and Rosario Olivares*) may not be regarded as on all fours with the cases under consideration. The PJI Case involved the shares of stock in the name of eight (8) natural persons which had never been sequestered at all. What happened was that the PCGG simply arrogated unto itself the right to vote those unsequestered shares on the bare claim that the eight (8) registered owners thereof were 'dummies' of Benjamin Romualdez, the real owners of the shares; and all that the PCGG had done as predicate for that act of appropriation of the stock, was to include all the shares of PJI in a list (Annex A) appended to its complaint in Sandiganbayan Case No. 0035, describing them as among the properties illegally acquired by Romualdez. Unfortunately, as in Interco, the PCGG failed to substantiate by competent evidence its theory of clandestine ownership of Romualdez; and since moreover, there had been no sequestration of the alleged dummies' shares of stock, it was undoubtedly correct for the Sandiganbayan to grant the latter's motion for them to be recognized and declared as the true owners of the stock in question, which judgment this Court subsequently pronounced to be free from grave abuse of discretion.'

We need only to recall at this juncture that, as in 'INTERCO', evidence of the PCGG is nil to even come up with a prima facie case against SIPALAY (and ALLIED). This similitude is the one decisive factor that draws the instant case away from the 'Final Dispositions' made by the Court in the 1995 '*Republic vs. Sandiganbayan*' case - thus making 'INTERCO', as supported by the '*Aetna*' and '*Seno*' cases, the controlling precedent. The principle of *Stare Decisis*, indeed, is most compelling, for 'when the court has once laid down a principle of law as applicable to a certain state of facts, it will adhere to that principle and apply it to all future cases where the facts are substantially the same.'[32]"

Second Issue: Validity of Sequestration Order Signed by Only One Commissioner

Section 3 of the PCGG Rules and Regulations promulgated on April 11, 1986, provides:

"Sec. 3. Who may issue. - A writ of sequestration or a freeze or hold order may be issued by the Commission

upon the authority of at least two Commissioners, based on the affirmation or complaint of an interested party or motu proprio when the Commission has reasonable grounds to believe that the issuance thereof is warranted."

The questioned sequestration order was, however, issued on March 19, 1986, prior to the promulgation of the PCGG Rules and Regulations. As a consequence, we cannot reasonably expect the Commission to abide by said rules which were nonexistent at the time the subject writ was issued by then Commissioner Mary Concepcion Bautista. Basic is the rule that no statute, decree, ordinance, rule or regulation (and even policies) shall be given retrospective effect unless explicitly stated so.[33] We find no provision in said Rules which expressly gives them retroactive effect, or implies the abrogation of previous writs issued not in accordance with the same Rules. Rather, what said Rules provide is that they "shall be effective immediately," which, in legal parlance, is understood as "upon promulgation." Only penal laws are given retroactive effect insofar as they favor the accused.[34]

We distinguish this case from *Republic vs. Sandiganbayan, Romualdez and Dio Island Resort*[35] where the sequestration order against Dio Island Resort, dated April 14, 1986, was prepared, issued and signed not by two commissioners of the PCGG, but by the head of its task force in Region VIII. In holding that said order was not valid since it was not issued in accordance with PCGG Rules and Regulations, we explained:

"(Sec. 3 of the PCGG Rules and Regulations), couched in clear and simple language, leaves no room for interpretation. On the basis thereof, it is indubitable that under no circumstances can a sequestration or freeze order be validly issued by one not a Commissioner of the PCGG.

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Even assuming arguendo that Atty. Ramirez had been given prior authority by the PCGG to place Dio Island Resort under sequestration, nevertheless, the sequestration order he issued is still void since PCGG may not delegate its authority to sequester to its representatives and subordinates, and any such delegation is invalid and ineffective."

We further said:

"In the instant case, there was clearly no prior determination made by the PCGG of a prima facie basis for the sequestration of Dio Island Resort, Inc. x x x

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The absence of a prior determination by the PCGG of a prima facie basis for the sequestration order is, unavoidably, a fatal defect which rendered the sequestration of respondent corporation and its properties void ab initio. Being void ab initio, it is deemed non-existent, as though it had never been issued, and therefore is not subject to ratification by the PCGG."

What were obviously lacking in the above case were the basic requisites for the validity of a sequestration order which we laid down in *BASECO vs. PCGG*,[36] thus:

"Section (3) of the Commission's Rules and Regulations provides that sequestration or freeze (and takeover) orders issue upon the authority of at least two commissioners, based on the affirmation or complaint of an interested party, or motu proprio when the Commission has reasonable grounds to believe that the issuance thereof is warranted."[37]

In the case at bar, there is no question as to the presence of prima facie evidence justifying the issuance of the sequestration order against respondent corporations. But the said order cannot be nullified for lack of the other requisite (authority of at least two commissioners) since, as explained earlier, such requisite was nonexistent at the

time the order was issued.

In all cases involving alleged ill-gotten wealth brought by or against the Presidential Commission on Good Government, it is the policy of this Court to set aside technicalities and formalities that serve merely to delay or impede their judicious resolution. This Court prefers to have such cases resolved on the merits before the Sandiganbayan. Substantial justice to all parties, not mere legalisms or perfection of form, should now be relentlessly pursued. Eleven years have passed since the government started its search for and reversion of such alleged ill-gotten wealth. The definitive resolution of such cases on the merits is thus long overdue. If there is adequate proof of illegal acquisition, accumulation, misappropriation, fraud or illicit conduct, let it be brought out now. Let the titles over these properties be finally determined and quieted down with all reasonable speed, free of delaying technicalities and annoying procedural sidetracks.

WHEREFORE, premises considered, the petition is hereby GRANTED. The assailed Resolutions of the Sandiganbayan (Third Division) are SET ASIDE. The temporary restraining order is hereby made PERMANENT. The Court further DIRECTS the Sandiganbayan to resolve, with all deliberate dispatch, pursuant to the mandate of the Constitution for a speedy disposition of cases, the instant and all similar cases pending before it involving recovery of ill-gotten wealth through the conduct of continuous trial.

SO ORDERED.

Narvasa, C.J., (Chairman), Davide, Jr., Melo, and Francisco, JJ., concur.

[1] Rollo, pp. 49-58; penned by J. Sabino R. De Leon, Jr., with JJ. Conrado M. Molina (chairman) and Augusto M. Amores, concurring.

[2] Rollo, pp. 59-61; also penned by J. Sabino R. De Leon, Jr., with JJ. Regino Hermosisima, Jr. (now Associate Justice of the Supreme Court), chairman, and Cipriano A. Del Rosario, concurring.

[3] Rollo, p. 62.

[4] Among the properties of Provident International Resources Corporation are eleven parcels of land with a total area of 59,455 sq.m. including a five-storey building which was leased on May 10, 1988 in favor of the Philippine Tourism Authority on a monthly rental of P3,300,000.00 and is used as a duty-free shop.

[5] Rollo, pp. 63-81.

[6] Complaint, pp. 3-4; rollo, pp. 65-66.

[7] Rollo, pp. 82-104.

[8] Docketed as Civil Case No. 0132; *ibid.*, pp. 108-111.

[9] Section 26, Article XVIII (Transitory Provisions) of the Constitution provides:

"Sec. 26. The authority to issue sequestration or freeze orders under Proclamation No. 3 dated March 25, 1986 in relation to the recovery of ill-gotten wealth shall remain operative for not more than eighteen months after the ratification of this Constitution. However, in the national interest, as certified by the President, the Congress may extend said period.

A sequestration or freeze order shall be issued only upon showing of a *prima facie* case. The order and the list of the sequestered or frozen properties shall forthwith be registered with the proper court. For orders issued before the ratification of this Constitution, the corresponding judicial action or proceeding shall be filed within six months from its ratification. For those issued after such ratification, the judicial action or proceeding shall be commenced within six months from the issuance thereof.

The sequestration or freeze order is deemed automatically lifted if no judicial action or proceeding is commenced as herein provided."

[10] Resolution promulgated on December 4, 1991, p. 9; rollo, p. 57.

[11] G.R. No. 92755, Resolutions dated October 2, 1990 and July 26, 1991.

[12] 200 SCRA 530, August 12, 1991.

[13] Rollo, p. 60.

[14] Petition, pp. 9-10; rollo, pp. 9-10.

[15] Petition, p. 41; rollo, p. 41.

[16] Petition, p. 42; rollo, p. 42. See also rollo, pp. 144-145.

[17] 240 SCRA 376, January 23, 1995.

[18] *Filoteo vs. Sandiganbayan*, G.R. No. 79543, October 16, 1996.

[19] *Central Bank vs. Cloribel*, 44 SCRA 307, 314, April 11, 1972.

[20] *Rodriguez vs. Court of Appeals*, 245 SCRA 150, 152, June 19, 1995, citing *Presco vs. Court of Appeals*, 192 SCRA 232 (1990) and *Saludes vs. Pajarillo*, 78 Phil. 754 (1947).

[21] *Republic vs. Sandiganbayan*, Third Division, and *Simplicio A. Palanca*, 182 SCRA 911, 918, February 28, 1990.

[22] *PCGG vs. Peña*, 159 SCRA 556, 563, April 12, 1988.

[23] *Republic vs. Lobregat*, *supra*, pp. 388-390.

[24] *Ibid.*, p. 472.

[25] *Ibid.*, p. 462.

[26] *Ibid.*, p. 446.

[27] *Ibid.*, p. 468.

[28] *Ibid.*, p. 468-471.

[29] Resolution promulgated August 5, 1993; rollo, pp. 104-107.

[30] G.R. Nos. 112708-09, March 29, 1996.

[31] Referring to the "Final Dispositions" made by the Court in *Republic vs. Lobregat*, *supra*, as follows:

"It is thus both needful and timely to pronounce that:

1) Section 26, Article XVIII of the Constitution does not, by its terms or any fair interpretation thereof, require that corporations or business enterprises alleged to be repositories of 'ill-gotten wealth', as the term is used in said provision, be actually and formally impleaded in the actions for the recovery thereof, in order to maintain in effect existing sequestrations thereof;

2) complaints for the recovery of ill-gotten wealth which merely identify and/or allege said corporations or enterprises to be the instruments, repositories or the fruits of ill-gotten wealth, without more, come within the meaning of the phrase 'corresponding judicial action or proceeding' contemplated by the constitutional

provision referred to; the more so, that normally, said corporations, as distinguished from their stockholders or members, are not generally suable for the latter's illegal or criminal actuations in the acquisition of the assets invested by them in the former;

3) even assuming the impleading of said corporations to be necessary and proper so that judgment may comprehensively and effectively be rendered in the actions, amendment of the complaints to implead them as defendants may, under existing rules of procedure, be done at any time during the pendency of the actions thereby initiated, and even during the pendency of an appeal to the Supreme Court - a procedure that, in any case, is not inconsistent with or proscribed by the constitutional time limits to the filing of the corresponding complaints 'for' - i.e., with regard or in relation to, in respect of, or in connection with, or concerning - orders of sequestration, freezing, or provisional takeover."

[32] Citing *Government vs. Jalandoni*, 44 O.G. 1840.

[33] See *Lee vs. Rodil*, 175 SCRA 100, July 5, 1989; *State Prosecutors vs. Muro*, 236 SCRA 505, September 19, 1994.

[34] *People vs. Reyes*, 236 SCRA 264, September 2, 1994.

[35] G.R. No. 88126, July 12, 1996.

[36] 150 SCRA 181, 216, May 27, 1987.

[37] *Ibid.*, at pp. 215-216.

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