

REPUBLIC OF THE PHILIPPINES, PETITIONER, VS. SANDIGANBAYAN (FIRST DIVISION), EDUARDO M. COJUANGCO, JR., PHILIPPINE COCONUT PRODUCERS FEDERATION, INC., MARIA CLARA L. LOBREGAT, A...

G.R. NO. 118661. January 22, 2007

Ponente: GARCIA, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/g-r-no-118661/>

GARCIA, J.:

This case revolves around the corporations organized and the investments acquired or funded allegedly from the coconut levy fund (the Fund, hereinafter). While it came from levies on the sale of copra or equivalent coconut products exacted for the most part from coconut farmers, the Fund went or was known under various names, such as Coconut Consumers Development Fund, Coconut Industry Investment Fund and Coconut Industry Stabilization Fund (CISF). The successive establishing legislations and the stated purpose for the exaction accounted for the differing denominations. Through the years, a part of the Fund went to various projects, was converted into different assets or invested. Playing key roles in the collection, administration and/or use of the Fund were the Philippine Coconut Authority (PCA), formerly the Philippine Coconut Administration (PHILCOA), United Coconut Producers Bank (UCPB), and Philippine Coconut Producers Federation, Inc., or the COCOFED. By legal mandate, COCOFED once received allocations from the coconut levy funds to finance its projects. Among the assets allegedly acquired thru the direct or indirect use of the Fund was a block of San Miguel Corporation (SMC) shares of stock.

Opinions had, for some time, been divided as to the nature and ownership of a fund with public roots but with private fruits, so to speak. The Court, however, veritably wrote finis to both issues in at least seven (7) ill-gotten cases[1] decided prior to the filing of the present petition in 1995, and in several more subsequent cases,[2] notably in *Republic v. Cocofed*[3] where the Court declared the coconut levy fund as partaking the nature of taxes, hence is not only affected with public interest, but “are in fact prima facie public funds.”

Consequent to the rulings in the supervening cases adverted to, several sub-issues in the present petition have been rendered moot and academic. Accordingly, the present petition shall be resolved taking into stock and in the light of the relevant findings and holdings in the supervening batch of cases.

In this petition for certiorari under Rule 65 of the Rules of Court, the Republic of the Philippines (Republic, for short), represented by the Presidential Commission on Good Government (PCGG), seeks to annul and set aside a portion of the Order[4] dated September 9, 1994 of the Sandiganbayan (First Division) in its Civil Case No. 0102, a joint petition for approval of a compromise agreement and settlement[5] interposed by certain corporations involving sequestered SMC shares of stocks.

The factual background:

In 1971, Republic Act (R.A.) No. 6260 was enacted creating the Coconut Investment Company to administer the

Coconut Investment Fund (CIF), which was to be sourced from a levy of P0.55 on the sale of every 100 kilograms of copra or equivalent coconut product. In the course of implementing R.A. No. 6260, PHILCOA declared COCOFED as the recognized national association of coconut producers with the largest membership.[6]

On June 30, 1973, then President Ferdinand E. Marcos issued Presidential Decree No. (P.D.) 232 creating the PCA to take over PHILCOA's powers and functions.[7]

Then came P.D. 276 establishing the Coconut Consumers Stabilization Fund (CCSF) and declaring the proceeds of the CCSF levy as a trust fund.[8]

From the CCSF was established, pursuant to P.D. 582, another fund, the Coconut Industry Development Fund (CIDF).

On December 26, 1974, P.D. 623 went into effect, reducing the numerical composition, i.e., from 11 to 7 members, of the existing PCA's governing board, and thereby strengthening COCOFED by reserving three (3) board seats to those "recommended by [COCOFED]." Also included in the new board structure was one member to be recommended by the owner/operator of the hybrid coconut seed nut farm.

It would appear that in the new 7-man PCA Board initially sat herein respondent Maria Clara L. Lobregat (hereafter "Lobregat"), as COCOFED representative. Sitting as representative of the Bugsuk Hybrid Coconut Seed Nut Farm was herein respondent Eduardo M. Cojuangco, Jr. (hereafter "Cojuangco, Jr.").

At this juncture, it is relevant to mention some incidents referred to or recurring allegations made in several coco levy cases:

1. On May 17, 1975, the COCOFED's Board passed a resolution declaring that "ownership by the coconut farmers of a commercial bank is a permanent solution to their perennial credit problems". [9] As events unfolded, the Board's bank of choice was the First United Bank (hereafter "FUB") where Pedro Cojuangco was then the President. The plan then was for PCA to buy Pedro Cojuangco's controlling interest in FUB. However, the sale did not take a direct route from the seller (Pedro) to the buyer (PCA) as it was made to appear that Cojuangco, Jr. had the "exclusive option" to acquire Pedro's controlling interest in FUB. Emerging from the shroud over the circuitous maze of transactions are "two documents", [10] the first being a 1975 agreement about what appears to be PCA's buy-out of Cojuangco, Jr.'s option to acquire at least 72.2% of FUB's capital stock. Per Cojuangco, Jr.'s own admission, PCA paid the "entire amount" for the said 72.2 % equity.[11] The second document relates to an agreement to acquire a commercial bank for the benefit of coconuts farmers.[12]

2. On May 30, 1975, FUB issued Stock Certificate Nos. 745 and 746, covering 124,080 and 5,880 shares, respectively, in the name of "[PCA] for the benefit of the coconut farmers of the Philippines." [13] As of the end of the quarter, June 30, 1975, the list of FUB's stockholders included Cojuangco, Jr. with 14,440 shares and PCA with 129,955 shares.[14]

Consequent to the changes in FUB's corporate identity and purpose, its Articles of Incorporation was amended in July 1975, resulting in the change of name of the bank from FUB to UCPB.[15]

3. Soon after PCA acquired FUB, PD 755 was issued therein directing PCA to use the CCSF and the CIDF to acquire a commercial bank which shall provide intended beneficiaries with "readily available credit facilities at preferential rates." The Decree also authorized PCA to distribute the Bank's shares of stock, free, to the coconut farmers. [16]

In Cocofed vs. PCGG,[17] we categorically stated that PCA acquired UCPB with the use of the CCSF.

4. To codify the various laws relating to the coconut industry, President Marcos issued PD 961, the Coconut

Industry Code, which took effect on July 14, 1976, empowering the PCA to collect the Coconut Consumers Stabilization Fund (CCSF) levy. Relevant to this case is the Code's provision on "investments", more specifically that portion (a) mandating PCA to ascertain from time to time the "balance" or "surplus" from the replanting program and other purposes of the Fund, and (b) giving UCPB full power and authority to invest the "surplus" in corporations in the coconut and palm oil industry.

On September 3, 1979, then President Marcos issued Letter of Instructions (LOI) No. 926[18] which, as couched, veritably directed the UCPB to invest, on behalf of coconut farmers, such portion of the Coconut Industry Investment Fund - supposedly created by P.D. 1468 - in coconut oil mills and other private corporations, with the following resulting ownership structure:

Section 2. Organization of the Cooperative Endeavor. – The [UCPB], in its capacity as the investment arm of the coconut farmers thru the Coconut Industry Investment Fund (CIIF) ..., is hereby directed to invest, on behalf of the coconut farmers, such portion of the CIIF ... in a private corporation which shall serve as the instrument to pool and coordinate the resources of the coconut farmers and the oil millers in the buying, milling and marketing of copra ... under the following guidelines:

a) The coconut farmers shall own or control at least fifty percent (50%) of the outstanding voting capital stock of the private corporation [acquired] thru the CIIF and/or corporations owned or controlled by the coconut farmers thru the CIIF.... (bracketed words added).

On October 2, 1981, P.D. 1841 was issued virtually declaring COCOFED to be the only recognized association of coconut farmers.[19]It also created the CISF.

Recapitulating, R.A. No. 6260 or the Coconut Investment Act [20] established the CIF. PD 276 [21]established the CCSF. PD 582 [22] established the CIDE. LOI No. 926 [23] mentions about the creation of a Coconut Industry Investment Fund (hereafter "CIIF") in P.D. 582 and directs the investment of a portion of the CIIF in private corporations. P.D. 1841[24] established the CISF.

The focus of this case turns on 1) what the martial law issuances referred to as the bank acquired for the benefit of the coconut farmers, i.e., UCPB; 2) the six (6) corporations UCPB organized and/or invested in using CIIF, known as the "CIIF Corporations";[25]and 3) the fourteen (14) corporations, known as the "CIIF Holding Companies," which the CIIF Corporations acquired or organized.[26]

It appears that on December 15, 1983, the CIIF Holding Companies each acquired, in various lots, shares of the outstanding capital stock of SMC or a total of over 33.1 million shares (the "subject shares," hereinafter). On the same day, the CIIF Holding Companies signed an Agreement placing the subject shares under a Voting Trust Agreement (VTA) in favor of Andres Soriano, Jr., who was later substituted by Cojuangco, Jr., or, upon his written delegation, Andres Jr.'s son, Andres III.[27]

Upon assuming office as President of the Republic following the glorious 1986 EDSA Revolution, Corazon C. Aquino issued Executive Order (EO) No. 1, series of 1986, creating the PCGG to assist her in the recovery of ill-gotten wealth of then President Marcos, his family, relatives, nominees and/or business associates.

Complementing EO No. 1 was EO No. 2, series of 1986, asserting that ill-gotten assets are inter alia in the form of shares of stock acquired through or as result of the improper or illegal use of funds owned by the Government or its agencies/instrumentalities and accordingly may be frozen.

On March 26, 1986, the CIIF Holding Companies sold to Andres Soriano III, "for himself and as agent of several persons," the subject 33.1 million SMC shares for the grand price of P3.31 billion payable in four (4)

installments.[2][8] On April 1, 1986, buyers Soriano III, et al. (hereafter the “SMC group”) paid the initial P500 million to UCPB, as administrator of the CIIF Holding Companies (hereafter the “UCPB group”). The sale was transacted through the stock exchange with the covered shares registered in the name of ANSCOR-HAGEDORN SECURITIES, INC.

On April 7, 1986, the PCGG sequestered the subject 33.1 Million SMC shares, the PCGG noting in its letter to Soriano III [29] that said shares came “from the shareholdings of Mr. Eduardo Cojuangco, Jr. which are listed [as owned by the 14 CIIF Holding Companies].”

The PCGG subsequently lifted the order of sequestration on SMC’s representation that 1.3 million farmers, as owners of the seller corporations, owned the subject shares. However, the sequestration was soon reimposed at the instance of SMC which, in a complete reversal of its earlier averment, alleged that the same shares were owned and controlled by an “antagonistic block led by E. Cojuangco.”[30] PCGG would soon after require SMC officers not to book share transfers without its prior written authority.

Due to the sequestration thus effected, the SMC group suspended payment of the balance of the purchase price of the subject shares. In retaliation, the UCPB group rescinded the sale.

On June 2, 1986, the UCPB group filed a complaint with the Regional Trial Court (RTC) of Makati against the SMC group for confirmation of rescission of sale.[31]The case was eventually raffled to the sala of then Makati RTC Judge Manuel Yuzon of Branch 149.

On June 5, 1986, the SMC group repaired to this Court to challenge the jurisdiction of the Makati RTC. On August 10, 1988, in Soriano III v. Yuson,[32]the Court, on the ground that primary jurisdiction over recovery of ill-gotten wealth cases and all incidents related to such cases pertained to the Sandiganbayan, ordered the dismissal of the rescission case filed in the Makati RTC without prejudice, however, to the ventilation before the graft court of the respective claims of the parties.

On February 2, 1987, the 1987 Constitution took effect, prescribing periods within which to file recovery of ill-gotten wealth cases. Its transitory portion (Article XVIII), insofar as relevant, 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. xxx.

xxx [For sequestration or freeze] 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.

In an apparent rush to beat the deadline, the PCGG, on July 31, 1987, instituted several ill- gotten or unexplained wealth suits before the Sandiganbayan. Among them was one against former President Marcos and herein respondents Cojuangco, Jr. and Lobregat, et al., docketed as Civil Case No. 0033.[33]

Early 1989 developments saw the SMC and UCPB groups successfully threshing out their dispute over the aborted sale of over 33.1 million SMC shares which have meanwhile yielded dividends and/or been subject to stock splits. But because any settlement required PCGG’s intervention, Soriano III, for SMC, and Ramon Y. Sy, for UCPB, in a joint letter of October 31, 1989, informed the PCGG about a compromise proposal which would have the two groups give PCGG an “arbitration fee” in the form of 5,500,000 SMC shares to support the comprehensive agrarian reform program (CARP).[34]More specifically, the compromise proposal relative to the

same “arbitration fee” reads:

This arbitral fee must, however, be used purely to promote and support the government’s agrarian reform program and may be held and controlled by the PCGG or the appropriate government agency, as trustee for the agrarian reform beneficiaries.

In March 1990, the SMC group and the UCPB group signed a “Compromise Agreement and Amicable Settlement” (hereafter the “Compromise Agreement”).[35] Its pertinent provisions state in essence: [36]

- The sale of the 5 Million SMC shares to the SMC Group covered by and corresponding to the P500 Million first installment paid to the sellers by the SMC Group is valid and effective as of 1 April 1986. Accordingly, said shares and all stock and cash dividends declared thereon after 1 April 1986 shall pertain, and are hereby assigned, to SMC.
- The First Installment Shares shall revert to the SMC treasury for dispersal pursuant to the SMC Stock Dispersal Plan.
- The sale of the shares covered by ... the second, third and fourth installments of the 1986 Stock Purchase Agreement is hereby rescinded effective 1 April 1986 Accordingly, all stock and cash dividends declared after 1 April 1986 corresponding to the second, third and fourth installments shall pertain to CIIF Holding Corporations.
- An “arbitration fee” of 5,500,000 SMC shares (1 Million shares coming from SMC and 4.5 Million coming from the UCPB Group) composed of 3,858,831 “A” shares and 1,641,169 “B” shares would be given to the PCGG to be held in trust for the CARP.

On March 23, 1990, the UCPB and SMC groups filed with the Sandiganbayan a Joint Petition for Approval of the Compromise Agreement and Amicable Settlement.[37] The petition was docketed as Civil Case No. 0102 – the initiatory pleading whence the instant case - G.R. No. 118661 - arose.

The Republic, through the Office of the Solicitor General (OSG), then opposed the Compromise Agreement, contending, at bottom, that it involved coco levy funds which, in any form or transformation, are public funds, hence not within the private disposition of the contracting parties.[38] Pressing on with its opposition, the Republic then stated:

2. xxx the plaintiff Republic through PCGG is not a party to what in effect will be a judicial compromise in Civil Case No. 0033. Nowhere does the "Settlement" mention that its terms are subject to the judicial outcome of this Civil Case No. 0033

Inasmuch as the shares subject of the aforesaid compromise agreement where also the subject of Civil Case No. 0033 and alleged to be part of the alleged ill-gotten wealth of former President Marcos and his cronies, the Sandiganbayan directed that copies of the joint petition be furnished Cojuangco, Jr., Lobregat and all the other defendants in Civil Case No. 0033.

Thereafter, Cojuangco, Jr. sought - and was subsequently granted - leave to intervene in Civil Case No. 0102, asserting in his motion that, as owner/holder of 54,117,421 shares in UCPB and 26,448 in SMC, he has legal interest in opposing the approval of the Compromise Agreement. [39]

Pursuing a similar move, COCOFED, in behalf of coconut farmers, with several other individuals,[40] filed an OMNIBUS CLASS ACTION, [41] with sub-captions, characterizing the action as a motion for leave to intervene and to admit opposition-in-intervention and compulsory counter-petition and counterclaim for damages, therein alleging that they are the ultimate beneficial owners of the subject SMC shares.

On June 15, 1990, the PCGG issued a resolution interposing no objection to the implementation of the Compromise Agreement should the parties therein incorporate certain provisions that will supersede all other inconsistent provisions of the agreement.[42] Among the several provisions and conditions sought to be incorporated,[43] which the SMC group and the UCPB group would accept, were the following:

- So much of the proceeds of the sale as may be necessary shall be used a) to finance the obligations of the CIIF Companies under the COMPROMISE, and b) to liquidate the obligations of the CIIF Companies to UCPB for the purchase price of the SHARES. The balance shall be kept by the PCGG in escrow to await final judicial determination of the ownership of the various coconut-related companies and of all of the other assets involved here. The cash dividends that have been declared on the SHARES may be applied for the above purposes before proceeds from the sale of shares are realized. The balance of such cash dividends shall be held in escrow in the same manner as the sales proceeds.
- All shares shall continue to be sequestered even beyond Delivery Date. Sequestration on them shall be lifted as they are sold consequent to the approval of the sale by the Sandiganbayan, and in accordance with the dispersal plan approved by the Commission. All of the SHARES that are unsold will continue to be voted by the PCGG while still unsold.
- The consent of the PCGG to the transfer of the sequestered shares in accordance with the COMPROMISE, and to the lifting of the sequestration thereon to permit such transfer, shall be effective only when approved by the Sandiganbayan. xxx. The consent it gives here conforms to its duty to care for the sequestered assets It is not to be construed as indicating any recognition of the legality or sufficiency of any act of any of the parties. (Underscoring and emphasis added.)

On June 18, 1990, the PCGG asked the Sandiganbayan to approve the Compromise Agreement.

On October 16, 1990, the Sandiganbayan issued an Order integrating its Civil Case No. 0102 with, and made as an incident to, Civil Case No. 0033. [44]

In the meantime, on November 19, 1990, the Sandiganbayan issued in Civil Case No. 0033 a Resolution granting COCOFED's motion to lift the sequestration over the SMC shares held by the CIIF group of companies in UCPB, the PCGG's complaint of July 31, 1987 having failed to implead the CIIF group of companies as party defendants.

Subsequently, the Sandiganbayan issued an order deferring consideration of the SMC Group-UCPB Group Compromise Agreement "until the parties thereto take the initiative to restore the same in the Court's calendar."

In its order of February 27, 1991, the Sandiganbayan, acting on the motion to set the Joint Petition for Approval of the Compromise Agreement for hearing, required the parties to comment on the propriety of the said court continuing to entertain the Compromise Agreement. [45] In compliance with the said order, the SMC filed its Manifestation dated March 15, 1991 expressly recognizing the Sandiganbayan's jurisdiction to rule on the petition for the approval of the compromise agreement.

On June 3, 1991, the Sandiganbayan issued the following Resolution:[46]

It appearing that the sequestered character of the shares of stock subject of the instant petition for the approval of the compromise agreement, which are shares of stock in the [SMC] in the name of the CIIF Corporations, is independent of the transaction involving the contracting parties in the Compromise Agreement ... and it appearing further that the said sequestered SMC shares of stock have not been ... taken over by the PCGG, so much so that the reversions contemplated in said Compromise Agreement are without prejudice to the perpetuation of the sequestration thereon, until such time as a judgment might be rendered on said sequestration (which issue is not before this Court as [sic] this time), and it appearing finally that the PCGG has not interposed any objection to the contractual resolution of the problems confronting the "SMC Group" and the "UCPB Group" to the extent that the sequestered character of the shares in question is not affected,

this Court will await the pleasure of the [PCGG] before consideration of the Compromise Agreement is reinstated in the Court's calendar.

While this is, in effect, a denial of the "UCPB Group's" Motion to set consideration of the Compromise Agreement herein, this denial is without prejudice to a reiteration of the motion or of any other action by the parties should developments hereafter justify the same.

On July 4, 1991, the SMC group and the UCPB group filed a Joint Manifestation of Implementation of Compromise Agreement and Amicable Settlement and Withdrawal of Petition [for Approval]. They informed the Sandiganbayan of their having implemented the compromise agreement with the conditions set by the PCGG and that, accordingly, they are withdrawing their Joint Petition. In connection with the implementation adverted to, they also informed the graft court of the execution of the following corporate acts, among others:[47]

- On instructions of the SMC Group, the certificates of stock registered in the name of ... (AHSI) representing 175,274,960 SMC shares were surrendered to the SMC corporate secretary.
- The said SMC shares were reissued and registered in the record books of SMC in the following manner:

- i) Certificates for 25,450,000 SMC shares were registered in the name of SMC, as treasury;
- ii) Certificates for 144,324,960 SMC shares were registered in the name of the CIIF Holding Companies;
- iii) Certificates for 5,500,000 SMC Shares were registered in the name of the PCGG [in trust for the Comprehensive Agrarian Reform Program, hereafter CARP shares].

For its part, the PCGG manifested that it has no objection to the action taken by the two groups.

On July 5, 1991, the Sandiganbayan issued a resolution noting the PCGG's Manifestation as well as the Joint Manifestation of Implementation of Compromise Agreement and Amicable Settlement and of Withdrawal of Petition of the UCPB group and the SMC group, with the advice for the three to "always act with due regard to the sequestered character of the shares of stock involved herein as well as the fruits thereof ... [and] without prejudice to whatever be the resolution of this Court on the motion to Nullify Compromise Agreement filed by Eduardo Cojuangco, Jr." [48]

On July 8, 1991, the Sandiganbayan issued an order [49] requiring the SMC group, the UCPB group and the PCGG to formally state in writing the different holders of the SMC shares subject of the compromise agreement. The Sandiganbayan further ordered the PCGG, as sequestrator, to indicate on the face of the subject shares their sequestered character so that -

xxx no apprehension nor accident will arise hereafter where any person or entity outside of the parties present or represented in this proceedings might claim any appearance of being a holder thereof in good faith and for value.

On July 17, 1991, the SMC group manifested its compliance with the Sandiganbayan's Order of July 8, 1991. [50] On the same day, the PCGG submitted its compliance manifestation, stating that it had caused the word "Sequestered" to be written on the face of the certificates of stock covering the aforementioned SMC shares delivered to the PCGG by SMC, including those covering the 5.5 million SMC shares given to it (PCGG) as arbitration fee in trust for CARP. [51]

On August 15, 1991, the COCOFED group filed a motion to compel surrender of the cash dividends pertaining to the 5.5 million SMC shares allegedly delivered to PCGG in trust for "CARP," and the SMC shares allegedly delivered to SMC as treasury shares. On August 22, 1991, SMC filed a manifestation and motion stating that the SMC shares have reverted to the SMC treasury as treasury shares and are not entitled to dividends. [52]

On October 1, 1991, the Sandiganbayan issued, in Civil Case No. 0033, a Resolution[53] on the Omnibus Class Action interposed by COCOFED, et al., in Civil Case No. 0102. In it, the graft court, for the main stated reason that COCOFED, et al., and the interests they represent, i.e., coconut farmers/producers, are so situated as to be affected by the disposition of the sequestered SMC shares subject matter of the UCPB Group-SMC Group compromise agreement, allowed COCOFED, et al., to intervene in Civil Case No. 0102. In the process, the graft court admitted movants' Opposition-in- Intervention. On March 30, 1992, the Sandiganbayan denied the separate motions for reconsideration filed by the SMC and UCPB groups.[54]

On June 30, 1992, Fidel V. Ramos took his oath as President of the Republic.

To digress a bit. It may be recalled that, in a Resolution issued on November 19, 1990, the Sandiganbayan lifted the sequestration over UCPB shares held by the CIIF group of companies. Following PCGG's challenge via a petition for certiorari against the sequestration-lifting resolution, the Court, in a Resolution in Republic v. Sandiganbayan,[55] declared the coconut levy fund as "clearly affected with public interest"; [hence,] it follows that the corporations formed and organized from those funds and all assets acquired therefrom should also be regarded as 'clearly with public interest'." Some excerpts from the said Resolution:

Assuming, however, for purposes of argument merely, the lifting of sequestration to be correct, may it also be assumed that the lifting of sequestration removed the character of the coconut levy companies of being affected with public interest, so that they and their stock and assets may now be considered to be of private ownership? May it be assumed that the lifting of sequestration operated to relieve the holders of stock in the coconut levy companies ... of the obligation of proving how that stock had been legitimately transferred to private ownership, or that those stockholders who had had some part in the collection, administration, or disposition of the coconut levy funds are now deemed qualified to acquire said stock, and freed from any doubt or suspicion that they had taken advantage of their special or fiduciary relation with the agencies in charge of the coconut levies and the funds thereby accumulated? The obvious answer to each of the questions is a negative one. It seems plain that the lifting of sequestration has no relevance to the nature of the coconut levy companies or their stock or property, or to the legality of the acquisition by private persons of their interest therein, or to the latter's capacity or disqualification to acquire stock in the companies or any property acquired from coconut levy fund.[56]

Sometime in August 1994, the PCGG and the Government Service Insurance System (GSIS) entered into a Stock Purchase Agreement [57] in which the PCGG, thereat styled as "owner" "with clear title" over a block of SMC shares consisting of 14,519,996 shares of stock – the arbitration fee shares and their stock dividends – sold the same to the GSIS for the total consideration of P1.452 Billion. As indicated in the same agreement, the block of shares thus sold shall be broken into smaller units to be resold to GSIS members.

In the meantime, Cojuangco, Jr. and the COCOFED-Lobregat group, having learned of the conclusion of the aforesaid Stock Purchase Agreement opposed the same and separately moved for the annulment of the sale.

Acting on Cojuangco Jr.'s, Lobregat's and COCOFED's motions aforementioned, the Sandiganbayan issued, on August 19, 1994, an Order stating thusly:[58]

When the matter of the Omnibus Motion to annul the sale of the [SMC] shares of stock covered by the instant matter was heard, the Court ... received the following assurances:

- a) That the records of [SMC] show that all of the shares of stock subject matter of the instant proceedings had been indicated in the corporate records as being sequestered;
- b) That the certificates for the stock dividends issued after the order of this Court dated July 8, 1991, have not been labelled "SEQUESTERED" but instead had been delivered directly to the PCGG without any limitation on the certificates itself.

Apparently the motions pending before this Court ... have been filed because of the ... photographed transfer of money from the [GSIS] to the [PCGG] and of the transfer of the shares of stock of the [SMC] from the PCGG to the GSIS in exchange therefor. It would appear that there are no other shares of stock that can be transferred by one to the other insofar as [SMC] is concerned except the shares of stock subject matter of the instant proceedings.

In order to assuage the concern of all parties and in order that, until further orders from the Supreme Court, this Court might rest assured that whatever private transactions are made over the shares of stock herein, the authority of this Court over the same will not be diminished, ... the PCGG is given fifteen (15) days from today within which to deliver the certificates of stock representing all of the stock dividends of the shares of stock already designated as "sequestered" by virtue of the Order of this Court dated July 8, 1991, so that the Office of the Corporate Secretary of [SMC] might inscribe thereon the word "Sequestered", clearly indicating thereby the restricted character of those shares of stock. (Underscoring and words in bracket added)

While it complied with the Sandiganbayan's Order of August 19, 1994 on the matter of delivery of certain certificates of stock representing stock dividends to the Corporate Secretary of SMC, the PCGG, in a Manifestation and Motion dated September 5, 1994, nonetheless moved for the approval of its Stock Purchase Agreement with the GSIS. It also sought the deletion of the word "sequestered" inscribed on the face of its "CARP-in-trust" certificates of shares and their dividends.[59]

On September 9, 1994, the Sandiganbayan issued the herein assailed Order[60] declining to lift the writ of sequestration over the shares to be sold to the GSIS and to approve the aforementioned PCGG-GSIS Stock Purchase Agreement. In its entirety, the Order reads:

The Manifestation and Motion of the plaintiff [Republic, thru the PCGG] dated August 29, (should be Sept. 5) 1994 with respect to the shares of stock of the [SMC] which have been transferred to the PCGG, allegedly as arbitration fee in the compromise agreement between the UCPB and SMC, is noted. The Court will await the formal reply from the corporate secretary of the [SMC] to confirm the fact that all the certificates of stock subject matter hereof have been inscribed with the restriction of the sequestration herein. Further to the reliefs prayed for in the Manifestation and Motion above, the Court cannot now or hereafter either approve the stock purchase agreement, since the matter is precisely pending with the Supreme Court, and at all events it is not for this Court to approve or disapprove such transactions, much less may this Court lift the sequestration at this time since this entire exercise provoked by the reported sale of these SMC shares by the PCGG to the GSIS is precisely to indicate in the shares of stock the sequestration of the PCGG recognized by this Court over the same shares of stock.

Note the presence of Sol. Amparo M. Tang.

SO ORDERED.

On February 6, 1995, the Republic, represented by the PCGG, which in turn was assisted by private counsels, interposed the present petition ascribing to the Sandiganbayan the commission of grave abuse of discretion when it issued its assailed Order of September 9, 1994. In the concrete, the PCGG would fault the Sandiganbayan for not favorably acting on its plea for approval of the PCGG-GSIS Stock Purchase Agreement and corollarily for not ordering the lifting of the sequestration over the SMC shares covered thereby.

It is the PCGG's stated position that the Compromise Agreement whence it sourced its right to the 5.5 million SMC shares is a valid contract between the original purported owners thereof, adding that the withdrawal of their joint petition for approval of the compromise agreement has rendered moot and academic any question respecting the validity of the transfer effected therein. Pursuing the point, the PCGG suggests that the shares paid to it as "arbitration fee," inclusive of the dividends they earned, are not anymore sequestered.

In their separate, but largely overlapping comments, respondents Cojuangco, Jr. and the COCOFED-Lobregat group urge the dismissal of the petition on a mix of substantive and procedural grounds. On the procedural aspect, both respondents are one in pointing to alleged violation of the forum-shopping rule and the purported belated filing of this petition for certiorari without, to boot, the participation of the OSG.

The petition is without merit, but not necessarily on the procedural grounds set forth in the respondents' comments.

Four (4) factual premises need at the outset to be underscored:

First, the subject 33.1 million SMC shares sold by the apparent owners thereof, the CIIF Holding Companies, to Soriano III "for himself and as agent of several persons," which later became the subject of the Compromise Agreement between the UCPB group and the SMC group are sequestered shares. They appear to be still sequestered. Petitioner PCGG, no less, admits the sequestered character of the subject shares.[61]

Second, part of the compromise agreement package between the SMC group and the UCPB group entailed the transfer of a portion of the sequestered shares (5.5 Million shares) to the PCGG as arbitration fee to be held in trust for CARP purposes;

Third, The Stock Purchase Agreement entered into by and between the PCGG and the GSIS involved the transferred sequestered shares which had since risen by virtue of various stocks dividends and stock splits.

Fourth, The sequestered character of the original 5.5 Million transferred shares necessarily attaches on the fruits or dividends accruing thereon. These shares are alleged to be part of the alleged ill- gotten wealth subject of Civil Case No. 0033.

We find no grave abuse of discretion on the part of the Sandiganbayan when it declined to approve the proposed PCGG-GSIS Stock Purchase Agreement. For, this purchase agreement involves sequestered SMC shares of stock the ownership of which is still under litigation in Civil Case No. 0033. Accordingly, any ownership movement of these shares cannot be of any permanent character that will alter their being sequestered and, as correctly observed by the Sandiganbayan in its Resolution[62] of March 18, 1992, as property in custodia legis.

It cannot be overemphasized that the right of the PCGG to freely dispose of the arbitration fee shares depends, in the ultimate analysis, on the right of the SMC and the UCPB groups to freely cede to PCGG the same shares unencumbered by a sequestration order. The right to effectively cede, in turn, hinges on the question of enforceability of the Compromise Agreement. Now then, in *San Miguel Corporation v. Sandiganbayan*, [63] we ruled that the Compromise Agreement entered into respecting the SMC shares, significantly the subject of that and this case, falls within the unique jurisdiction of the Sandiganbayan, the Court adding the observation that the parties thereto themselves submitted to the jurisdiction of the Sandiganbayan by asking for the approval of the said Compromise Agreement. This agreement, to reiterate, is the basis for the purported payment of an arbitral fee to PCGG. And as may be recalled, no less than the PCGG, per its Resolution[64] of June 15, 1990, consented to the Compromise Agreement, but imposed the approval of the Sandiganbayan as a condition sine qua non for the implementation thereof or for the transfer of the sequestered shares of stock covered thereby. The SMC and UCPB groups accepted the condition and incorporated by reference such condition as integral part of the Compromise Agreement.

Lest it be overlooked, the Court, in the same *San Miguel Corporation* case, declared that it is within the sound discretion of the Sandiganbayan to pass upon at the first instance and validate or invalidate, as the case may be, such compromise agreement. Discretion is a faculty of a court or an official by which it/he may decide a question either way, and still be right, [65] the power or liberty to decide according to the principles of justice and one's

ideas of what is right and proper under the circumstances, without willfulness or favor.[66] The Sandiganbayan has not approved the Compromise Agreement but not out of whim.

Given the foregoing perspective, the Sandiganbayan's disinclination to approve the SMC Group- UCPB Group Compromise Agreement and by extension the PCGG-GSIS Stock Purchase Agreement can hardly be assailed as in grave abuse of discretion, a juridical concept which conveys the notion of whimsical, despotic or unreasoning action. With the view we take of the case, the graft court acted within the bounds of its sound discretion and certainly within its jurisdiction when it virtually disapproved the Compromise Agreement. For sure, the Sandiganbayan had valid reasons for acting the way it did. The graft court specifically mentioned one, i.e., the pendency then before this Court of cases involving issues surrounding the SMC Group-UCPB Group Compromise Agreement. The cases the Sandiganbayan doubtless had in mind referred to G.R. Nos. 104637-38 entitled "San Miguel Corporation, et al. v. Sandiganbayan (First Division), et al.," and G.R. No. 109797 entitled "San Miguel Corporation, et al. v. Sandiganbayan (First Division), et al." These cited and now-resolved consolidated cases[67]involved not only the validity of the Compromise Agreement or its implementation, but touched on the need of the Sandiganbayan's approval of the Compromise Agreement and the propriety of the arbitration fee ceded therein to the PCGG.

For another, the judicial question of ownership over the sequestered shares – alleged to be ill-gotten wealth - has yet to be resolved in Civil Case No. 0033. It will be recalled that since the institution of Civil Case No. 0033, the PCGG has insisted that the SMC shares sought to be recovered therein, which include or are the same shares subject of the Compromise Agreement,[68] pertained in ownership to respondent Cojuangco, Jr. And if only to stress the point, the PCGG ordered on April 7, 1986 the sequestration of said block of shares on the theory that they belong to Cojuangco, Jr.,[69] allegedly a close associate of former President Marcos and that the sale thereof by the CIIF Holding Companies was violative of EO Nos. 1 and 2, both series of 1986. The attempt of the parties in the Compromise Agreement and, by extension, in the Stock Purchase Agreement to pull a fast one on persons or entities with ostensible interest on subject shares strikes the Court as an instance of unfair play.

And for a third, there is a challenge hurled by respondents Cojuangco, Jr. and COCOFED against the legality, if not the propriety, of the consent given by PCGG to the Compromise Agreement on several grounds, but particularly in the light of the grant of the arbitral fee. While perhaps not decisively determinative of the outcome of this case, respondent Cojuangco, Jr. alleged, without so much of a comment from petitioner PCGG, that, at the time that the Compromise Agreement in question was reached, all the members of the Board of Directors of UCPB, as well as a majority of the members of the Board of Directors of SMC, were PCGG representatives.[70]

There can be no dispute, as petitioner PCGG submits, about the Compromise Agreement between the SMC and the UCPB groups being a private agreement between the ostensible owners of the subject SMC shares. We can also concede that the same agreement, notwithstanding the maligned arbitration fee provision incorporated therein, does not contain any stipulation or clause which, under Article 1306 of the Civil Code,[71] would vitiate its validity. The conclusion, however, that the petitioner would draw from the above premises that the proposed sale of the "arbitration fee" shares to GSIS is effective and enforceable, especially since the petition for approval of the Compromise Agreement had been withdrawn and, in fact, implemented, does not commend itself for concurrence. For, the petitioner's posture presupposes that what the SMC and the UCPB groups were dealing with and settling merely were their own private interests. But as we articulated in San Miguel, the "Compromise Agreement here involves sequestered shares of stock now worth more than nine (9) billion pesos Their ownership is still under litigation. It is not yet known whether the shares are part of the alleged ill-gotten wealth of former President Marcos and his 'cronies.' Any Compromise Agreement concerning these sequestered shares ... has to be approved by the Sandiganbayan." [72]

The fact that both the UCPB and the SMC groups, pursuant to Section 1, Rule 17 of the Rules of Court, withdrew, or considered their petition for approval of their Compromise Agreement withdrawn, is of no moment insofar as the necessity of the Sandiganbayan's approval to lend enforceability to the agreement is concerned. For, in the context of this case, such withdrawal is ineffectual, respondents Cojuangco, Jr., COCOFED and other persons with known legal interests on the subject shares having previously filed their comment on the petition for approval of Compromise Agreement and eventually intervened in the case. In San Miguel, the Court expounded on one of the reasons for the ineffectivity, thusly:

xxx The right of these persons and entities to have their claims heard and resolved cannot be defeated by the petitioners by the simple act of withdrawing their Joint Petition for Approval of Compromise Agreement and immediately implementing its provisions. To allow the unilateral withdrawal is to allow the petitioners to make a plaything of the jurisdiction of the Sandiganbayan, submit to it when it is in their favor and repudiate it when it threatens to turn against their interest. xxx.

Petitioners cannot invoke Section 1, Rule 17 of the Rules of Court which provides 'that a complaint may be dismissed by the plaintiff by filing a notice of dismissal at any time before the service of the answer' The provision contemplates a complaint where there is a plaintiff and a defendant with real conflicting interests. The cases at bar are different. They started as a Joint Petition for Approval of Compromise Agreement xxx. Known persons and entities claiming adverse interests on the subject shares were not impleaded. In other words, no party can assail the validity of the Compromise Agreement The attempt to bypass these persons ... with interests in the subject shares is hardly tenable and the withdrawal of the petition and its immediate implementation when they opposed it makes petitioners' posture doubly untenable. (Italization in the original)

In a bid to lend legitimacy to the sale by the PCGG of the subject shares to the GSIS, the petitioner maintains that such contract would not result in the diminution in value of the sequestered assets but only in their transformation from shares of stock into cash. Petitioner's contention may be accorded cogency were it not for the fact that the PCGG's role as sequestrator is to ensure the return of the sequestered property to its rightful owner/s as far as possible in the same condition as it was at the time of sequestration^[73] with all the fruits and gains to which it is entitled, should allegations of its being ill-gotten cannot be proven.

In *Republic v. COCOFED*,^[74] the Court observed that the lifting of sequestration in coconut levy companies does not relieve the holders of stock in such companies of the obligation of proving how that stock had been legitimately transferred to private ownership. If the correct lesson of *Republic v. COCOFED* has to be pursued to its logical conclusion, may it not be assumed that the lifting of sequestration on the litigated shares of stock before the conclusion of the case for the recovery thereof would not alter the ill-gotten nature of such shares, if ultimately determined to be so? The answer to this poser should be in the affirmative. And here lies the danger should the desired premature lifting of the sequestration order on the arbitration fee shares be granted and the same shares should eventually be successively sold to innocent GSIS members and then to other innocent third parties.

As a final consideration, it may not be amiss to state that the PCGG arbitration fee shares – also referred to as the PCGG in-trust - for CARP shares - can trace their immediate roots to SMC shares of stocks held by UCPB's CIIF group of companies which, in turn, owe their existence to the coconut levy funds and the martial law issuances. Be that as it may, no reasonable mind can plausibly escape the conclusion that the arbitration fee shares are the fruits of funds that are *prima facie* public in character, if not part of the ill-gotten wealth then to be recovered pursuant to EO No. 1 in relation to EO No. 14,^[75] series of 1986. It is up for the Sandiganbayan to determine in Civil Case No. 0033 the nature of the subject shares on the basis of the evidence presented thereat. Until then, it behooves the Sandiganbayan to issue such orders and take measures toward preserving the character of the sequestered shares pending final determination of their true owners. The herein assailed order is such issuance.

With the foregoing disquisitions, the Court finds it unnecessary to delve on the procedural concerns raised by respondents Cojuangco, Jr. and Lobregat, one of which, relating to the exclusion of the Solicitor General from this petition, has been appropriately addressed in *Republic v. Desierto*.^[76] Notwithstanding the OSG's absence during PCGG's commencement of this certiorari proceedings, the underlying petition ought to be entertained. This disposition is prompted partly by the OSG's timely participation in later proceedings, a participation which is tantamount to a ratification of PCGG's act. As the Court explained in the same *Desierto* case:

The preliminary issue to be resolved in this case is whether or not the petition should be entertained even though it was filed by the PCGG without the intervention of the ... (OSG).

True, the OSG is mandated to represent the Government in the Supreme Court and the Court of Appeals ... in all civil actions and special proceedings in which the Government or any officer thereof in his official capacity is a party. The OSG should have filed the instant petition in behalf of the Republic. However, the “ends of substantial justice” affords an exception thereto. We have ruled if the ends of substantial justice would be better served, and the issues in the action could be determined in a more just, speedy and inexpensive manner, then the petition should be entertained. Even assuming *arguendo* that the PCGG has no authority to file the petition, its unauthorized filing was ratified, and the defect was cured, when the OSG signed as co-counsel for the Republic in its Consolidated Reply.^[77]

There is more reason to apply the above rule to the present case because, here, the OSG is not a mere co-signing counsel but rather the principal signatory in petitioner's culminating pleading – the “MEMORANDUM AND REPLY-MEMORANDUM FOR THE PETITIONER.”^[78] We note that in the signature page thereof, ^[79] two signatures appeared thereat: the first, being that of then Solicitor General Silvestre Bello III himself, and the second, that of Assistant Solicitor General Amparo Cabotaje-Tang.

We end this disposition with the hope that all parties concerned would now allow the Sandiganbayan uninterrupted opportunity to give repose to Civil Case No. 0033 and, in the process, determine who, by law in the light of the facts of the case, own and is/are entitled to some 33 Million shares of stock of SMC and the stock dividends they have earned through the years starting 1986. In *San Miguel Corporation v. Sandiganbayan*,^[80] we stated that the shares of stock in question are estimated to be worth, as of September 2000, more than P9 billion. It is high time their owner/s be now established. Whoever it, or he/they shall be – be they one of parties herein, the nameless coconut farmers or the UCPB or SMC groups should only be a passing concern of the Court. The more important consideration is that the issue of ownership is settled once and for all. And the Sandiganbayan is urged to resolve this issue with dispatch and thus write *finis* to Civil Case No. 0033 which has been pending for about 20 years now.

WHEREFORE, the instant petition is DISMISSED.

No pronouncement as to costs.

SO ORDERED.

Puno, C. J., (Chairperson), Sandoval-Gutierrez, Corona and Azcuna, JJ., concur.

[1] Among them *Soriano, III v. Yuzon*, No. L-74910, August 10, 1988, 154 SCRA 226; *COCOFED v. PCGG*, G.R. No. 75713, October 2, 1989, 178 SCRA 236; *Cojuangco v. PCGG*, G.R. Nos. 92319-20, October 2, 1990, 190 SCRA 226; *Republic v. Sandiganbayan*, G.R. No. 96073, January 23, 1995, 240 SCRA 376.

[2] *Leyson, Jr. v. Ombudsman*, G.R. No. 134990, April 27, 2000, 331 SCRA 227; *San Miguel Corporation v. Sandiganbayan*, G.R. Nos. 10463-78 & G.R. No. 109797, September 14, 2000, 340 SCRA 289; *Republic (PCGG)*

- v. Sandiganbayan, G.R. No. 96073, January 23, 1995, 240 SCRA 376.
- [3] G.R. Nos. 147062-64, December 14, 2001, 372 SCRA 462.
- [4] Annex “A,” Petition; Rollo, p. 33.
- [5] Id. at 55-71.
- [6] COCOFED v. PCGG, supra.
- [7] Vital Legal Documents, Volume 7, pp. 59-64.
- [8] See Republic v. COCOFED, supra.
- [9] P.D. 755, 3rd Whereas.
- [10] Republic v. COCOFED, supra.
- [11] Id. at 477.
- [12] Id.
- [13] Sandiganbayan Records, Volume 10, pp. 364-365.
- [14] Id. at 368; see also Republic v. Sandiganbayan, supra.
- [15] Sandiganbayan Records, Volume 10, pp. 374-375.
- [16] Vital Legal Documents, Volume 26, pp. 41-43.
- [17] 178 SCRA 236 (1989), supra.
- [18] LOI-926-1979, 3rd Whereas; Vital Legal Documents, Volume 69, pp. 90-95.
- [19] The 6th Whereas clause of P.D. 1841 partly reads: Whereas WHEREAS, the Philippine Coconut Producers Federation, the only recognized association of coconut farmers composed of 964,496 members throughout the country,
- [20] effective June 19, 1971
- [21] effective August 20, 1973
- [22] effective November 14, 1974
- [23] dated September 3, 1979
- [24] effective October 2, 1981
- [25] Granexport Manufacturing Corp., San Pablo Mgmt. Corp., Cagayan de Oro Oil Co., Inc., Legaspi Oil Co., Inc., Iligan Coconut Industries, Inc., and Southern Luzon Coconut Oil Mills, Inc.; listed in Leyson v. Ombudsman, supra.
- [26] Rollo, p. 73; Composed of Soriano Shares, Inc., ASC Investors, Inc., ARC Investors, Inc.; AP Holdings, Inc.; TODA Holdings, Inc.; Te Deum Resources, Inc.; Rock Steel Resources, Inc.; San Miguel Officers, Corps, Inc.; Roxas Shares, Inc.; Valhalla Properties Ltd., Inc.; Anglo Ventures Corp.; First Meridian Development, Inc., Randy Allied Ventures, Inc., and Fernandez Holdings, Inc.
- [27] 2nd Whereas clause of the March 26, 1986 Agreement, Rollo, p. 37.
- [28] Rollo, pp. 35-49.

[29] Rollo, pp. 50-51.

[30] see Soriano, III v. Yuson, supra.

[31] Docketed as Civil Case No. 13865.

[32] Supra note 1.

[33] Republic v. Sandiganbayan, supra.

[34] Rollo, pp. 65-67.

[35] Rollo, pp. 55-64.

[36] Compromise Agreement, pp. 4-5; Rollo, pp. 58-59; quoted in SMC v. Sandiganbayan, G.R. Nos. 104637-38, September 14, 2000, 340 SCRA 289, 296-297.

[37] Annex “F,” Petition; Rollo, pp. 55-64.

[38] SMC v. Sandiganbayan, supra.

[39] Annex “K,” Petition; Rollo, pp. 84-87.

[40] Maria Clara L. Lobregat, Bienvenido Marquez, Jose R. Eleazar, Jr., Domingo Espina, Jose Gomez, Celestino Sabate, Manuel Del Rosario, Jose Martinez Jr., Jose Reynaldo Morente and Eladio Chatto.

[41] Annex “L,” Petition; Rollo, pp. 88-150.

[42] Rollo, pp. 72-83.

[43] June 15, 1990 PCGG Resolution, pp. 9-12; Rollo, pp. 80-83.

[44] SMC v. Sandiganbayan, supra.

[45] Id. at 301-302.

[46] Rollo, p. 609.

[47] Rollo, pp. 610-612.

[48] Rollo, p. 291.

[49] Rollo, pp. 292-293.

[50] Rollo, pp. 175-178.

[51] Rollo, pp. 294-297.

[52] Ibid.

[53] Rollo, pp. 393 et seq.

[54] See Decision in SMC v. Sandiganbayan, supra.

[55] Supra note 33.

[56] February 16, 1993 Resolution in G.R. No. 96073, pp. 5-6; quoted in Republic v. COCOFED, 372 SCRA 462, 478-479 (2001).

[57] Rollo, pp. 182-186.

[58] Rollo, pp. 227-228.

[59] Annex “X,” Petition; Rollo, pp. 229 et seq.

[60] Rollo, p. 33.

[61] Petitioner’s Consolidated Reply, p. 8; Rollo, p. 491.

[62] Rollo, pp. 152 et seq.

[63] See Note #2, supra.

[64] See Note #42, supra.

[65] Go Uan v. Galang, G.R. No. L-20413, December 23, 1964, 12 SCRA 580.

[66] Lambs v. Phipps, 22 Phil. 489 (1912).

[67] Reported in 340 SCRA 289, supra.

[68] Soriano, III v. Yuson, see Note No. 1, supra.

[69] Supra note 29.

[70] Memorandum for respondent Cojuangco, Jr., p. 35; Rollo, p 684.

[71] Article 1306. The contracting parties may establish such stipulations, clauses, terms and conditions as they may deem convenient, provided they are not contrary to law, morals, good customs, public order, or public policy.

[72] Supra note 2.

[73] BASECO v. PCGG, G.R. No. L-75885, May 27, 1987, 150 SCRA 181.

[74] Supra note 3.

[75] Vested the Sandiganbayan exclusive and original jurisdiction over all cases of ill-gotten wealth.

[76] Republic v. Desierto, G.R. No. 131966, September 23, 2002, 389 SCRA 452, 456-457.

[77] Id. at 456-457, citing Narciso v. Sta. Romana-Cruz, 328 SCRA 505, 518 (2000).

[78] Rollo, pp. 698-725.

[79] Rollo, p. 723.

[80] Supra note 2.

ABOUT BATAS.ORG

Study smarter at BATAS.org

The Philippine bar review and law-school companion built around how your brain actually remembers.

The complete Philippine law library - free for everyone.

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

Audio case-brief lectures.

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

Bar review built on the science of memory.

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

The full law-school curriculum.

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

Mock exams that tell you where you stand.

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

A study planner that keeps you on pace.

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

Start free at <https://batas.org>

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.