

**REPUBLIC OF THE PHILIPPINES, REPRESENTED BY THE
PRESIDENTIAL COMMISSION ON GOOD GOVERNMENT, PETITIONER,
VS. SANDIGANBAYAN (FOURTH DIVISION), ESTATE OF HANS M.
MENZI (THROUGH ITS...**

G.R. No. 135789. January 31, 2002

Ponente: PARDO, J.

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PARDO, J.:

The Case

The Case is a petition for certiorari[1] to nullify two (2) resolutions of the Sandiganbayan,[2] namely:

- (1) Resolution dated April 13, 1998 ordering the lifting of the writ of sequestration over the assets, shares of stocks, property, records and bank deposit of Hans M. Menzi Holdings and Management Inc. (HMHMI); and
- (2) Resolution dated August 21, 1998 denying petitioner's Motion for Reconsideration.

The Facts

The facts, as alleged in the petition, are as follows:

On May 5, 1982, Manuel G. Montecillo, Eduardo M. Cojuangco, Jr., Cesar C. Zalamea and Jose Y. Campos organized HMHMI to serve as a holding company for the shares of stocks of Hans M. Menzi, Jose Y. Campos, Cesar C. Zalamea and Eduardo M. Cojuangco, Jr. in Bulletin Publishing Corporation and the shares of stocks of Hans M. Menzi in other companies, namely, Liwayway Publishing, Inc., Menzi and Company, Inc., Menzi Agricultural, Inc., Menzi Development Corporation and M and M Consolidated, Inc.

On June 27, 1984, Hans M. Menzi died. On July 6, 1984, the court appointed Manuel G. Montecillo executor of the Estate of Hans M. Menzi[3] and later the president of HMHMI. With the lone exception of Montecillo, Eduardo M. Cojuangco, Jr., Cesar C. Zalamea and Jose Y. Campos, constitute the principal stockholders and incorporators of HMHMI.

On February 12, 1987, the PCGG issued Sequestration Writ No. 87-0206 against all shares of stocks, assets, properties, records and documents of HMHMI.[4]

On the same day, the PCGG requested the Governor, Central Bank of the Philippines to instruct commercial banks and non-bank financial institutions to disallow the withdrawal of funds and assets by Liwayway Publishing Incorporated and HMHMI.[5]

Forthwith, on February 13, 1987, Central Bank Governor Fernandez instructed commercial banks and non-bank financial institutions to withhold the withdrawal of funds and assets by Liwayway Publishing Corporation and HMHMI.[6]

On July 29, 1987, petitioner filed with the Sandiganbayan a complaint for reconveyance, reversion, accounting, restitution and damages[7] against the following defendants: Manuel G. Montecillo, Eduardo M. Cojuangco, Jr., Cesar C. Zalamea, Ferdinand E. Marcos and Imelda R. Marcos.

On October 17, 1990, the PCGG filed a Second Amended Complaint naming specifically the estate of Hans M. Menzi as one of the defendants.[8]

On November 27, 1992, the estate of Hans M. Menzi, in behalf of HMMHI, filed with the Sandiganbayan a “Motion to Lift Freeze Order” dated February 12, 1987, alleging that:

(1) The stocks, assets, properties, records and documents of HMMHI were sequestered without any judicial action having been filed against it, or without impleading it as a defendant in Civil Case No. 0022; and

(2) Such issuance of a writ of sequestration without filing a corresponding judicial action against HMMHI within the reglementary period established by section 26, Article XVIII of the 1987 Constitution resulted in the automatic lifting of the sequestration order on August 12, 1987.[9]

On April 2, 1992, the Sandiganbayan granted the motion.[10] On October 2, 1992, the Sandiganbayan denied petitioner’s motion for reconsideration.[11]

On January 15, 1993, the Republic of the Philippines filed with the Supreme Court a petition for review assailing the resolution of the Sandiganbayan lifting the freeze order.[12]

On July 16, 1996, the court set aside the Sandiganbayan’s resolution lifting the freeze order and remanded the case back to the Sandiganbayan for resolution of the preliminary question of whether or not there was a prima facie factual basis for the PCGG’s writ of sequestration dated February 12, 1987.[13]

On April 13, 1998, the Sandiganbayan lifted the writ of sequestration dated February 12, 1987, reasoning that there was no prima facie factual basis for its issuance.[14] The dispositive portion of the resolution reads:

“WHEREFORE, considering the evidence adduced on the subject preliminary question, this court hereby declares that there was no prima facie factual basis for the issuance by the PCGG of the Writ of Sequestration dated February 12, 1987.

“Accordingly, this court hereby sets aside and lifts the said Writ of Sequestration over the assets, shares of stocks, property, records and bank deposits of the HM Holdings & Management, Inc. (HMMHI).

“SO ORDERED.”

On May 6, 1998, petitioner filed a motion for reconsideration.[15] On August 21, 1998, the Sandiganbayan denied the motion.[16]

Hence, this petition.[17]

The Issue

The basic issue raised is whether there was prima facie factual basis for the issuance of a writ of sequestration over the assets, shares of stock, property records and bank deposits of HMMHI.[18]

The Court’s Ruling

We deny the petition. The issue is factual.

It is well settled that the appellate jurisdiction of the Supreme Court over decisions or final orders of the Sandiganbayan is limited to questions of law.[19] A question of law exists when the doubt or controversy

concerns the correct application of law or jurisprudence to a certain set of facts; or when the issue does not call for an examination of the probative value of the evidence presented, the truth or falsehood of facts being admitted.[20] A question of facts exists when the doubt or difference arises as to the truth or falsehood of facts or when the query invites calibration of the whole evidence considering mainly the credibility of the witnesses, the existence and relevancy of specific surrounding circumstances as well as their relation to each other and to the whole, and the probability of the situation.[21]

The Supreme court is not a trier of facts. It is not the Court's function to examine and weigh all over again the evidence presented in the proceedings below.[22]

At any rate, we agree with respondents that the Sandiganbayan has full authority to decide on all incidents in the ill-gotten case, including the propriety of the writs of sequestration that the PCGG initially issued. Based on the evidence the PCGG submitted so far to the Sandiganbayan, the late Hans M. Menzi owned the Bulletin Publishing Corporation almost one hundred (100%) per cent since 1957, except those Bulletin shares sold to U.S. Automotive corporation in 1985, those converted to treasury shares in 1986, and those sold to the general public at public offerings. In the absence of competent evident showing thus far that President Ferdinand E. Marcos or his cronies ever acquired Bulletin shares of the late Hans M. Menzi or HMMHI that might be subject to sequestration, we may not void the resolutions of the Sandiganbayan in question.

The Fallo

WHEREFORE, the Court DENIES the petition for failure to show that the Sandiganbayan gravely abused its discretion in adopting its resolutions lifting the writs of sequestration on the shares of stock, assets, property, records and documents of HMMHI. The Court directs the Sandiganbayan to proceed with the final disposition of Civil Case No. 0022, in accordance with the mandates of Republic Act No. 8493, within the period prescribed therein.

The Sandiganbayan must complete the trial stage in six (6) months from notice of this decision and decide the case within three (3) months from submission. It shall inform the Court of the decision within ten (10) days from promulgation thereof.

No costs.

SO ORDERED.

Davide, Jr., C.J., (Chairman), Puno, Kapunan, and Ynares-Santiago, JJ., concur.

[1] Under Rule 65, Revised Rules of Court.

[2] In Civil Case No. 0022.

[3] General comments on Petition for Certiorari, Annex "B-1", Rollo, pp. 626-635, at p. 628.

[4] Petition, Annex "D", Rollo, p. 80.

[5] Petition, Annex "E", Rollo, p. 81.

[6] Petition, Annex "F", Rollo, p. 82.

[7] Docketed as Civil Case No. 0022.

[8] Petition, Annex "G", Rollo, pp. 83-102.

[9] Petition, Annex “C”, Rollo, pp. 65-69.

[10] Petition, Rollo, pp. 2-36, at p. 9.

[11] Ibid.

[12] Docketed as G.R. No. 107377.

[13] Petition, Annex “H”, Rollo, pp. 103-108.

[14] In Civil Case No. 0022, promulgated on April 15, 1998, de Leon, Jr., J., ponente, Nario and de Castro, JJ., concurring, Petition, Annex “A”, Rollo, pp. 38-53.

[15] Petition, Annex “M”, Rollo, pp. 364-390.

[16] Petition, Annex “B”, Rollo, pp. 54-64.

[17] Petition filed on October 20, 1998, Rollo, pp. 2-36. On March 6, 2000, we gave due course to the petition (Rollo, pp. 1180-1181).

[18] Memorandum for Petitioner, Rollo, pp. 1264-1288, at p. 1271.

[19] *Rodriguez v. Sandiganbayan*, 177 SCRA 220, 225 [1989], citing *Gabison v. Sandiganbayan*, 151 SCRA 61 [1987].

[20] *United Resources v. Development Bank of the Philippines*, 200 SCRA 751-755 [1991]; *Roman Catholic Archbishops of Manila v. Court of Appeals*, 327 Phil. 810 [1996]; *China Road and Bridge Corp. v. Court of Appeals*, 348 SCRA 401 [2000].

[21] *China Road and Bridge Corp. v. Court of Appeals*, *supra*, Note 20.

[22] *Trade Unions of the Philippines v. Laguesma*, 236 SCRA 586, 591 [1994]; *Navarro v. Court of Appeals*, 209 SCRA 612, 623 [1992].

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