

**REPUBLIC OF THE PHILIPPINES, REPRESENTED BY THE
PRESIDENTIAL COMMISSION ON GOOD GOVERNMENT (PCGG),
PETITIONER, VS. THE SANDIGANBAYAN (SECOND DIVISION) AND
RODOLFO T. ARAMBULO, R...**

G.R. No. 140615. February 19, 2001

Ponente: BUENA, J.

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BUENA, J.:

This is a petition for annulment of the Resolutions[1] of the public respondent Sandiganbayan promulgated on July 11, 1997 and February 3, 1998 on grounds of lack of jurisdiction or grave abuse of discretion amounting to lack of jurisdiction and that the petitioner Republic of the Philippines/Presidential Commission on Good Government was deprived of due process of law, in that the public respondent declared the private respondent the owner of 1/7 of the shares of stock of Piedras Petroleum Co., Inc. without first requiring him to present evidence showing his ownership over them, and awarded him 144.12 Million Pesos from a mere motion for execution filed by said private respondent of a judgment on a Compromise Agreement to which private respondent Arambulo is not a party. Petitioner alleges that the owner of the said shares is Imelda R. Marcos who funded the paid-up subscriptions of all the seven (7) incorporators and directors/subscribers of Piedras with TRB (Traders Royal Bank) check No. 582753 dated March 31, 1976, for five million pesos taken from TRB Investment Management Account (IMA) No. 75-20 of Imelda R. Marcos.

The Sandiganbayan summarized the relevant antecedent facts as follows:[2]

"Piedras Petroleum Company, Inc. was organized in 1976, with the authorized capital stock of P20,000,000.00 divided into 2,000,000,000 shares at P0.01 per share.

"George Alba, Nestor Mata, Dominador Pangilinan, Salvador Tan and Mariano del Mundo were the incorporators and, together with Francisco de Leon and Arambulo, directors and subscribers. De Leon subscribed to 145,000,000 shares with the total par value of P1,450,000.00 and paid on his subscription P725,000.00. Each of the others subscribed to 142,500,000 shares with the par value of P1,425,000.00 and paid on his subscription P712,000.00. The total shares subscribed were 1,000,000,000 amounting to P10,000,000.00 of which P5,000,000.00 was paid-up.

"All the seven directors and subscribers were nominees of Roberto S. Benedicto.

"On a date or dates not appearing in the record, Piedras acquired 13,500,000,000 shares of Oriental Petroleum.

"On July 23, 1987, the Presidential Commission on Good Government sequestered all the stockholdings, rights and interests of the seven directors and subscribers: namely, Alba, Mata, Pangilinan, Tan, del Mundo, de Leon and Arambulo in Piedras.

"Eight days later, the PCGG filed this case [Civil Case No. 0034] against Benedicto, Ferdinand E. Marcos and Imelda R. Marcos as principal defendants and 32 other defendants. Among them are Hector T. Rivera, Julieta

C. Benedicto, Lourdes V. Rivera, Miguel V. Gonzales, Pagasa San Agustin, Rocio R Torres, Mariano Benedicto, Romulo Benedicto, Zacarias Amante, Francisco A. Benedicto, Jose Montalvo, Jesus Martinez, Nestor Mata, Alberto Velez, Ricardo de Leon, Zapiro Tampinco, Dominador Pangilinan and Arambulo. Except Hector T. Rivera, all these defendants are alleged to be dummies, nominees or agents acting as incorporators, directors or stockholders of corporations owned or controlled by the principal defendants.

"The Amended Complaint dated April 12, 1987, is for 'reconveyance,' 'reversion' or 'restitution' of alleged ill-gotten wealth accumulated by the defendants acting in unlawful concert with one another, with accounting and damages. Of the several causes of action sued upon, none involves Piedras or its shares. In fact, the corporation or its stocks are not expressly mentioned as ill-gotten wealth of any of the defendants. The only cause of action involving Arambulo concerns the establishment of the California Overseas Bank in California, U.S.A., in which he allegedly participated in unlawful concert with the principal defendants.

"Neither is Piedras specifically included in Annex "A" of the Amended Complaint, which is a list of the claimed ill-gotten wealth amassed by Benedicto and his co-defendants. But Annex "A" mentions the 'Frozen Bank Accounts and other assets of Rodolfo Arambulo' and contains the catch-all clause: 'And all other assets of all the defendants sequestered and/or frozen by the Commission pursuant to Executive Order [s] Nos. 1 and 2.'

"The Record does not show that any of the defendants set up in their respective answers cross-claims against Arambulo claiming ownership of the sequestered Piedras shares in his name.

"On November 3, 1990, the plaintiff, through the PCGG, and principal defendant Benedicto entered into a 'Compromise Agreement.' Upon their joint motion and after hearing, the Court approved it on October 2, 1992, rendered judgment on it and enjoined the parties to comply with it. In the decision in Republic vs. Sandiganbayan (226 SCRA 314 [1993]), the Supreme Court dismissed the petition to set aside the approval and ordered strict compliance with the Compromise Agreement.

"x x x x x x x x

"As a requirement in the entry into the Compromise Agreement, Benedicto executed a Deed of Confirmation dated October 20, 1990, xxx

"After the approval of the Compromise Agreement, a general Information Sheet subscribed and sworn to on September 5, 1994 was filed with the Securities and Exchange Commission. The address of Piedras is stated to be '6/F Philcomsen Bldg., Ortigas Avenue, Pasig, Metro Manila,' which was and is now the given address of the PCGG.

"Arambulo is still one of the directors and has a subscription of P1,424,999.00 of which P712,499.00 is paid-up. This is the same subscription and paid-up amount he had when Piedras was incorporated, minus P1.00. Instead of the other directors and subscribers nominated by Benedicto, the new subscriber is the Republic of the Philippines with P8,574,999.05 worth of shares, of which P4,287,000.00 is paid-up. This is also the total subscriptions and paid-up amounts, which the other nominees had at the time of incorporation, less P0.95 from the total subscriptions.

"The other directors each holds a share in Piedras obviously placed in their respective names to qualify them as directors."

In a Motion for Execution dated March 13, 1996 of the judgment on Compromise Agreement, Arambulo alleged that: 1.) he is a stockholder and director of Piedras owning 1/7 of the outstanding shares therein 2.) under the Compromise Agreement between the plaintiff and Benedicto, the latter ceded to the Government properties listed in Annex "A" thereof and assigned whatever rights and interests he had in the corporate assets enumerated in Annex "B;" 3.) the Piedras shares in the names of Francisco Benedicto, Mariano del Mundo, Salvador Tan and Dominador Pangilinan are mentioned in Annex "A" and ceded to the government, but Arambulo's shares are not

so listed nor ceded; 4.) on the other hand, the PCGG lifted the writs of sequestration over properties set forth in Annex "C" and "all other sequestered assets that belong to Benedicto and/or his corporation/nominees which are not listed in Annex "A" as ceded or to be ceded to the Government; and 5.) upon the approval of the Compromise Agreement by this Court and affirmation of the approval by the Supreme Court, this case became moot and academic and this Court lost jurisdiction over it, except to order the execution of the judgment or the Agreement. Arambulo prayed that the PCGG be ordered to release to him the dividends appertaining to his shares in Piedras and to cease interfering with and/or obstructing the peaceful exercise of his rights over the said shares.

In its Opposition, the Republic of the Philippines (hereinafter Republic) contended that Arambulo has no legal personality to ask for the execution of the judgment, for he is not a party to the Compromise Agreement, and while the Agreement may have put an end to the litigation as between the Republic and therein defendant Benedicto, it is not so as to Arambulo.

Arambulo replied asserting that although he is not a party to the Agreement, the same extends by its terms to him and other defendants who are alleged to be Benedicto's officers, agents and/or nominees and who, by reason of their being such, were impleaded as defendants. Arambulo further argued that in the Complaint, he and Benedicto were sued under a common cause of action which cannot be sustained without the presence of Benedicto.

In his Fourth Urgent Motion for Resolution of the Motion for Execution, Arambulo attached a Deed of Confirmation dated October 20, 1990, and quoting the provisions thereof, he pointed out to the following: That he is a stockholder of Piedras; that he acquired his shares therein legitimately; that Benedicto, he and the other nominees do not hold assets in trust and for the benefit of the former President Marcos' family, and that except he (Arambulo), the stockholders of Piedras assigned their Piedras shares to the Government as part of the assets ceded by Benedicto under the Compromise Agreement.

The Republic filed an Opposition asserting that under Annex "A" of the Compromise Agreement, Benedicto ceded to it 100% of the 13.5 billion shares of Oriental Petroleum; that under the Deed of Confirmation, Benedicto confirmed that all stockholders of Piedras are his nominees, and that a nominee is one who is being nominated and therefore Arambulo is not a stockholder but one who holds in trust the shares of Benedicto who is the beneficial owner.

Arambulo countered with a Reply arguing that what Benedicto ceded to the Government was not 100% of the Oriental Petroleum shares owned by Piedras but 100% thereof pertaining to Francisco Benedicto, Mariano del Mundo, Salvador Tan and Solita Pangilinan, widow of Dominador Pangilinan; and that he (Arambulo) is a stockholder by the language of the Deed of Confirmation and the Piedras shares were legitimately acquired by Benedicto and/or his nominees.

In compliance with the directive of the Sandiganbayan, Benedicto's counsel filed a comment. None was submitted for the 18 associates/nominees. Benedicto pointed out that the intention of the parties was to transfer 100% of the sequestered 13.5 billion Oriental Petroleum shares to the Government; that since these shares were Piedras property (not of the stockholders of Piedras), to effect the transfer it was not necessary that all the seven stockholders who were nominees of Benedicto should act, but only the majority of the stockholders or, at least, 66 2/3% vote. Benedicto submitted that if affirmative relief is granted as prayed for in the Motion for Execution, it should be subject to the qualification that the said relief should not in any way serve as basis to impair or prejudice the cessions or provisions of the Compromise Agreement.

On July 11, 1997, the Sandiganbayan promulgated the herein assailed Resolution, the dispositive portion of which reads:

"WHEREFORE, in view of all the foregoing considerations, the Court holds that Rodolfo T. Arambulo is the

subscriber-owner of 145,000,000 shares issued by Piedras Petroleum Company, Inc. with the par value of P0.01 per share or a total of P1,425,000.00, P712,500 of which is fully paid-up, free of any sequestration lien; and, accordingly, orders the Presidential Commission on Good Government, as sequestrator of the said shares and/or as holder of the great majority of stock in Piedras acting through its Board of PCGG nominated Directors:

- 1.) To release in favor of Rodolfo T. Arambulo all the dividends corresponding to his Piedras shares and
- 2.) To cease from interfering with and/or obstructing the peaceful exercise of his rights of ownership over the Piedras shares, including the right to vote and to be voted for.

SO ORDERED."[3]

The Republic filed a motion for reconsideration which the Sandiganbayan denied on February 3, 1998,[4] reiterating the orders in its Resolution of July 11, 1997.

On March 23, 1998, the Sandiganbayan issued a Writ of Execution.[5]

On April 8, 1998, herein petitioner, through the Office of the Solicitor General filed with this Court a petition for certiorari under Rule 65 seeking to annul the Resolutions of the Sandiganbayan promulgated on July 11, 1997 and February 3, 1998 docketed as G.R. No. 133096, but the same was dismissed for having been filed one (1) day late.

On June 8, 1998, the OSG filed before the Supreme Court in G.R. No. 133096 an Urgent Motion for Issuance of a Temporary Restraining Order to enjoin the Sandiganbayan from implementing the Writ of Execution.

On July 2, 1998, the OSG received a copy of the Resolution dated June 1, 1998 of this Court dismissing the petition for certiorari for having been filed beyond the sixty-day period from receipt of the questioned Resolution.

On July 5, 1999, the OSG filed a Manifestation and Motion, stating that the petition was filed on time because the last day for filing of the petition was on April 7, 1998 and the petition was filed on said date.

On August 31, 1998, the OSG received a copy of the Resolution dated July 20, 1998 of this Court in G.R. No. 133096, where petitioner's Manifestation and Motion praying that the petition for certiorari be admitted and the prayer for a temporary restraining order be granted, was noted.

On September 15, 1998, the OSG filed a Motion to Give Due Course to the Petition for Certiorari with an Urgent Prayer for the issuance of a Temporary Restraining Order with the Supreme Court in G.R. No. 133096.

On November 22, 1999, the OSG filed a Motion to Withdraw the Motion to Give Due Course.

On even date, the petitioner, through the OSG filed the instant petition for annulment which was docketed as G.R. No. 140615. As heretofore stated, the petition prays for the annulment of the Resolutions dated July 11, 1997 and February 3, 1998 of the Sandiganbayan on grounds of grave abuse of discretion amounting to lack of jurisdiction and that the petitioner was deprived of due process of law.

On January 26, 2000, the petitioner filed an Urgent Motion for Issuance of Temporary Restraining Order.[6]

On February 22, 2000, this court issued a temporary restraining order,[7] effective immediately and continuing until further orders from this Court, ordering the respondents Sandiganbayan and Rodolfo T. Arambulo, or his representatives, to cease and desist from implementing the writ of execution issued by the Sandiganbayan on 23 March 1998 in Civil Case No. 0034, entitled "Republic of the Philippines vs. Roberto S. Benedicto, et al.

In a Resolution[8] dated February 22, 2000, this Court, without giving due course to the petition, resolved to require respondents to comment on the petition within ten (10) days from notice.

On March 2, 2000, private respondent Arambulo filed an Urgent Motion (To Dismiss Petition and Recall Temporary Restraining Order),[9] praying that: 1.) the temporary restraining order dated 22 February 2000 be recalled; 2.) the petition for annulment of resolutions with prayer for the issuance of a writ of preliminary injunction be dismissed outright on grounds of res judicata and forum-shopping; 3.) the members of the PCGG, particularly Associate Commissioner Antonio A. Mereles, be cited for contempt of court for grave misrepresentation and forum-shopping; 4.) disciplinary and administrative sanctions against the Office of the Solicitor General be initiated and imposed for violation of the lawyer's oath and for conspiracy with the PCGG in violating the constitutional and statutory rights of private respondent; and 5.) reasonable damages and costs be awarded to private respondent as compensation for the alleged violation of his rights.

On March 10, 2000, private respondent filed an Urgent Motion For Early Resolution.[10]

On March 30, 2000, the Court required petitioner to comment on private respondent's Urgent Motion (To Dismiss Petition and Recall TRO) within ten (10) days from notice.[11]

On April 5, 2000, private respondent filed a Manifestation (In Lieu of Comment)[12] praying that the Urgent Motion (To Dismiss Petition and Recall Temporary Restraining Order) and the Urgent Motion For Early Resolution be adopted as private respondent's Comment; and that the prayers in the adopted pleadings/motions be granted.

On May 25, 2000, petitioner filed its Comment On The Urgent Motion (To Dismiss Petition and Recall Temporary Restraining Order) Of Private Respondent.[13] In its Comment, petitioner averred that a void judgment can never become final and executory; that action to declare it a nullity does not prescribe; that the petition is not a mere rehash of a prior dismissed petition; that the State's right to recover ill-gotten wealth is not barred by estoppel; that res adjudicata does not apply in the instant case; that petitioner is not guilty of forum shopping but private respondent; that neither petitioner nor Comm. Merelos is guilty of misrepresentation; and that the TRO prevents injustice to the government and violates no constitutional or statutory right of private respondent.

In a Resolution[14] dated June 7, 2000, the Court resolved to require the private respondent to Reply to the Solicitor General's Comment On The Urgent Motion (To Dismiss Petition and Recall Temporary Restraining Order).

On June 27, 2000, private respondent filed his Reply.[15]

The proper issues in this case boil down to two: 1.) whether or not petitioner was deprived of due process of law when the public respondent resolved the motion for execution in favor of private respondent Arambulo allegedly without requiring the parties to present their respective evidence to prove their contrary claims/allegations; and, 2.) whether the dismissal of the petition docketed as G.R. No. 133096 bars the filing of the instant case.

On the first issue, petitioner alleges that there was no evidence supporting respondent Sandiganbayan's conclusion that respondent Arambulo is the "subscriber-owner" of 1/7 of the Piedras shares. Petitioner also alleges that this unmistakably disregards the fundamental and essential requirements of due process which demand that "a finding or decision" must be supported by evidence presented at a hearing or contained in the records or disclosed to the parties affected. Petitioner avers that such Sandiganbayan's conclusion or finding is without any explanation or reason therefor, which is one of the essential requirements of due process of law.[16]

This Court finds petitioner's contentions untenable. The Sandiganbayan gave both the petitioner and the private respondent ample opportunity to present their respective evidence on the issue of ownership of the 1/7 Piedras Shares. When petitioner (plaintiff in the case below) submitted its Opposition (to Arambulo's motion for

execution) dated April 11, 1996 and another Opposition (to Arambulo's additional argument in his motion for resolution) dated February 26, 1997,[17] petitioner was thereby given the chance to air its side which is the essence of due process of law.

Contrary to petitioner's averments that the Sandiganbayan's conclusion or finding is without any explanation or reason therefor, the following ratiocinations in the public respondent's assailed Resolution promulgated on July 11, 1997, explain why affirmative relief should be granted to private respondent Arambulo, thus:

"1. Section 26, Article XVIII, 1987 Constitution, provides in part:

'For [sequestration or freeze] orders issued before the ratification of this Constitution [on February 7, 1987], 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 prescribed.'

"In this case, the PCGG sequestered the shares in the names of seven Piedras stockholders, one of whom was Arambulo on July 23, 1987, and the plaintiff filed this case on July 31, 1987. The question is: Is this case the corresponding judicial action or proceeding contemplated in the above quoted constitutional provision insofar as Piedras Petroleum Co., Inc. and/or its stocks issued in the name of Arambulo are concerned? The answer is no.

"The complaints, original and amended, do not allege any cause of action for recovery of the Piedras shares in the name of Arambulo. In fact, no mention whatsoever is made in the pleadings of Piedras and/or its shares as supposed ill-gotten wealth of any of the defendants. The only cause of action involving Arambulo concerns the establishment of the California Overseas Bank in California, U.S.A., in which he averredly participated in unlawful concert with the principal defendants.

"Neither is Piedras specifically named in Annex "A" of the Amended Complaint, which is a list of alleged ill-gotten wealth of Benedicto and his co-defendants. Albeit the said Annex "A" mentions the 'Frozen Bank Accounts and the Assets of Rodolfo Arambulo' and contains the catch-all clause 'And all other assets of all the defendants sequestered and/or frozen by the Commission pursuant to Executive Order[s] Nos. 1 and 2,' these general averments, without more, are insufficient to catapult this case to the category of a judicial action or proceeding referred to in the Constitution insofar as Arambulo is concerned.

"Since this case is not that required in the fundamental law and none has been filed up to now, the sequestration order over the Piedras shares of Arambulo was automatically lifted upon the lapse of the prescribed six-month period. Consequently, the plaintiff has no more legal right to retain the dividends appertaining to his shares in Piedras.

"2. The Deed of Confirmation executed by Benedicto in favor of the plaintiff on October 20, 1990, provides in part:

'NOW, THEREFORE, for and in consideration of the foregoing premises, the First Party [Benedicto] hereby confirms that the assets, both real and personal, [including the shares of stock of Piedras Petroleum Company, Inc.] (intercalated words taken from another where clause of the Deed of Confirmation), covered by the proposed Compromise Agreement involving the settlement of the claims of the Second Party [the plaintiff] on the sequestered assets of the First Party located in the Philippines, are exclusively owned and belonged to the First Party and/or his group controlled corporations/businesses or nominees and the said assets were legitimately and lawfully acquired by the First Party and/or his nominees, as earlier stated, and as such, the latter has/have the right to cede in favor of the Second Party part of the said assets, as consideration of the

proposed Compromise Agreement.'

"The just quoted stipulation identifies Arambulo as a nominee of Benedicto, but it does not necessarily imply that Benedicto, not Arambulo, is the owner of the Piedras shares recorded in the latter's name. Under the Deed, the owner can be Benedicto, Arambulo and/or any of the other nominees. This is clear from the above provision that... 'the sequestered assets... are exclusively owned [by] and belonged to' Benedicto 'and/or his group controlled corporations, businesses or nominees and the said assets were legitimately and lawfully acquired by' Benedicto 'and/or his nominees...'

"The facts narrated in the early part of this Resolution disclose that none of the defendants in this case set up a cross-claim in their respective answers to the complaint, original or amended, asserting exclusive ownership of Piedras shares registered in the name of Arambulo.

"With particular reference to Benedicto, he did not assert any claim of exclusive ownership over the said shares as against Arambulo. Neither did he deny such claim by Arambulo. He merely submits that any affirmative relief to Arambulo on the Motion for Execution should not in any way impair or prejudice the cessions he made to the Government.

"Nor did any of the other nominees of Benedicto. They did not even bother to comment on the motion, despite the period given them to do so.

"It was only Arambulo who claimed and now claims exclusive ownership of and concomitant rights in the Piedras shares placed in his name.

"From all the foregoing, it is safe to conclude that Arambulo was merely invited or requested to be a shareholder in Piedras by Benedicto but he (Arambulo) himself paid for his own subscriptions from his own resources. This is strengthened by the fact that although Arambulo is mentioned as a nominee in the Deed of Confirmation, unlike the other nominees, he did not assign any Piedras shares to the Government.

"3. Under Par. I (a) of the Compromise Agreement and Annex "A" thereof, Benedicto ceded to the Government the 'shareholdings' in, among other corporations:

'Piedras Mining (100% of 13.5 billion shares of Oriental Petroleum valued at 0.03/share, thru the ff. nominees:

- 1.) Francisco Benedicto,
- 2.) Mariano del Mundo,
- 3.) Salvador Tan,
- 4.) Solita Pangilinan(widow of Dominador Pangilinan)...[P]418,500,000.00M'

"Contrary to the assertions of both the plaintiff and Arambulo, what Benedicto ceded was his 'shareholdings' in Piedras through his four nominees and not any of the 13.5 billion shares of Oriental Petroleum owned by Piedras.

"But why were the Oriental shares mentioned? Because they were used as basis for fixing the value of the Piedras shares ceded to the Government which became the great majority stockholder in Piedras. The same mode of determining the value of the shareholdings of Benedicto in Pontevedra Agricultural Land and Inter-Continental Broadcasting Corporation mentioned in the same Par. 1 (a) and Annex "A" of the Compromise Agreement was adopted. Thus, the Pontevedra shares ceded by him to the Government were appraised at an amount equal to 40% of the estimated value of three haciendas owned by Pontevedra. Similarly, the Inter-Continental shares were given a value equal to 100% of some corporate lands and buildings used as TV and Radio stations.

"For the reason that the Piedras shareholdings to be ceded were in the names of Benedicto's six nominees -- namely: Francisco Benedicto, del Mundo, Salvador and Pangilinan, plus George Alba and Nestor Mata, as added in the Deed of Confirmation -- the cession must have to be through them. Accordingly, as mentioned in the said Deed, the six listed nominees assigned the Piedras shares under their respective names to the Government, which assignment were for all intents and purposes deemed as if executed by Benedicto. All in all, they assigned or ceded 8,575,000 Piedras shares with the total par value of P857,500.00, of which P4,287,500.00 was fully paid. The remaining outstanding Piedras shares, 1,425,000 in number, amounting to 1,425,000.00, of which P712,500.00 was paid up continue to be Arambulo's.

"Accordingly, the General Information Sheet of Piedras prepared in September 1994 when the plaintiff was already the great majority stockholder shows that it owns Piedras shares amounting to P8,574,999.05, of which P4,287,500.00 was fully paid. These are the same Piedras shares assigned to the Government by Benedicto's six nominees, minus P0.95. The said General Information Sheet also discloses that Arambulo is still a director and has Piedras shares with par value of P1,424,999.00, of which P712,499.00 is paid up. This is also the same Piedras shares he subscribed when Piedras was incorporated, less P1.00. The deducted shares were placed in the names of the other directors to qualify them as such.

"Benedicto tried to justify why only four of his nominees through whom the Piedras shares were ceded to the Government, and not all seven of them, including Arambulo. According to Benedicto, the assignment of 13.5 billion Oriental shares was a corporate act of Piedras, which under the law could be done by the majority or, at least, 66²/₃% vote. This would have been perhaps correct had the Oriental shares been the assets ceded and the cession had been made by Piedras which owned the said shares. But as already stated, what was transferred was the shareholdings in Piedras, and not the Oriental shares. It was Benedicto who effected the transfer through his nominees, except Arambulo, and not Piedras. And Piedras continued to be the owner of the Oriental shares, and not the Government.

"4. In the Deed of Confirmation executed in October 1990, by Benedicto, only his six nominees assigned the Piedras shares recorded in their respective names. They were Alba, Mata, Pangilinan, Tan, del Mundo and Francisco de Leon (Francisco Benedicto). Although Arambulo was also mentioned in the Deed as Benedicto's nominees, he did not assign the Piedras shares registered in his name.

If under the Compromise Agreement the intention was to cede all outstanding Piedras shares, no valid reason appears why Arambulo did not also assign his shares. The fact that he was allegedly in the United States at the time was not an insurmountable obstacle, just as the fact that Benedicto was in Caracas, Venezuela when he executed the Deed of Confirmation and in Singapore when he signed the Compromise Agreement was not.

"The plaintiff did not take any legal action to compel Arambulo to transfer to it his Piedras share purportedly pursuant to the Compromise Agreement entered into in November 1990 until after more than six years on (sic) February 1997 when it prayed for the first time in its second Opposition to the Motion for Execution that he be so directed. When the plaintiff filed its first Opposition in April 1996, it did not. It did not even allege therein that it was entitled to the assignment of the shares. The belated prayer appears to be an after-thought.

"Neither Benedicto, nor any of his other nominees moved in this case or filed any action for an order directing Arambulo to cede his Piedras shares to the Government. In fact, as already mentioned, they did not even deny the ownership claimed by him over the Piedras shares.

"5. As already stated, Annex "A" of the Compromise Agreement is a list of assets ceded or to be ceded by Benedicto to the Government and Arambulo's Piedras shares are not mentioned therein. Annex "B" of the same Agreement is another list of assets over which any rights or interests of Benedicto shall be assigned to the

Government. Similarly, Arambulo's Piedras shares are not included in Annex "B."

"The Annex "C" of the said Agreement is the third list of assets the sequestration over which shall be lifted by the plaintiff. Arambulo's Piedras shares are not specified therein. But after enumerating various assets, it adds:

'All the sequestered properties or assets (real or personal) not otherwise ceded to the Republic of the Philippines.'

"Assuming that the writ of sequestration issued over the Piedras shares of Arambulo is still in effect despite the failure of the plaintiff to file the corresponding judicial action or proceeding within the prescribed period, the same should be lifted in accordance with the above quoted general stipulation under which the said shares of Arambulo fall." [18]

On the second issue, petitioner alleges that the dismissal of the petition for certiorari under Rule 65, in G.R. No. 133096 is not a bar to the instant petition, for, in a similar case where the petition for relief from judgment was filed outside the reglementary period, this Court entertained it, treating it as an action for annulment of judgment.

The Court is not persuaded. One important condition for the availment of annulment of judgments or final orders and resolution under Rule 47 of the 1997 Rules of Civil Procedure is that the petitioner failed to move for new trial in, or appeal from, or file a petition for relief against, or take other appropriate remedies assailing the questioned judgment or final order or resolution through no fault attributable to him. If he failed to avail of those other remedies without sufficient justification, he cannot resort to the action for annulment provided in this Rule, otherwise he would benefit from his own inaction or negligence. [19] Since petitioner failed to avail of its remedy when it filed its petition one day late in G.R. No. 133096 questioning the same Sandiganbayan Resolutions of July 11, 1997 and February 3, 1998, he cannot resort to the action for annulment.

Petitioner cites cases where the Supreme Court entertained the petition which was filed out of time and treated it as an action for annulment of judgment. We cannot do the same in the case at bar. Upon examination of the pleadings filed by the parties, the Court finds the instant petition to be not prima facie meritorious. Petitioner's arguments for the annulment of the assailed Sandiganbayan Resolutions revolve around the alleged absence of factual and legal basis for declaring respondent Arambulo as the subscriber-owner of 145,000,000 Piedras shares of stock. But as heretofore discussed, the assailed Resolutions fully explained the reasons why affirmative relief should be granted to private respondent Arambulo.

In the Preliminary Statement of the petition, petitioner alleges that it was "xxx Imelda R. Marcos who funded the paid-up subscriptions of all the seven (7) incorporators xxx including that of Arambulo's P712,000.00 (as reflected in the Piedras' Articles of Incorporation), with TRB (Traders Royal Bank) check No. 582753 dated March 31, 1976, for P5 million, taken from TRB Investment Management Account (IMA) No. 75-20 of Imelda R. Marcos, and deposited for Piedras under Current Account No. 30499." [20] Petitioner supports its allegation with Annex "E," appearing on pages 90-91 of the case rollo, which is a copy of the TRB Check Voucher Authority To Pay Disbursement & Advance showing the withdrawal of funds from IMA 75-20. This attachment merely showed that the money for the Piedras shares came from IMA 75-20. There is no showing, however, that IMA No. 75-20 indeed belonged to Mrs. Imelda R. Marcos. [21]

Petitioner having failed to present sufficient grounds for this Court to give due course to the instant petition, the same should be dismissed.

WHEREFORE, for lack of merit, the instant petition is DISMISSED and the temporary restraining order issued on February 22, 2000 is hereby recalled.

SO ORDERED.

Bellosillo, (Chairman), Mendoza, Quisumbing, and De Leon, Jr., JJ., concur.

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- [1] Petition, Annexes "A" and "B," Rollo, pp. 54-76 and pp. 77-81.
- [2] Resolution of the Sandiganbayan dated July 11, 1997, Petition, Annex "A," Rollo, pp. 54-76.
- [3] Rollo, p. 76.
- [4] Resolution promulgated on February 3, 1998, Rollo, pp. 77-81.
- [5] Petition, Annex "O," Rollo, pp. 267-268.
- [6] Rollo, pp. 273-281.
- [7] Ibid., p. 289.
- [8] Ibid., p. 301.
- [9] Ibid., 303-329.
- [10] Ibid., pp. 416-421.
- [11] Ibid., p. 452.
- [12] Ibid., pp. 456-460.
- [13] Ibid., pp. 464-525.
- [14] Ibid., p. 564.
- [15] Ibid., pp. 569-622.
- [16] Petition, pp. 40-41; Rollo, pp. 42-43.
- [17] Sandiganbayan Resolution of July 11, 1997, pp. 1-2; Rollo, pp. 54-55.
- [18] Sandiganbayan Resolution of July 11, 1997, pp. 13-22; Rollo, pp. 66-75.
- [19] Remedial Law Compendium, Regalado, p. 557, 6[th] Ed.
- [20] Petition, pp. 3 and 11; Rollo, pp. 4 and 12.
- [21] Par. 16, p. 27 of Arambulo's Reply, Rollo, p. 595, states: "16. Besides, a cursory perusal of the Petition and its annexes reveals no certification from Traders Royal Bank attesting that TRB IMA No. 75-20 is indeed Imelda R. Marcos' bank account, if it exists at all! Clearly, the PCGG's evocation of the Marcosian specter is but a tall tale -- the devious product of their fantastic imagination -- another artifice to mislead and jitter the Honorable Court into issuing the uncalled for TRO. No wonder the Sandiganbayan and the Honorable Court (Second Division) in G.R. No. 133096 trashed the PCGG's and OSG's pleadings and motions -- they are worthless!" The petitioner did not bother to file any Rejoinder.

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