

**CATMON SALES INTERNATIONAL CORPORATION, PETITIONER, VS.
ATTY. MANUEL D. YNGSON, JR., AS LIQUIDATOR OF CATMON SALES
INTERNATIONAL CORPORATION, RESPONDENT.**

G.R. No. 179761. January 15, 2010

Ponente: NACHURA, J.

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NACHURA, J.:

This is a petition for review on certiorari under Rule 45 of the Rules of Court, assailing the Court of Appeals (CA) Decision[1] dated April 24, 2007 and Resolution[2] dated September 14, 2007 in CA-G.R. SP No. 95938. The assailed decision, in turn, affirmed the Decision[3] of the Securities and Exchange Commission (SEC) En Banc in SEC En Banc Case No. 05-010 (SEC Case No. 02-99-6204).

The facts of the case follow:

On February 8, 1999, petitioner Catmon Sales International Corporation filed a Petition[4] for Declaration in a State of Suspension of Payments with the SEC. The case was docketed as SEC Case No. 02-99-6204.

On May 10, 2000, the SEC declared petitioner technically insolvent considering that there was no settlement reached with its creditors and that its inability to pay its creditors had lasted for a period longer than one year from the filing of the petition.[5] In an Order dated August 28, 2000, the SEC denied petitioner's motion for reconsideration. In the same Order, the SEC appointed respondent Manuel D. Yngson, Jr. of Receivers and Liquidators, Inc. as petitioner's liquidator.[6]

On May 31, 2001, the SEC terminated the services of respondent. Respondent, in turn, submitted his Accomplishment Report summarizing all the activities he had undertaken and billed the SEC the total sum of P623,214.35, representing his liquidator's fee and reimbursement of out-of-pocket expenses. On December 18, 2001, the SEC ordered that an audit be conducted to determine the proper amount to be paid to respondent.[7] The Corporation Finance Department noted a slight difference in the liquidator's computation.[8] On September 23, 2004, respondent manifested to the SEC that he was willing to reduce his liquidator's fee provided that his request for administrative expenses be settled in full.

On June 23, 2005, the SEC, through its General Counsel, ordered the members of the Board of Directors of petitioner to pay respondent his claim for reimbursement of the expenses incurred in the performance of his duties as liquidator, together with his liquidator's fee, for a total amount of P398,284.40.[9] Petitioner's motion for reconsideration was denied on October 11, 2005.[10]

On appeal, the SEC En Banc modified the June 23, 2005 and October 11, 2005 Orders in this wise:

WHEREFORE, premises considered, the Order dated 11 October 2005 is accordingly modified. The members of the Board of Directors of Appellant Catmon who are constituted as Trustees are hereby ordered to pay the Liquidator, Atty. Manuel D. Yngson, the amount of TWO HUNDRED TWENTY FIVE THOUSAND PESOS (P225,000.00) from the assets of Appellant Catmon, representing his liquidator's fee within fifteen (15) days

from date of actual receipt of this Order.

SO ORDERED.[11]

While it is true that the compensation or fees of the management committee, receivers and liquidators shall be determined by the agreement between the parties, the SEC En Banc explained that it was authorized to determine such fees and compensation in the absence of an agreement.[12] The SEC clarified that although petitioner's directors, who were constituted as trustees of the corporation, were made to pay respondent's fees, such obligation should not be considered as their personal liabilities but for the account of petitioner.[13] Lastly, while respondent's claim for liquidator's fee was sustained, his claim for reimbursement of out-of-pocket expenses was deleted.[14]

Unsatisfied, petitioner elevated the matter to the CA. On April 24, 2007, the CA affirmed the SEC En Banc decision. Petitioner's motion for reconsideration was likewise denied on September 14, 2007.

Petitioner now comes before this Court, arguing that:

THE COURT OF APPEALS COMMITTED GROSS ERROR AND ACTED WITHOUT OR IN EXCESS OF ITS JURISDICTION AND/OR GRAVELY ABUSED ITS DISCRETION WHEN IT AFFIRMED THE DECISION OF THE SEC EN BANC.[15]

The petition is without merit.

We stress the settled rule that the findings of fact of administrative bodies, such as the SEC, will not be interfered with by the courts in the absence of grave abuse of discretion on the part of said agencies, or unless the aforementioned findings are not supported by substantial evidence. These factual findings carry even more weight when affirmed by the CA. They are accorded not only great respect but even finality, and are binding upon this Court, unless it is shown that the administrative body had arbitrarily disregarded or misapprehended evidence before it to such an extent as to compel a contrary conclusion had such evidence been properly appreciated.[16] By reason of the special knowledge and expertise of administrative agencies over matters falling under their jurisdiction, they are in a better position to pass judgment thereon.[17]

A review of the petition does not show any reversible error committed by the appellate court; hence, the petition must be denied. Petitioner failed to present any argument that would convince the Court that the SEC and the CA made any misappreciation of the facts and the applicable laws such that their decisions should be overturned.[18]

Respondent's appointment as petitioner's liquidator and the former's entitlement to compensation are not disputed. The only issue in the instant case pertains to the manner in which the amount of the liquidator's fee was fixed. Petitioner wants this Court to nullify the CA decision simply because respondent's fee was fixed by the SEC instead of by the parties themselves.

The determination of respondent's fee as liquidator was initiated through a letter[19] sent by respondent to the SEC, requesting from the latter refund his personal advances and out-of-pocket expenses, and payment of his liquidator's fee. Acting on the said letter, the SEC ordered that an audit be conducted to determine the proper amount to be paid to respondent.[20] Thereafter, the SEC, through its General Counsel, ordered the members of the Board of Directors of petitioner, as trustees, to undertake the liquidation of the corporation and to pay respondent his liquidator's fee and other expenses incurred in the performance of his duties. Upon receipt of the SEC Order, petitioner filed a motion for reconsideration thereof on the following grounds:

(1).

WITH ALL DUE RESPECTS (SIC), THE BOARD OF DIRECTORS OF CATMON SHOULD NOT BE

HELD LIABLE FOR THE CLAIM OF THE LIQUIDATOR;

(2).

THE CLAIM FOR REIMBURSEMENT IS EXCESSIVE AND UNFOUNDED; and

(3).

THERE IS STILL PENDING IN THE SUPREME COURT A PETITION FOR CERTIORARI FROM THE ORDER OF THE SEC DIRECTING THE DISSOLUTION OF CATMON.[21]

Nowhere in the above motion did petitioner question the SEC's authority to fix respondent's liquidator's fee. It was only in its Memorandum of Appeal filed with the SEC En Banc that petitioner assailed such authority, indicating that the said argument was a mere afterthought. Moreover, in support of the second ground relied upon by petitioner -- that the claim for reimbursement was excessive and unfounded -- it questioned respondent's claim for reimbursement of salaries and wages, office rentals and Social Security System (SSS) and Philippine Health Insurance Corporation (PhilHealth) contributions, allegedly because they should have been absorbed in the bill for services of the liquidator. Again, no issue was raised on the amount of the liquidator's fee.

Even assuming that the issues were properly raised, still, we find no cogent reason to depart from the conclusions of the CA.

Petitioner insists that pursuant to SEC Memorandum Circular No. 14, Series of 2001[22] (Circular), the liquidator's fee shall be determined by the agreement between the liquidating corporation and the liquidator. Only when they fail to reach an agreement may the SEC exercise the power to fix the amount. Considering that the SEC determined the liquidator's fee without requiring the parties to meet and settle the amount, petitioner contends that it was denied its right to due process.

Indeed, the Circular provides:

The compensation or fees of the MANCOM, receivers and liquidators shall be determined by the agreement between the parties and the MANCOM members, receiver or liquidator. This compensation/fees shall be of an amount which the corporation is willing and able to pay and the MANCOM members, receiver or liquidator is willing to accept as fee or compensation for the engagement of their/his service.

In case of failure of agreement, the Commission shall determine the fees and/or compensation of MANCOM, receivers and liquidators in accordance with the guidelines set herein.

However, as correctly pointed out by the CA:

To countenance petitioner's posturing would be to unduly delimit the broad powers granted to the SEC under Presidential Decree No. 902-A, specifically the all-encompassing provision in Section 3 that the SEC has "absolute jurisdiction, supervision and control" over all corporations who are the grantees of primary franchises and/or license or permit issued by the government to operate in the Philippines. There is no gainsaying, therefore, that the SEC is authorized to determine the fees of receivers and liquidators not only when there is "failure of agreement" between the parties but also in the absence thereof. A contrary ruling would give license to corporations under liquidation or receivership to refuse to participate in negotiations for the fixing of the compensation of their liquidators or receivers so as to evade their obligation to pay the same.[23]

Petitioner may not have been given the chance to meet face to face with respondent for the purpose of determining the latter's fee. But this fact alone should not invalidate the amount fixed by the SEC. What matters is the reasonableness of the fee in light of the services rendered by the liquidator. It is the policy of the SEC to

provide uniform/fair and reasonable compensation or fees for the comparable services rendered by the duly designated members of the Management Committee (MANCOM), rehabilitation receivers and liquidators in corporations or partnerships placed under MANCOM/receivership or liquidation, pursuant to Section 6(d) of Presidential Decree No. 902-A, the SEC Rules on Corporate Recovery, the Corporation Code of the Philippines, the Securities Regulation Code, and other related laws enforced by the SEC.[24]

The Court notes that respondent initially demanded P623,214.35, representing his liquidator's fee of P450,000.00 and out-of-pocket expenses of P173,214.35. Respondent later manifested that he was amenable to reduce by one-half his liquidator's fee. Before fixing the amount due the respondent, the SEC, in fact, ordered that an audit be conducted to determine the proper amount to be paid. Clearly, the fee fixed by the SEC was not without basis. Besides, as correctly held by the CA, "respondent actually rendered services in accordance with his oath of office as liquidator for which he is entitled to be compensated by petitioner." [25]

There is also no merit in petitioner's claim that it was denied its right to due process, since the members of its Board of Directors were not summoned to answer respondent's claim. As can be gleaned from the above discussion, as early as the filing of its motion for reconsideration of the June 23, 2005 Order of the SEC, petitioner already questioned the amount awarded to respondent. It is well to reiterate that petitioner questioned only the respondent's claim for reimbursement of out-of-pocket expenses, but not the liquidator's fee. The SEC En Banc eventually disallowed the reimbursement of said expenses. Yet, petitioner continued to assail the award, arguing that the parties, and not the SEC, had the power and authority to determine the correct amount due the respondent. To be sure, all the issues raised by petitioner, including the amount awarded to respondent, were squarely ruled upon by both the SEC and the CA. Hence, petitioner was not only given the opportunity to be heard, but was actually heard through its pleadings.

Procedural due process is the necessity for notice and an opportunity to be heard before judgment is rendered. As long as a party is given the opportunity to defend his interests in due course, he would have no reason to complain, for it is this opportunity to be heard that makes up the essence of due process.[26]

For his part, respondent prayed in his Comment that, in addition to his liquidation fee already awarded in his favor, his claim for reimbursement of administrative expenses be granted.

We answer in the negative.

This Court's ruling in *Coca-Cola Bottlers Philippines, Inc. v. Garcia*[27] is instructive:

It is well-settled that a party who has not appealed from a decision cannot seek any relief other than what is provided in the judgment appealed from. An appellee who has himself not appealed may not obtain from the appellate court any affirmative relief other than the ones granted in the decision of the court below. The appellee can only advance any argument that he may deem necessary to defeat the appellant's claim or to uphold the decision that is being disputed, and he can assign errors in his brief if such is required to strengthen the views expressed by the court a quo. These assigned errors in turn may be considered by the appellate court solely to maintain the appealed decision on other grounds, but not for the purpose of reversing or modifying the judgment in the appellee's favor and giving him other reliefs.[28]

As aptly observed by the CA, respondent did not appeal the SEC decision. Thus, the decision of the CA on the amount due the respondent has become final as to him, and can no longer be reviewed, much less be reversed, by this Court.

WHEREFORE, premises considered, the petition is DENIED for lack of merit. The Court of Appeals Decision dated April 24, 2007 and Resolution dated September 14, 2007 in CA-G.R. SP No. 95938 are AFFIRMED.

SO ORDERED.

Corona, (Chairperson), Velasco, Jr., Nachura, Peralta, and Mendoza, JJ., concur.

[1] Penned by Associate Justice Estela M. Perlas-Bernabe, with Associate Justices Marina L. Buzon and Lucas P. Bersamin (now a member of this Court), concurring; rollo, pp. 27-33.

[2] Id. at 35.

[3] Rollo, pp. 195 -200.

[4] Id. at 37-46.

[5] Id. at 195.

[6] Id.

[7] Id. at 93.

[8] Id. at 196.

[9] Id. at 107-109.

[10] Id. at 115-116.

[11] Id. at 200.

[12] Id. at 197.

[13] Id. at 199.

[14] Id. at 199-200.

[15] Id. at 19.

[16] Raniel v. Jochico, G.R. No. 153413, March 2, 2007, 517 SCRA 221, 227.

[17] Commission on Higher Education v. Dasig, G.R. No. 172776, December 17, 2008, 574 SCRA 227, 242.

[18] Raniel v. Jochico, supra note 16, at 227.

[19] Rollo, pp. 87-92.

[20] Id. at 93.

[21] Id. at 110.

[22] Guidelines on the Compensation and/or Fees of Members of MANCOM/Receivers and Liquidators.

[23] Rollo, p. 30.

[24] SEC Memorandum Circular No. 14, Series of 2001.

[25] Rollo, p. 30.

[26] Cuenca v. Atas, G.R. No. 146214, October 5, 2007, 535 SCRA 48, 72; see Oporto v. Members of the Board of Inquiry and Discipline of National Power Corporation, G.R. No. 147423, October 15, 2008, 569 SCRA 93; Trans Middle East (Phils.) Equities, Inc. v. Sandiganbayan, G.R. No. 129434, August 18, 2006, 499 SCRA 308.

[27] G.R. No. 159625, January 31, 2008, 543 SCRA 364.

[28] Coca-Cola Bottlers Philippines, Inc. v. Garcia, id. at 371.

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