

**DOLORES V. MENDOZA, AND SPOUSES ROGELIO AND FE TAGLE,
PETITIONERS, VS. AGRIX MARKETING, INC., RESPONDENT.***G.R. No. 62259. April 10, 1989*

Ponente: NARVASA, J.

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The proverbialist who bequeathed to the world the familiar adage, "You cannot have your cake and eat it,"^[1] hit upon one of the most common and enduring of human frailties: that of wanting to get something for nothing, to give less than value received, or, in a more recent and colorful phrasing, of trying to put one over the other fellow. The aphorism, as will presently be seen, is not entirely without relevance to the case at bar.

Agrix Marketing, Inc., herein respondent, was sued in the Court of First Instance of Manila by Dolores V. Mendoza and the spouses Rogelio and Fe Tagle, who sought to collect sums of money which they claimed to have entrusted to the latter in reliance on its assurances, later contravened, that their money would be invested and earn profit higher than the interest rates then prevailing.¹ Agrix Marketing, Inc. (Agrix Group of Companies) was also sued in the Securities and Exchange Commission by many of its stockholders claiming to have been defrauded by it,² in consequence of which the premises of the corporation were sealed and sequestered and its records seized by deputies of the Commission.

The President of the Philippines then took over. He directed the National Development Company to formulate and implement a rehabilitation program for the Agrix Group of Companies, and deputized it as Rehabilitation Receiver.³ Subsequently, he promulgated Presidential Decree No. 1717,⁴ directing the dissolution of the Agrix Group of Companies and the transfer of its assets and liabilities to a new corporation, the "New Agrix, Inc." The capitalization of the new firm was provided in Section 2 of the Decree:

SEC. 2.***.

The provisions of the Corporate Code regarding watered stocks notwithstanding, the paid up capital of New Agrix, Inc. will consist of the sum of the valid claims of investors and shareholders in the Agrix Group of Companies. In the determination of valid claims, only the principal amount, without interest and dividends, of investors and shareholders **, excluding those against whom criminal charges have been or will be filed, will be considered.

The decree also provided for the issuance of stock in the new corporation to investors and shareholders shown to have valid claims against the old company.

SEC. 3. Procedure for Issuance of Common Shares of the New Agrix, Inc. - New Agrix, Inc. shall issue shares of stock equivalent to the principal amount of the valid claims of all Agrix investors and shareholders, other than those excluded in Sec. 2, upon submission by such investors and shareholders of original copies of proof of their investment. A Claim Committee consisting of a representative from the National Development Company, the Securities and Exchange Commission and the Ministry of Justice is hereby constituted to establish the rules and regulations for determining the validity of claims.

The decree provided, too, for the exclusive character of the proceedings in the Securities & Exchange Commission laid down by it, barring interference by any court or other adjudicatory body with the possession and ownership of the new company's assets.

SEC. 9. Actions or proceedings involving the Dissolved Corporations and/or their Assets. - All monetary claims against the dissolved corporation which are presently pending or which may hereafter be filed, with the Court or with any adjudicatory body, shall be dismissed. In addition, in all legal proceedings of whatever nature wherein a claim or charge is made against any of the assets of the dissolved corporations, no order shall be issued which may in any manner interfere with the full possession and ownership of said assets by the New Agrix, Inc.

While their action was pending in the Manila CFI (Br. XXXII), and after having in fact obtained a writ of preliminary attachment therefrom, the petitioners filed with the Claim Committee created by PD 1717 a Joint Affidavit dated November 17, 1980, for verification and validation of their pecuniary interests in the defendant corporation. Their claims were duly processed and found to be legitimate; so the New Agrix, Inc. issued in their favor some months later, a stock certificate (No. 09320), representing shares valued at P40,000.00 in accordance with the provisions of the decree. The certificate was delivered to and received by Dolores V. Mendoza on April 13, 1981. It is noteworthy that the acceptance of the stock certificate was made without qualification or protest of any nature whatsoever by Mendoza or her co-plaintiffs.

These events were brought to the attention of the Court (Manila CFI, Br. XXXII, as aforesaid) in which the petitioners' action was pending, and led to the promulgation by it of an Order on June 1, 1981,¹ now assailed in the present proceedings. The order reads as follows:

It appearing that the claim of plaintiffs had been validated by the Claim Committee formed by the National Development Company as Rehabilitation Receiver of the defendant; that the New Agrix, Inc. has recognized plaintiffs' claim and is willing to settle its obligation; and that the New Agrix, Inc. has issued Stock Certificate No. 09320 in favor of plaintiffs which was received by plaintiff Dolores V. Mendoza on April 13, 1981, in accordance with the provisions of PD 1717, the complaint is hereby DISMISSED, without pronouncement as to costs.

SO ORDERED.

The petitioners appealed to this Court from this Order, and now plead for its reversal on the following arguments: (1) they never intended to waive their right to judicial relief; (2) they were denied due process in the validation of their claims before the Claim Committee; (3) they had delivered money to the old Agrix company as a loan, and not as an investment; and (4) PD 1717 was unconstitutional because it deprived courts of jurisdiction, and authorized reduction of claims without due process.

Upon the undisputed facts, it is not possible for the petitioners to succeed. With full awareness of the provisions of PD 1717, particularly those already cited herein, i.e., those relating to the valuation of claims in the Agrix Group of Companies, and the rules laid down by the Claim Committee conformably therewith, as well as those mandating the dismissal of all "monetary claims against the dissolved corporation which are presently pending **," they voluntarily and unqualifiedly submitted their claims to the Claim Committee precisely for valuation conformably with its rules and the aforementioned provisions of the decree. Subsequently, on being officially advised that said Committee had placed on their claims an aggregate value of P40,000.00 (instead of P58,000.00, as proposed by them) and that a certificate of stock in the new corporation representing this declared amount of P40,000.00 had been issued in their favor, they accepted and took delivery of the certificate as voluntarily and unqualifiedly as they had initially presented their claims. It is in the premises certainly duplicitous for petitioners now to assert that by thus receiving equity in the New Agrix, Inc., they had not waived the right they originally

tried to litigate in court against the same corporation, or that the valuation of their claim had been attended by irregularity. It is as duplicitous for them to assail the very law and implementing rules under which they had applied for and received benefits; in truth the impugnation of the law as unconstitutional at this time appears to be nothing but a mere afterthought. What at bottom the petitioners desire is to receive and retain benefits under a law without being bound by the conditions laid down by that law for the grant thereof, and of which conditions they were fully cognizant at the time they applied for those benefits. They want, in a word, to have their cake and eat it, too. This the Court will not permit.

WHEREFORE, the petition is DISMISSED lack of merit, with costs against petitioners.

SO ORDERED.

Fernan, C.J., Melencio-Herrera, Gutierrez, Jr., Cruz, Paras, Feliciano, Gancayco, Padilla, Bidin, Sarmiento, Cortes, Griño-Aquino, Medialdea, and Regalado, JJ., concur.

[1] Others put it somewhat differently, viz: "You can't 'have' your pudding unless you can 'eat' it" (Ruskin), "Would you both eat your cake and have your cake?" (Hending's Proverbs, compiled about the year 1300) and, "You cannot sell the cow and have the milk, too" (Dr. Thos. Fuller's Gnomologia, circa 1732).

1 The case was docketed as Civil Case No. 129917 and assigned to the sala (Br. XXXII) of Judge Artemon D. Luna.

2 SEC Case No. 01868 entitled "Francisco Santos, et al. v. Sofronio Blando"

3 Letter of Instructions No. 1021, May 15, 1980. The SEC later confirmed the deputization of NDC as Rehabilitation Receiver

4 On Aug. 21, 1980, to take effect 90 days from date of issuance (Sec. 11) or on November 19, 1980

1 In connection with petitioners' motion to hold the NDC in contempt for refusing to respect the writ of preliminary attachment earlier issued at their instance, and as to which the New Agrix, Inc. had invoked Section 9 of PD 1717 providing for the dismissal of all pending actions against the dissolved corporation and prohibiting the issuance of any order which may in anyway interfere with the full possession and ownership of the old corporations' assets by the New Agrix, Inc. The contempt incident became academic upon the subsequent dismissal of the action.

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