

**ANDRES SORIANO III, RAUL ROCO AND SAN MIGUEL CORPORATION,
PETITIONERS, VS. HON. MANUEL YUZON, JUDGE, ETC., UNITED
COCONUT PLANTERS BANK, SORIANO SHARES, INC., ASC
INVESTORS, INC...**

G.R. No. 74910. August 10, 1988

Ponente: NARVASA, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/g-r-no-74910/>

NARVASA, J.:

1. The Res. - All the above entitled cases involve the same res : 33,133,266 shares of stock of San Miguel Corporation which are in the names of 14 corporations as registered owners,[1] and are subject of a voting trust agreement.[2] The shares represent at least 31% of the total outstanding capital stock of the corporation. All the issues raised relative to said shares are inter-related; they are all concerned essentially with their sequestration by the Presidential Commission on Good Government, and the ascertainment of their ownership.

2. Sale of the Stock. - These shares were sold by their apparent corporate owners (the aforementioned 14 companies) to Andres Soriano III "for himself and as agent of several persons"[3] in virtue of a deed executed on March 26, 1986, denominated simply, "Agreement." [4] The Agreement inter alia stipulated a price of P100.00 per share (or a total of P3,313,326,600.00), payable in four (4) installments. It provided, in case of default in the payment of the price, for automatic reversion of ownership to the seller corporations and authorized rescission without judicial action, merely by written notice. It also provided for the registration of the shares (as street certificates) in the name of Anscor-Hagedorn Securities, Inc., as nominee of the parties.

3. Sequestration of the Stock. - The shares of stock subject of the sale were sequestered by the PCGG on April 7, 1986 on the theory that they belong to Eduardo Cojuangco, Jr., allegedly a close associate and dummy of former President Ferdinand Marcos, and the sale thereof was "in direct contravention of ** Executive Orders Numbered 1 and 2 (of President Corazon Aquino dated February 28, 1986 and March 12, 1986, respectively) which prohibit ** the transfer, conveyance, encumbrance, concealment or liquidation of assets and properties acquired by former President Ferdinand Marcos and/or his wife, Mrs. Imelda Romualdez Marcos, their close relatives, subordinates, business associates ..."

The sequestration was subsequently lifted, and the sale allowed to proceed, on representations by San Miguel Corporation (hereafter, simply SMC) that the shares were "owned by 1.3 million coconut farmers"; the seller corporations were "fully owned" by said farmers and Cojuangco owned only 2 shares in one of the companies, etc.[5] However, the sequestration was soon re--imposed by Order of the PCGG dated May 19, 1986, also at the instance of SMC which, in a complete reversal of its earlier averment, inter alia allegedly declared -- in a letter addressed to the Securities and Exchange Commission dated May 12, 1986 -- that the "shares were owned and controlled by an 'antagonistic' block led by Mr. Cojuangco," and that the buyer, in truth, was a corporation owned by Cojuangco: Neptunia Corporation, Ltd.[6] The same order forbade the SMC Corporate Secretary to register any transfer or encumbrance of any of the stock without the PCGG's prior written authority.

4. PCGG Action Re Sequestered Stock. - Thereafter the PCGG took the following action as regards the sequestered stock, to wit:

a. It directed on May 26, 1986 SMC's president and corporate secretary not to consider the sequestered shares in the determination of who would be entitled to attend and vote at the stockholders meeting scheduled on May 27, 1986.[7] The meeting was recessed to June 4, 1986 with notice to all concerned parties.

b. It advised the same SMC officers on June 3, 1986 of its "intention to vote" the sequestered stock at the stockholders' meeting on June 4, 1986.[8]

c. It required SMC not to transfer the shares without its prior written authority. It also directed Anscor-Hagedorn Securities, Inc.[9] "to issue qualifying shares to 1. Feliciano Belmonte; 2. Ramon Garcia; 3. Lourdes Quisumbing; 4. Teodoro Locsin, Jr.; 5. Homobono Adaza; 6. Oscar Santos; and 7. Eduardo de los Angeles ** to enable ** (them) to qualify as directors." [10] This was done; and at the meeting of June 4, 1986, the sequestered shares were not only reckoned in the determination of a quorum but were also voted by Anscor-Hagedorn Securities, Inc. for the PCGG nominees, who were all consequently elected as directors.[11]

5. Controversies Re Purchased Stock. - In the meantime, petitioner Soriano wrote to the 14 seller corporations under date of May 28, 1986,[12] suspending payment of the balance of the purchase price of the stock subject of the Agreement of March 26, 1986, avowedly in view of doubts respecting the ownership thereof generated by its sequestration. The sellers in their turn rescinded the sale, invoking the corresponding provisions of the agreement.[13]

a. Sequestration of UCPB Stock

On the theory that ownership of the SMC shares in question (being claimed by Cojuangco) was tied up with the shares in the United Coconut Planters Bank (UCPB) owned by Cojuangco and others identified as his group, namely: Jesus M. Pineda, Narciso M. Pineda, ECJ & Sons Agricultural Enterprises, Inc., Balete Ranch, Inc., Christensen Plantation, Inc., Metroplex Commodities, Inc., Lucena Oil Factory, Inc., and PCY Oil Manufacturing, Inc. -- also alleged to have been illegally acquired -- the PCGG also sequestered the UCPB shares.

These acts, and those done under the direction of the PCGG, above described, quickly gave rise to contentious proceedings in the Securities and Exchange Commission and the Regional Trial Courts.

6. Proceedings Before SEC. - Three (3) complaints were presented at the SEC involving the SMC and UCPB shares thus sequestered.

a. SEC Case No. 3000 - The first was filed on May 19, 1986 by one Remberto Evio, in his behalf and in behalf of "small stockholders" of SMC, against the SMC Board of Directors and A. Soriano, Jr. (actually, A. Soriano III), questioning the Agreement for the sale of the stock on March 26, 1986 on "legal and moral grounds." Evio contended that the sale was void because authorized neither by the "stockholders of the United Coconut Planters Bank and affiliated companies" (i.e., the seller corporations) nor by those of SMC, aside from being prejudicial to the latter's "best interest"; and that even if the sale be declared legal, the shares should be deemed "treasury shares" (since the buyer, Neptunia Ltd. Corporation was a wholly-owned subsidiary of SMC) and should thus be proportionately distributed among all SMC stockholders. Evio prayed that in the meantime the PCGG should be authorized to vote the sequestered stock at the next stockholders' meeting, and that he (Evio) be among those voted for as SMC directors.

After the SMC stockholders' meeting was held on June 4, 1986, Evio filed a Supplemental Petition dated June 9, 1986, assailing that meeting and the election of the directors in the course thereof because allegedly without

authority, the PCGG had voted the sequestered stock (something he had wanted the PCGG precisely to do, *supra*). Defendants SMC Board of Directors and A. Soriano III moved to dismiss the supplemental petition on the ground that the SEC had no jurisdiction of the action, it being argued that by reason of the sequestration, the PCGG had acquired and should exercise "primary jurisdiction" over the matter to the exclusion of all other governmental entities. The motion was denied by the SEC by Order dated August 26, 1986; it declared that the controversy was an intra-corporate one, falling within its jurisdiction under PD 902-A.

b. SEC Case No. 3005. - The second complaint (petition) was filed with the SEC on June 9, 1986.[14] It was filed by the UCPB and the 14 seller corporations against the PCGG, SMC, A. Soriano III, the "new directors" of SMC, R. Roco, and Anscor--Hagedorn Securities, Inc, seeking (like the Evio complaint) the invalidation of the meeting of June 4, 1986 and all acts and proceedings therein on the theory that the defendants had no power to vote or allow the voting of the sequestered stock at that meeting, notwithstanding which, and despite a temporary restraining order issued by the Makati Regional Trial Court,[15] such voting had been sanctioned and done. This case was consolidated with SEC Case No. 3000.

c. SEC Case No. 3014. - The third action in the SEC arose from the sequestration by PCGG of the shares of stock of Cojuangco and his group in the United Coconut Planters Bank. The latter filed suit against PCGG and UCPB in the SEC, docketed as SEC Case No. 3014, assailing the sequestration and praying for a preliminary injunction to restrain the PCGG from voting their shares at the stockholders' meeting of the bank scheduled on June 30, 1986. The SEC denied the injunction sought, by Order dated June 30, 1986, 'opining that it had no jurisdiction to rule on the legality of the sequestration, as well as of the Presidential Memorandum dated June 26, 1986, generally authorizing PCGG to vote sequestered shares.

7. Proceedings Before Regional Trial Courts. - In the Regional Trial Courts, on the other hand, two (2) actions were spawned.

a. Civil Case No. 13865. - The first such action was instituted on June 2, 1986 in the Regional Trial Court at Makati (Branch 149) by UCPB and the 14 seller firms, against SMC, Soriano III, and Raul S. Roco, the corporate secretary of SMC. It was docketed as Case No. 13865. The complaint was grounded on the allegedly unwarranted refusal of Soriano to pay due installments of the price of the stock as prescribed in the sale agreement of March 26, 1986, and his bad faith in creating a cloud over the ownership of the stock (despite his full awareness that coconut farmers were the true owners) thus inviting sequestration thereof by the PCGG; and prayed for confirmation of plaintiffs' rescission of the sale, with damages. A temporary restraining order was issued by Judge Manuel Yuson to whose sala the case was raffled, inhibiting the defendants from exercising any right of ownership over the shares and, for "effective implementation", directing defendant Roco, as SMC Secretary, to cancel the stock certificates in the name of his co--defendant Soriano and/or his nominees and issue new certificates in the name of the sellers. In this suit, the defendants took the position that the Regional Trial Court had no authority to issue the injunction because the sequestration of the shares had brought them under the "primary jurisdiction" of the PCGG.

b. Civil Case No. 16371

The second suit was filed in the Regional Trial Court at Makati where it was docketed as Civil Case No. 16371. The plaintiffs were Eduardo Cojuangco, Jr., Jesus M. Pineda, Jr., Narciso M. Pineda, ECJ & Sons Agricultural Enterprises, Inc., Baleté Ranch, Inc., Christensen Plantation, Inc., Metroplex Commodities, Inc., Lucena Oil Factory, Inc., and PCY Oil Manufacturing, Inc., suing for themselves and, according to them, for the benefit of all other coconut oil millers and planters having vested interests in the Coconut Industry Investment Fund (CIIF). Impleaded as defendant was the United Coconut Planters Bank, as administrator of the CIIF. The plaintiffs' theory

was that the 33,133,266 SMC shares in question were owned, not by the 14 seller corporations aforementioned, but by the coconut farmers who had contributed to the creation of the fund known as CIIF by paying the coconut levy mandated by law; this was so because the shares had been acquired with money derived from the CIIF, which fund was under trusteeship of defendant Bank; and therefore, the sale of the shares by defendant Bank would constitute a breach of its trust and would prejudice the interests of the CIIF and its beneficiaries, i.e., the plaintiffs and coconut farmers. A temporary restraining order was issued on April 6, 1987, stopping the sale of the stock in question, but it lapsed after 20 days. The Court conducted a hearing on the plaintiffs' application for preliminary injunction after which, by Order dated July 16, 1987, it denied the application, ruling that the plaintiffs had failed to show any clear legal right to the injunction sought, having been unable to prove their ownership of the shares or that they had paid the coconut levy which eventually came to constitute the CIIF.

8. Proceedings in this Court. - Not unexpectedly, the parties aggrieved by the orders of the Securities and Exchange Commission and the Regional Trial Courts, above briefly described, have come to this Court for relief consisting principally in the annulment or perpetual inhibition of the orders and proceedings complained of.

9. Proceedings in this Court against the SEC

a. G.R. No. 76397. - Writs of certiorari and prohibition are sought by the SMC Board of Directors and Soriano III in respect of the orders issued in SEC Case No. 3000 (consolidated with Case No. 3005), specifically, the Orders dated August 26, 1986 and October 22, 1986.[16]

The SEC Order of August 26, 1986 denied the Motion to Dismiss dated July 7, 1986 filed by petitioners (as defendants in Case No. 3000). It rejected the petitioners' (defendants') argument that by sequestering the stock in issue and handing out directives in relation thereto, the PCGG "had exercised its primary jurisdiction over said ** shares to the exclusion of any and all other governmental entities" including the SEC.[17] The Order of October 22, 1986 denied petitioners' (defendants') motion for reconsideration for failure to adduce any "cogent reason to disturb the Commission's Order dated August 26, 1986", and set "the next hearing of ** (the) case ** on November 18, 1986." The petitioners' main contention is that the SEC has no jurisdiction to entertain any complaints involving sequestered properties since primary jurisdiction over the same is vested in the PCGG, and the Executive Orders granting sequestration powers to the PCGG have impliedly repealed PD 902-A.

b. G.R. No. 75075

Nullification of the Order dated June 30, 1986 in SEC Case No. 3014 is prayed for in the petition for certiorari which initiated G.R. No. 75075. The petition was filed in this Court by the plaintiffs in said SEC Case No. 3014: Eduardo Cojuangco, Jr. and his group. The Order of the SEC of June 30, 1986 thus assailed denied their application for a writ of preliminary injunction to stop sequestration of the UCPB shares of stock and the alleged interference of the PCGG in the management of the Bank. The petitioners argue that the SEC was guilty of grave abuse of discretion in refusing them a restraining order at least, there being no showing that the shares constitute ill-gotten wealth. A temporary restraining order was issued by this Court on June 30, 1987, commanding the respondents to maintain the status quo and desist from voting the petitioners' minority shares at the annual stockholders' meeting of the UCPB.

10. Proceedings in this Court Against the RTC

a. G.R. No. 74910. - On the other hand, G.R. No. 74910 was instituted by Soriano III, San Miguel Corporation and Roco to invalidate the temporary restraining order issued in Civil Case No. 13865 by Makati RTC Judge Yuson on June 2, 1986; and his Order dated June 20, 1986 overruling or disregarding petitioners' (defendants') assertions that (1) the exercise by the RTC of jurisdiction over the stock in the PCGG's custodia legis was in

contravention of Executive Orders Numbered 1 and 2 on sequestration; (2) the temporary restraining order, aside from having been issued without compliance with the legal requisites therefor, had the effect of compelling Andres Soriano III and his co-defendants to violate the law (Executive Order No. 2); and (3) the plaintiffs (the seller corporations) had withdrawn the basic issue from the RTC by filing a subsequent petition in the SEC involving the same question.[18] Judge Yuzon ruled that he had jurisdiction over the case; that the sellers-plaintiffs, upon the buyers' breach of the contract of sale, had automatically re-assumed ownership of the shares in accordance with the deed; and that absent a sufficient showing of Cojuangco's ownership of the shares, the farmers should be deemed presumptive owners thereof.

b. G.R. No. 79459. - In G.R. No. 79459, the petitioners -- Cojuangco and his group -- pray for annulment by certiorari of the Order of Judge Laggui dated July 16, 1987 rendered in Civil Case No. 16371. That order denied their motion for preliminary injunction to prohibit the sale and disposition of the 33 million odd SMC shares; rejecting their claim that the shares belong to the coconut farmers since the money used in the acquisition of the shares by the 14 seller corporations came from the fund known as the ClIF, under the trusteeship of the UCPB, and the bank could not agree to the sale of the shares without violating the trust reposed in it by the real owners.

11. Other Related Proceedings in this Court. - Two (2) other cases involving the same res have been filed with this Court.

a. G.R. No. 75094. - One of these, docketed as G.R. No. 75094, was initiated by Clifton Ganay, who claims to be a stockholder of UCPB. In his petition for certiorari and mandamus against the PCGG, he prays chiefly for the setting aside of the proceedings in the UCPB stockholders' meeting of June 30, 1986 at which the PCGG voted the sequestered UCPB shares, it being contended that the Memorandum of the President dated June 26, 1986, on the strength of which the shares were thus voted, was unconstitutional and void, conflicting with the due process clause of the Constitution.

b. G.R. No. 79520. - The other case, docketed as G.R. No. 79520, is a special civil action for certiorari and prohibition. It was presented by Neptunia Corporation ("wholly-owned by San Miguel Corporation"), San Miguel Corporation, Soriano III, and SMC stockholders: Francisco Eizmendi, Jr., Benigno Toda, Jr., Eduardo Soriano, Antonio Roxas, Antonio Prieto, Emilio Onglatco, and Anscor-Hagedorn Securities, Inc. The respondents named in the petition are the PCGG and all its nominees to the SMC Board of Directors. The petitioners' principal objective is the annulment of the sequestration orders of the PCGG as regards the 33 million odd SMC shares of stock subject of the Agreement of March 26, 1986. In contrast to the theory espoused and advocated by Soriano III and the SMC Board of Directors in SEC Case No. 3000 and G.R. No. 76397 -- that the PCGG has "primary jurisdiction" over the shares in question to the exclusion of any other government agency, inclusive of the matter of the propriety of the sequestration of the stock -- said parties and their co-petitioners claim in this proceeding, G.R. No. 79520, that the PCGG had no legal and factual basis to take hold of the shares to vote them for the election of its nominees to the SMC Board of Directors. According to them, "the BASECO decision and the resolutions of this ** Court in the E. Cojuangco, Jr. and Bulletin Publishing Corp. cases, and the expiration of the six-month period for filing judicial actions to maintain the validity of sequestration orders already issued (without such an action being filed respecting the stock in question), ** seriously placed into doubt whether the sequestration of the subject shares still exists." They therefore ask for the setting aside of the sequestration orders of April 7, 1986 and May 19, 1986 and all acts done thereunder, including the election of the PCGG nominees to the SMC Board.

c. The PCGG Position

The PCGG, for its part, denies the averment that no action was instituted for recovery of the sequestered stock. It

draws attention to Civil Case No. 33 (PCGG No. 33) of the Sandiganbayan entitled, "Republic of the Philippines versus Cojuangco, Jr., et al.," commenced on July 31, 1987, in which case it is alleged that the stock in question had been illegally obtained by Cojuangco, Jr., "in unlawful concert with ** Ferdinand E. Marcos and Imelda R. Marcos" and others, including Maria Clara Lobregat,[19] Danilo Ursua, Jose R. Eleazar, Jr., Soriano III and other directors and officers of San Miguel Corporation.[20] Indeed, according to it, the 14 seller corporations themselves constitute "ill-gotten wealth," together with the UCPB, and the coconut mills and trading corporations set up with funds from the CIIF. It also disputes the application of the Baseco ruling to the case at bar.

d. Motion for Intervention in G.R. No. 79520. - Claiming to be the owners of the SMC stock in question, Cojuangco, Jr. and his group of coconut oil millers and planters have moved for leave to intervene in G.R. No. 79520. Although they make common cause with the Soriano group in impugning the sequestration of the shares, they contend that the ouster of the PCGG nominees from the board of directors should inure to their benefit and that of the other coconut farmers and beneficiaries of the CIIF, not the Sorianos'. They thus pray for judgment annulling the actions taken during the 1986 and 1987 stockholders' meetings, particularly the election of the members of the board, declaring all board seats vacant, ordering new elections and directing the incumbent members of the Board to render an accounting.

e. COCOFED Manifestation in G.R. No. 79520

The Philippine Coconut Producers Federation (COCOFED) also came into the picture. A Manifestation dated March 15, 1988 was filed in its behalf by its President, Ma. Clara Lobregat.[21] The Manifestation contained a discussion of the laws passed (and the official action taken pursuant thereto) establishing the coconut levy and providing for the management and utilization of the funds thereby generated. It advocated the thesis that the question of whether or not the investments of the coconut levy fund constitute public property, essentially involves issues of fact and law which should be resolved in the first instance by a trial court of competent jurisdiction at a hearing on the merits, and the COCOFED should be conceded the right to demonstrate at such a hearing that the coconut farmers, through the so-called CIIF companies, and not Mr. Cojuangco, Jr. or any of his companies, are the beneficial owners of the disputed block of SMC shares. Alternatively, the COCOFED prayed that it be given the opportunity to substantiate the points it thus raises in G.R. No. 74910, or in Civil Case No. 13865 of the Regional Trial Court at Makati, or in Civil Case No. 0033 of the Sandiganbayan entitled "Republic v. Eduardo Cojuangco, Jr., et al.," or in any other case which may hereafter be filed in litigation of the issues.

12. THE ISSUES

The issues raised in the various petitions may be reduced to the following:

- a) Whether there is basis, factual and legal, for the sequestration of the shares of stock of SMC and UCPB above mentioned;
- b) Whether the question of the validity of the sequestration is cognizable by the Regional Trial Court and the Securities and Exchange Commission;
- c) Whether disputes involving the ownership of the sequestered shares of stock are cognizable by the Regional Trial Court and the Securities and Exchange Commission.

13. RESOLUTION

The resolution of the first issue quite evidently entails an inquiry into the relevant facts to ascertain, prima facie at least, the ownership of the sequestered stock: whether it pertains to the former President Ferdinand E. Marcos, his immediate family, relatives, subordinates and close associates," on the theory that the shares are part of "ill-gotten

wealth accumulated" by them; or the 14 seller corporations in the Agreement of March 26, 1986; or A. Soriano III and his group; or the coconut farmers and other beneficiaries of the Coconut Industry Investment Fund, inclusive of E. Cojuangco and his group.

Obviously, all the foregoing conflicting claims should be litigated before a trial court. The Supreme Court is not a trier of facts, and is not the proper forum for the ventilation and substantiation of these claims.[22]

The next question for resolution is which trial court is vested with jurisdiction of the issue. The question has already been answered in Presidential Commission on Good Government vs. Hon. Emmanuel G. Peña et al., G.R. No. 77663, April 12, 1988, where the Court, speaking through former Chief Justice Teehankee, ruled that -

" *** regional trial courts and the Court of Appeals for that matter have no jurisdiction over the Presidential Commission on Good Government in the exercise of its powers under the applicable Executive Orders and Article XVIII, section 26 of the Constitution and therefore may not interfere with and restrain or set aside the orders and actions of the Commission. Under Section 2 of the President's Executive Order No. 14 issued on May 7, 1986, all cases of the Commission regarding 'the Funds, Moneys, Assets, and Properties Illegally Acquired or Misappropriated by Former President Ferdinand Marcos, Mrs. Imelda Romualdez Marcos, their close relatives, Subordinates, Business Associates, Dummies, Agents, or Nominees, whether civil or criminal, are lodged within the exclusive and original jurisdiction of the Sandiganbayan' and all incidents arising from, incidental to, or related to, such cases necessarily fall likewise under the Sandiganbayan's exclusive and original jurisdiction, subject to review on certiorari exclusively by the Supreme Court." (Italics and emphasis supplied.)" * *

" *** (The PCGG) exercises quasi-judicial functions. In the exercise of quasi-judicial functions, the Commission is a co-equal body with regional trial courts and 'co-equal bodies have no power to control the other.' The Solicitor General correctly submits that the lack of jurisdiction of regional trial courts over quasi-judicial agencies is recognized in section 9, paragraph 3 of Batas Pambansa Blg. 129 (the Judiciary Reorganization Act of 1980), which otherwise vests exclusive appellate jurisdiction in the Court of Appeals over all final judgments, decisions, resolutions orders, or awards of regional trial courts and quasi-judicial agencies, instrumentalities, boards or commissions. But as already indicated hereinabove, the Court of Appeals is not vested with appellate or supervisory jurisdiction over the Commission. Executive Order No. 14, which defines the jurisdiction over cases involving the ill-gotten wealth of former President Marcos, his wife, Imelda, members of their immediate family, close relatives, subordinates, close and/or business associates, dummies, agents and nominees, specifically provides in section 2 that 'The Presidential Commission on Good Government shall file all such cases, whether civil or criminal, with the Sandiganbayan which shall have exclusive and original jurisdiction thereof.' Necessarily, those who wish to question or challenge the Commission's acts or orders in such cases must seek recourse in the same court, the Sandiganbayan, which is vested with exclusive and original jurisdiction. The Sandiganbayan's decisions and final orders are in turn subject to review on certiorari exclusively by this Court."

Now, that exclusive jurisdiction conferred on the Sandiganbayan would evidently extend not only to the principal causes of action, i.e., the recovery of alleged ill-gotten wealth, but also to "all incidents arising from, incidental to, or related to, such cases," such as the dispute over the sale of the shares, the propriety of the issuance of ancillary writs or provisional remedies relative thereto, the sequestration thereof, which may not be made the subject of separate actions or proceedings in another forum. As explained by the Court in Peña:

"The rationale of the exclusivity of such jurisdiction is readily understood. Given the magnitude of the past regime's 'organized pillage' and the ingenuity of the plunderers and pillagers with the assistance of the experts and best legal minds available in the market, it is a matter of sheer necessity to restrict access to the lower courts, which would have tied into knots and made impossible the commission's gigantic task of recovering the plundered wealth of the nation, whom the past regime in the process had saddled and laid prostrate with a huge \$27 billion foreign debt that has since ballooned to \$28.5 billion." (*Italics and emphasis supplied.*)

In view of all the foregoing, the Court Resolved to DISMISS all the actions at bar, and to DIRECT THE DISMISSAL as well of Civil Cases Numbered 13865 and 16371 of the Regional Trial Court and Cases Numbered 3000, 3005 and 3014 of the Securities and Exchange Commission. This dismissal is without prejudice to the assertion and ventilation before the Sandiganbayan by the parties of their respective claims by such appropriate modes as are prescribed by law. The temporary restraining order issued on June 30, 1987 is LIFTED and set aside.

IT IS SO ORDERED.

Fernan, C.J., Paras, Feliciano, Gancayco, Bidin, and Cortes, JJ., concur.

Melencio-Herrera, and Cruz, JJ., no part. Their sons are counsel for one of the parties.

Gutierrez, Jr., J., no part, on leave during the deliberations.

Padilla, J., no part, on account of interests in SMC.

Sarmiento and Medialdea, JJ., no part.

Griño-Aquino, J., a former Director and legal consultant of SMC.

[1] Soriano Shares, Inc.; ASC Investors, Inc.; Roxas Shares, Inc.; Arc Investors, Inc.; AP Holdings, Inc.; Toda Holdings, Inc.; Fernandez Holdings, Inc.; San Miguel Officers Corps, Inc.; Te Deum Resources, Inc.; Anglo Ventures Corporation; First Meridian Development, Inc.; Rock Steel Resources, Inc.; Randy Allied Ventures, Inc.; and Valhalla Properties, Ltd. Inc. (Rollo, G.R. No. 76397, pp. 40 et seq)

[2] The original agreement had the late Andres Soriano, Jr. as trustee. Upon the latter's death, the agreement was amended by the election of a substitute trustee, Eduardo M. Cojuangco, Jr. "or upon his written delegation, Mr. Andres Soriano III." (Rollo, id., p. 42)

[3] The "several persons" was actually "Neptunia Corporation Limited (NCL), an SMC wholly-owned subsidiary doing business in Hongkong" (p. 3, petition, G.R. No. 76397)

[4] Annex C, petition, G.R. No. 76397

[5] Annex E, petition, id.

[6] Id.

[7] Annex F, petition, G.R. No. 76397

[8] Annex G, id.

[9] In whose name the parties to the Agreement of sale had agreed to place the stock sold, *supra*.

[10] Annex H, petition, G.R. No. 76397

[11] See Annex 2 of respondents' Comment dated July 5, 1986 (rollo, G.R. No. 74910, pp. 150, 196-197) evidencing an alleged offer of the Soriano Group to vote together with the PCGG

[12] Annex D, petition, G.R. No. 74910

[13] See Annexes 3 and 4, respondents' comment dated July 5, 1986 (rollo, G.R. No. 74910, p. 198, 200

[14] Rollo, G.R. No. 74910, pp. 112 et seq

[15] Post: Sub-Head, "Proceedings Before RTC"

[16] Promulgated by SEC Hearing Panel: J. L. Pasay-Paz, A. P. Atas, and E. R. Falgui

[17] The SEC ruled that (1) nothing in the executive orders invoked by the petitioners supported their claim that the SEC had no "jurisdiction over the corporation itself and/or its original and exclusive jurisdiction to hear and decide cases provided for in section 5 of PD 902-A"; (2) that what was being questioned were "the acts of the Board of Directors of San Miguel Corporation and not the acts of the PCGG through its nominees", a matter clearly within its statutorily prescribed competence; and (3) that since "the jurisdiction of the PCGG and ** (the SEC) are on two different aspects of the corporation ** whose shares or interest are being sequestered, ** there is no conflict with the exercise of the duties given the two agencies even if the subject of the exercise of their respective powers is one particular entity." Rollo, G.R. No. 76397, pp. 10-11, 33-37

[18] SEE par 6, b, ante

[19] Who also asserts that "the coconut farmers own the CIIF companies ** (which own the companies (Oil Mills) which own the companies (14 Holding Companies) which own the disputed block of SMC shares ** ." Supplemental Manifestation dated May 11, 1988; SEE sub-par. e, p. 11, infra

[20] SEE Consolidated Comment of the Solicitor General dated October 23, 1987 in G.R. No. 79520.

[21] A supplement was also filed under date of May 11, 1988.

[22] SEE, e.g., Trinidad v. PCGG, et al., G.R. No. 77695, June 16, 1987; Agro--Industrial Foundation Colleges of Southern Philippines, et al. v. Regional XI Operating Team No. Five and/or the PCGG, G.R. No. 78116, July 28, 1987

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.