

**PHILIPPINE COCONUT PRODUCERS FEDERATION, INC, (COCOFED),
MARIA CLARA L. LOBREGAT, BIENVENIDO A. MARQUEZ, SR.,
MANUEL J. LASERNA, JR., DOMINGO P. ESPINA, CELESTINO B.
SABATE, JOS...**

G.R. No. 75713. October 02, 1989

Ponente: NARVASA, J.

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NARVASA, J.:

The petition for certiorari and prohibition with preliminary injunction at bar seeks the annulment of the sequestration and other orders issued by the Presidential Commission on Good Government (PCGG)[1] against petitioner Philippine Coconut Producers Federation, Inc. (COCOFED) and various other industrial and commercial enterprises set up ostensibly for purposes concerned with the development of the coconut industry and the welfare of those involved in or served by it. These agencies or enterprises were organized and financed with revenues derived from coconut levies imposed under a succession of laws of the late dictatorship and are alleged to have been thereafter used as conduits to perpetrate "the most stupendous malversation of public funds in the annals of our history," as the PCGG puts it,[2] with depose President Ferdinand Marcos and his cronies as the suspected authors and chief beneficiaries of the resulting "coconut industry monopoly."

The action is denominated a class suit of the COCOFED, a private national association of coconut producers which by legal mandate receives allocations from the coconut levy funds to finance its operating expenses and projects; the Coconut Investment Company (CIC), the first government corporation created to administer the coconut levy funds (as will later be explained in some detail); and individual petitioners Maria Clara Lobregat and some 37 other persons, all claiming to be either coconut farmers, coconut workers or stockholders of the sequestered companies, bringing suit for themselves and in representation of "the more than one million coconut farmers who are similarly situated" upon a claim of private interest in the sequestered assets and properties.

The COCONUT LEVY FUNDS:

The sequestration of the corporations and the other acts complained of were undertaken by the PCGG preparatory to the filing of suit in the Sandiganbayan against Marcos and his associates for the illicit conversion of the coconut levy funds, purportedly channeled through the COCOFED and the other sequestered businesses, into private pelf. These funds fall into four general classes, viz.: (a) the Coconut Investment Fund created under R.A. 6260 (effective June 19, 1971); (b) the Coconut Consumers Stabilization Fund created under PD 276 (effective August 20, 1973); (c) the Coconut Industry Developments Fund created under PD 582 (effective November 14, 1974); and (d) the Coconut Industry Stabilization Fund created under P.D. 1841 (effective October 2, 1981).

The Coconut Investment Fund (CIF):

The Coconut Investment Fund, or CIF, was put up in 1971 by R.A. 6260 which declared it to be the national policy to accelerate the development of the coconut industry through the provision of adequate medium and long

term financing for capital investment in the industry.[3] A levy of P0.55 was imposed on the first domestic sale of every 100 kilograms copra or equivalent coconut product,[4] fifty centavos (P0.50) of which accrued to the CIF. The Philippine Coconut Administration (or PHILCOA)[5] received three centavos (P0.03)[6] of the five remaining, and the balance was placed "at the disposition of the recognized national associations of coconut producers with the largest * * membership"[7] -- which association was declared by PHILCOA[8] to be petitioner COCOFED.

The CIF was to be used exclusively to pay for the Philippine Government's subscription to the capital stock[9] of the Coconut Investment Company (CIC), a corporation with a capitalization of P100,000,000.00 created by the statute to administer the Fund, as has already been stated, and to invest its capital in financing "agricultural, industrial or other productive (coconut) enterprises" qualified under the terms of the statute to apply for loans with the CIC.[10] The State was to initially subscribe to CIC's capital stock "for and on behalf of the coconut farmers," to whom such shares were supposed to be transferred "upon full payment (with the collections on the levy) of the authorized capital stock * * or upon termination of a ten-year period from the start of the collection of the levy * *, whichever comes first." [11] The scheme, in short, called for the use of the CIF -- funds collected mainly from coconut farmers -- to pay for the CIC shares of stock to be subscribed by the Government and held by it until the levy was lifted, whereupon the Government was to "convert" the receipts issued to the farmers (as evidence of payment of the levy) "into shares of stock" -- this time in the farmer names -- in the new, private corporation to be formed by them at such time, conformably with the provisions of the law.[12]

The levy imposed by R.A. 6260 was collected from 1972 to 1982.

The Coconut Consumer Stabilization Fund (CCSF)

P.D. 276 established a second fund on August 20, 1972 barely a year after the creation of the CIF. The decree imposed a "Stabilization Fund Levy" of fifteen pesos (P15.00) on the first sale of every 100 kilograms of copra resacada or equivalent product.[13] The revenues were to be credited to the Coconut Stabilization Fund (CCSF)[14] which was to be used to subsidize the sale of coconut-based products at prices set by the Price Control Council, in order to stabilize the price of edible oil and other coconut oil-based products for the benefit of consumers.[15] The levy was to be collected for only one year.[16] The CCSF however became a permanent fund under PD 414.[17]

The Coconut Industry Development Fund (CIDF):

On November 14, 1974, PD 582 was promulgated setting up yet another "permanent fund * * (this time to) finance the establishment, operation and maintenance of a hybrid coconut seednut farm * * (and the implementation of) a nationwide coconut replanting program" "using precocious high-yielding hybrid seednuts * * to (be) distribute(d), * * free, to coconut farmers." [18] The fund was denominated the Coconut Industry Development Fund, or the CIDF. Its initial capital of P100 million was to be paid from the CCSF, and in addition to this, the PCA was directed to thereafter remit to the fund "an amount equal to at least twenty centavos (P0.20) per kilogram of copra resacada or its equivalent out of its current collections of the coconut consumers stabilization levy." [19] The CIDF was assured of continued contribution from the permanent levy in the same amount deemed to be "automatically imposed" in the event of the lifting of the Stabilization Fund Levy.[20]

The Coconut Industry Investment Fund (CIF)

The various laws relating to the coconut industry were codified in 1976; promulgated on October 21 of that year was PD 961 or the "Coconut Industry Code," which later came to be known as the "Revised Coconut Industry Code" upon its amendment by PD 1468, effective June 11, 1978. The Code provided for the continued

enforcement of the Stabilization Fund Levy imposed by PD 276 and for the use of the CCSF and the CIDF for substantially the same purposes specified by the enactments ordaining their creation.

A new provision was however inserted in the Code, authorizing the use of the balance of the CIDF not needed to finance the replanting program and other authorized projects, for the acquisition of "shares of stock in corporations organized for the purpose of engaging in the establishment and operation of industries, * * commercial activities and other allied business undertakings relating to coconut and other palm oil industr(ies)."[21] From this fund thus created, the Coconut Industry Investment Fund or the CIIF, were purchased the shares of stock in what have come to be known as the "CIIF companies" -- the sequestered corporations into which said CIIF (Coconut Industry Investment Fund) was heavily invested after its creation.

The Coconut Industry Stabilization Fund (CISF): (Formerly CCSF)

The collection of the CCSF and the CIDF was suspended for a time in virtue of PD 1699.[22] However, on October 2, 1981, PD 1841 was issued reviving the levies and renaming the CCSF the Coconut Industry Stabilization Fund, or the CISF, to which accrued the new collections. The impost was in the amount of P50.00 for every 100 kilos of copra resecada or equivalent product delivered to exporters and other copra users. The funds collected were to be apportioned among the CIDF,[23] the COCOFED,[24] the PCA,[25] and the "bank acquired for the benefit of the coconut farmers under PD 755" referring to the United Coconut Planters Bank or the UCPB.[26]

The AGENCIES INVOLVED:

As may be observed, three agencies played key roles in the collection, management, investment and use of the coconut levy funds: (a) the Philippine Coconut Authority (PCA), formerly the Philippine Coconut Administration or the PHILCOA; (b) the COCOFED; and (c) the UCPB. Charged with the duty to "receive and administer the funds provided by law,"[27] the Philippine Coconut Authority or the PCA was created on June 30, 1973 by P.D. 232 to replace and assume the functions of (1) the Philippine Coconut Administration or PHILCOA (which had been established in 1954), (2) the Coconut Coordinating Council (CCC), and (3) the Philippine Coconut Research Institute (PHILCORIN). By virtue of the Decree, the PCA took over the collection of the CIF Levy under RA 6260 in 1973, while subsequent statutes, to wit, PD 276 (in relation to PD 414), PD 582, and PD 1841, empowered it specifically to manage the CCSF, the CIDF, and the CISF, from the time of their creation. Under the laws just mentioned, the PCA, as the government arm that "formulate(s) * * (the) general program of development for the coconut * * and palm oil industr(ies),"[28] is allotted a share in the funds kept in its trust. Its governing board is composed of members coming from the public and private sectors, among them representatives of COCOFED.[29]

The Philippine Coconut Producers Federation, Inc. or the COCOFED, as the private national association of coconut producers certified in 1971 by the PHILCOA as having the largest membership among such producers,[30] receives substantial portions of the coconut funds to finance its operating expenses and socio-economic projects. R.A. 6260 entrusted it with the task of maintaining "continuing liaison with the different sectors of the industry, the government and its own mass base."[31] Its president sits on the governing board of the PCA and on the Philippine Coconut Consumers Stabilization Committee, the agency assisting the PCA in the administration of the CCSF. It is also represented in the Board of Directors of the CIC and of two (2) CIIF companies COCOMARK (the COCOFED Marketing Corporation) and COCOLIFE (the United Coconut Planters Life Insurance Co.).

The United Coconut Planters Bank (or the UCPB) is a commercial bank acquired "for the benefit of the coconut farmers"[32] with the use of the Coconut Consumers Stabilization Fund (CCSF) in virtues of P.D. 755,

promulgated on July 29, 1975. The Decree authorized the Bank to provide the intended beneficiaries with "readily available credit facilities at preferential rates." [33] It also authorized the distribution of the Bank's shares of stock, free, to the coconut farmers; and some 1,405,366 purported recipients have been listed as UCPB stockholders as of April 10, 1986. [34]

The UCPB was thereafter empowered by PD 1468 to "(make) investments for the benefit of the coconut farmers" [35] using that part of the CIDF referred to as the CIIF. Thus were organized the "CIIF companies" subject of the sequestration orders herein assailed. [36] As in the case of the shares of stock in the UCPB, the law provided for the "equitable distribution" to the coconut farmers, free, of the investments made in the CIIF companies. [37] Among the corporations in which the UCPB has come to have substantial shareholdings are the COCOFED Marketing Corporation (COCOMARK), United Coconut Planters' Life Insurance (COCOLIFE), GRANEX, ILICOCO, Southern Island Oil Mill, Legaspi Oil of Davao City and of Cagayan de Oro City, Anchor Insurance Brokerage, Inc., Southern Luzon Coconut Oil Mills, and San Pablo Oil Manufacturing Co., Inc. Some of these corporations in turn acquired UCPB shares of stock as well as shareholdings in the San Miguel Corporation.

The SEQUESTRATION PROCEEDINGS:

On March 19, 1986, the Presidential Commission on Good Government (PCGG) sequestered CIIF companies GRANEX, ILICOCO, Southern Island Oil Mill, Legaspi Oil of Davao City, and Legaspi Oil of Cagayan de Oro City. Also sequestered shortly thereafter, on April 21, 1986, were Anchor Insurance Brokerage, Inc., Southern Luzon Coconut Oil Mills and the San Pablo Oil Manufacturing Co., Inc. Shares of stock in the UCPB registered in the names of these and other CIIF companies, and later those issued to 1,405,366 purported coconut farmers-stockholders were likewise sequestered, as were the 33.1 million shares of stock held by fourteen (14) CIIF companies in the San Miguel Corporation.

Next placed under sequestration on July 8, 1986 was the COCOFED. Its bank accounts as well as those of CIIF companies COCOLIFE and COCOMARK, of COCOFED president Maria Clara Lobregat, and of COCOFED directors Inaki Mendezona and Eladio Chatto, were frozen. On May 30, 1988, PCGG appointed a 15-man Board of Directors for COCOFED, replacing the incumbents. Management teams for the CIC and COCOMARK were deputized the day after, relieving Maria Clara Lobregat and Manuel Agcaoili as presidents and vice-president, respectively, of both corporations, and Vicente Valmores as corporate secretary of the CIC. Various other orders pertaining to the CIC, the CIIF companies, COCOFED, and the UCPB were also afterwards issued and implemented, with a view to conserving their assets pending the government's investigation into the suspected plunder of the coconut levy funds by former President Ferdinand Marcos and his associates and cronies.

PETITIONERS' SUBMITTALS

The instant petition was filed on September 3, 1986 to assail the foregoing directives and acts. The petitioners posit that:

- 1) the PCGG has no jurisdiction over the sequestered properties as the powers conferred upon it by Executive Orders Numbered 1, 2 and 14 extend only to ill-gotten wealth of "former President Ferdinand E. Marcos and/or his wife, Imelda Romualdez Marcos" or "their close relatives, subordinates, business associates, dummies, agents, or nominees," [38] and not to the private properties of the coconut farmers and the petitioners, who do not fall under any of the classes of persons specified under the Orders;
- 2) the sequestered properties are not ill-gotten wealth of the petitioners whose ownership of the shares of stock in the COCOFED, the CIIF companies, and the UCPB resulted from lawful disbursements of the coconut levy fund;

and

3) the sequestration of the petitioners' private properties is a gross abuse of prosecutorial discretion on the part of PCGG and, corollarily, rendered enforcement of E. O. s 1, 2 and 14 as against them unconstitutional and violative of the Bill of Rights.

PCA INTERVENTION

A petition-in-intervention presented by the PCA was admitted by the Court by Resolution dated May 24, 1988.

THE PCGG POSITION

The Solicitor General, for the PCGG, submits that the funds collected from the coconut levy are public funds which no amount of pronouncements to the contrary -- by decree or any other presidential issuance -- can convert into private money; that in the light of the report of the Commission on Audit of its examination of the funds made after the unceremonious deposal of President Marcos, to the effect that the funds were misappropriated and squandered by the latter, his cronies and the leaders of the coconut industry, it is the duty of PCGG to recover the same and, pending recovery proceedings, to make use of its power of sequestration and other remedies conferred by Executive Orders 1, 2 and 14. In his view, the so-called "more than one million coconut farmers" do not own the coconut levy funds or the assets acquired therewith.

1. The question of the validity of PCGG sequestration and freeze orders as provisional measures to collect and conserve the assets believed to be ill-gotten wealth has been laid to rest in *BASECO vs. PCGG* (150 SCRA 181) where this Court held that such orders are not confiscatory but only preservative in character, not designed to effect a confiscation of, but only to conserve properties believed to be ill-gotten wealth of the ex-president, his family and associates, and to prevent their concealment, dissipation, or transfer, pending the determination of their true ownership.

"Nor may it be gainsaid that pending the institution of the suits for the recovery of such 'ill-gotten wealth' as the evidence at hand may reveal, there is an obvious and imperative need for preliminary, provisional measures to prevent the concealment, disappearance, destruction, dissipation, or loss of the assets and properties subject of the suits, or to restrain or foil acts that may render moot and academic, or effectively hamper, delay, or negate efforts to recover the same.

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"To answer this need, the law has prescribed three (3) provisional remedies. These are: (1) sequestration; (2) freeze orders; and (3) provisional takeover." (at p. 208)

The PCGG exercised the powers conferred upon it by Executive Orders Numbered 1, 2 and 14 on the basis of evidence in its possession which it deemed sufficient to show, *prima facie*, that former President Marcos, Mr. Eduardo Cojuangco, Jr., the COCOFED and its national leaders, collaborated with each other to perpetrate the "systematic plunder" of the funds generated by the coconut levy. That preliminary determination finds support in the documents and evidence relative thereto. Reports, for example, from the Commission on Audit (COA) which audited the funds after the February 1986 Revolution tend to show that:

- (1) of the funds allocated to COCOFED, some P20 million were delivered to Mrs. Imelda R. Marcos for the Imelda Romualdez Marcos Scholarship Program of which no accounting has been made;
- (2) COCOFED purchased an aircraft at a total cost of P11,849,071.29;
- (3) COCOFED disbursement of P23 million for the account of the Census Committee which undertook the survey

of coconut farmers to determine other farmers entitled to the unissued shares of UCPB, was under-reimbursed by P3,584,826.36;

(4) cash advances in hundreds of thousands of pesos granted by COCOMARK to COCOFED officials Jose Reynaldo Morente, Inaki Mendezona, Bienvenido Marquez and Maria Clara Lobregat were unliquidated;

(5) COCOMARK made disbursements for cash advances for travel and transportation expenses to its directors who are also directors of COCOFED without supporting documents.

The investigation by the PCGG of the funds supposed to have been invested in the UCPB on behalf of the coconut farmers, also reveal that UCPB shares appearing in the UCPB books as issued to 1,405,366 coconut farmers are not in fact owned by the said persons because a large number of them sold their stock to national and local officials of COCOFED at the latter's initiative; and documents found in Malacañang in the wake of the February 1986 people's revolution tend to show that Eduardo Cojuangco, Jr., apart from owning his own shares in UCPB, also "fronted" for the shares of Mr. Marcos in that bank.

As to the coconut levy funds invested in the CIIF com-panies for the benefit of coconut farmers, COA findings adverted to by the PCGG disclose that said funds were invested in companies most of which were or became vehicles to effectuate their misuse. The United Coconut Oil Mills, Inc. (UNICOM), a CIIF funded company, for example, appears to have spent millions of pesos to acquire non-operating and unprofitable coconut oil mills owned by persons close to the Marcoses; that P840 million of the CIDF were siphoned off to Agricultural Investors, Inc., a corporation owned and controlled by Eduardo Cojuangco, Jr., which has a paid-up capital of only P100,000; and that P41.9 million worth of seednuts equivalent to 24.48% of the total purchases of UCPB using CIDF from 1979 to 1982 had not been accounted for. Reports were also cited showing that only 75.52% of the total seednuts purchased had been distributed to the participants of the replanting program. The PCGG also claims to have in its possession evidence of other instances of misuse or misappropriation of the coconut levy funds attributable to the petitioners.

The petitioners deny the PCGG's postulations and assertions.

It is of course not for this Court to pass upon the factual issues thus raised. That function pertains to the Sandiganbayan in the first instance. For purposes of this proceeding, all that the Court needs to determine is whether or not there is prima facie justification for the sequestration ordered by the PCGG. The Court is satisfied that there is. The cited incidents, given the public character of the coconut levy funds, place petitioners COCOFED and its leaders and officials, at least prima facie, squarely within the purview of Executive Orders Nos. 1, 2 and 14, as construed and applied in BASECO, to wit:

"1. that ill-gotten properties (were) amassed by the leaders and supporters of the previous regime;

a) more particularly, that (i)ll-gotten wealth was accumulated by former President Ferdinand E. Marcos, his immediate family, relatives, subordinates and close associates, x x located in the Philippines or abroad, x x (and) business enterprises and entities (came to be) owned or controlled by them, during x x (the Marcos) administration, directly or through nominees, by taking undue advantage of their public office and using their powers, authority, influence, connections or relationships;

b) otherwise stated, that 'there are assets and properties purportedly pertaining to former President Ferdinand E. Marcos, and/or his wife Mrs. Imelda Romualdez Marcos, their close relatives, subordinates, business associates, dummies, agent or nominees which had been or were acquired by them directly or indirectly, through or as a result of the improper or illegal use of funds or properties owned by the Government of the Philippines or any of its branches, instrumentalities, enterprises, banks or financial institutions, or by taking undue advantage of their office, authority, influence, connections or relationship, resulting in their unjust

enrichment and causing grave damage and prejudice to the Filipino people and the Republic of the Philippines;

c) that 'said assets and properties are in the form of bank accounts, deposits, trust accounts, shares of stocks, buildings, shopping centers, condominiums, mansions, residences, estates, and other kinds of real and personal properties in the Philippines and in various countries of the world' * * *"[39]

2. The petitioners' claim that the assets acquired with the coconut levy funds are privately owned by the coconut farmers is founded on certain provisions of law, to wit:

"Sec. 7. Incorporation as a private entity under Act Numbered One Thousand Four Hundred Fifty-Nine, as amended. - Upon full payment of the authorized capital stock, as evidenced by receipts issued for levies paid, or upon termination of a ten-year period from the start of the collection of the levy as provided in Section eight hereof, whichever comes first, the shares of stock held by the Philippine Government for and in behalf of the coconut farmers shall be transferred, in accordance with such rules, regulations and procedures as the Company shall prescribe and promulgate, to and in the name of the coconut farmers who shall then incorporate as a private entity under Act Numbered One Thousand Four Hundred Fifty-Nine, as amended * * *." (Sec. 7, Republic Act 6260)

and

"The Coconut Consumers Stabilization Fund and the Coconut Industry Development Fund as well as all disbursements of said Funds for the benefit of the coconut farmers * * shall not be construed or interpreted * * as special and/or fiduciary funds, or as part of the general funds of the national government within the contemplation of P.D. 711; nor as subsidy, donation, levy government funded investment, or government share within the contemplation of PD 898, the intention being that said fund and the disbursements thereof as herein authorized for the benefit of the coconut farmers shall be owned by them in their private capacities * * *." (Section 5, Article III, P.D. 1468)

The proposition is open to question, to say the least. Indeed, the Solicitor General suggests quite strongly that the laws operating or purporting to convert the coconut levy funds into private funds, are a transgression of the basic limitations for the licit exercise of the state's taxing and police powers, and that certain provisions of said laws are merely clever stratagems to keep away government audit in order to facilitate misappropriation of the funds in question.

The utilization and proper management of the coconut levy funds, raised as they were by the State's police and taxing powers, are certainly the concern of the Government. It cannot be denied that it was the welfare of the entire nation that provided the prime moving factor for the imposition of the levy. It cannot be denied that the coconut industry is one of the major industries supporting the national economy. It is, therefore, the State's concern to make it a strong and secure source not only of the livelihood of a significant segment of the population but also of export earnings the sustained growth of which is one of the imperatives of economic stability. The coconut levy funds are clearly affected with public interest. Until it is demonstrated satisfactorily that they have legitimately become private funds, they must prima facie and by reason of the circumstances in which they were raised and accumulated be accounted subject to the measures prescribed in E.O. Nos. 1, 2, and 14 to prevent their concealment, dissipation, etc., which measures include the sequestration and other orders of the PCGG complained of.

3. The incidents concerning the voting of the sequestered shares, the COCOFED elections, and the replacement of directors, being matters incidental to the sequestration, should be addressed to the Sandiganbayan in accordance with the doctrine laid down in PCGG vs. Pena, 159 SCRA 556, reiterated in G.R. No. 74910, Andres Soriano III vs. Hon. Manuel Yuzon; G.R. No. 75075, Eduardo Cojuangco, Jr. vs. Securities and Exchange Commission; G.R. No. 75094, Clifton Ganay vs. Presidential Commission on Good Government; G.R. No. 76397, Board of

Directors of San Miguel Corporation vs. Securities and Exchange Commission; G.R. No. 79459, Eduardo Cojuangco, Jr. vs. Hon. Pedro N. Laggui; G.R. No. 79520, Neptunia Corporation, Ltd. vs. Presidential Commission on Good Government, August 10, 1988.

In view of the foregoing, the petition and the petition-in-intervention are hereby DISMISSED. Costs against petitioners.

SO ORDERED.

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

Gutierrez, Jr., J., concur subject to the statements he made in his separate opinion in Baseco. The PCGG should not go against Baseco.

Melencio-Herrera, J., no part, did not participate in deliberations.

[1] Specifically, petitioners assail the following acts of the respondent Commission:

(1) The sequestration order dated March 19, 1986 against GRANEX, Iligan City; ILICOCO, Iligan City; SOUTHERN ISLAND OIL MILL, Dipolog City; INDOPHIL, Medina, Misamis Oriental; LEGASPI OIL, Davao City; and LEGASPI OIL, Cagayan de Oro City;

(2) The sequestration order dated April 21, 1986 against the ANCHOR INSURANCE BROKERAGE, INC., Makati, Metro Manila; SOUTHERN LUZON COCONUT OIL MILLS, Lucena, Quezon, and SAN PABLO OIL MANUFACTURING CO., INC., San Pablo, Laguna;

(3) The order dated May 19, 1986 disallowing the sale of the sequestered 33.1 million shares of the San Miguel Corporation owned by the Coconut Industry Investment Fund (CIIF) companies;

(4) The order dated June 24, 1986 sequestering the shares of stocks in the United Coconut Planters Bank (UCPB) in the names of CIIF companies COCOLIFE, CAGOIL, GRANEX, ILICOCO, LEGOIL and SOLCOM; (Cont'd)

(5) The order dated June 26, 1986 sequestering UCPB shares of stock issued to 1,405,366 coconut farmers;

(6) The letter dated June 27, 1986 of then Acting PCGG Chairman Ramon Diaz advising the Corporate Secretary of the UCPB that all sequestered stocks of petitioners and the coconut farmers in the UCPB will be voted Cy PCGG in the bank's Annual Stockholders meeting scheduled on June 30, 1986; (Cont'd.)

(7) The letter dated May 28, 1986 of then Commissioner Ramon Diaz requiring the managers of the sequestered CIIF companies to disburse certain amounts for the expenses of the members of the PCGG task force;

(8) The PCGG Order dated July 7, 1986 directing the Central Bank to instruct all commercial banks not to allow withdrawals, transfers or remittances from funds or assets of the COCOFED;

(9) The letter dated July 8, 1986 of the PCGG to the Central Bank for the latter to instruct all commercial banks not to allow withdrawals, transfers or remittances from funds or assets of the Coconut Investment Corporation (CIC), the United Coconut Planters' Life (COCOLIFE), the COCOFED Marketing Corporation (COCOMARK), and the COCOFED;

(10) The July 8, 1986 order of sequestration of COCOFED; (Cont'd.)

(11) The undated search and seizure order against the assets, documents and papers of COCOFED;

- (12) The order dated July 14, 1986 placing COCOFED properties, assets and documents under PCGG custody;
- (13) The instruction dated July 28, 1986 of the PCGG to the Central Bank for the latter to direct all commercial banking institutions not to allow any withdrawal or transfer of funds from the bank accounts of Maria Clara Lobregat, Eladio Chatto and Inaki Mendezona;
- (14) The Order dated May 30, 1988 appointing a 15-man Board of Directors for COCOFED;
- (15) The two orders dated May 31, 1988 issued by PCA Chair-man Jose V. Romero, Jr. and PCGG Chairman Ramon A. Diaz appointing management teams for CIC and COCOMARK;
- (16) Mission Order No. DI-88-18 dated May 31, 1988; and
- (17) The letter dated May 31, 1988 of PCGG Chairman Ramon Diaz to the UCPB, BPI, FEBT, UB and CITIBANK, notifying them that all withdrawals and/or transfer of funds in the name of COCOFED, COCOMARK and CIC should have joint prior approval of the newly appointed officials of those entities.
- [2] Rollo, p. 230.
- [3] Section 2, R.A. 6260
- [4] Section 8, Id.
- [5] later to be replaced by the Philippine Coconut Authority, or the PCA, under PD 232
- [6] to defray the expenses of collecting the levy and of organizing the coconut planters through regional and national conventions
- [7] Section 9, R.A. 6260
- [8] by Resolution No. 97-71 of its Board of Administrators dated August 24, 1971
- [9] 10,000,000 common shares representing the authorized capital stock of P100,000,000.00; Section 6, R.A. 6260
- [10] Section 2, 5 and 6, R.A. 6260
- [11] Section 7, R.A. 6260
- [12] Section 7, R.A. 6260
- [13] Sec. 1(a), PD 276
- [14] "a separate trust fund which shall not form part of the general fund of the government"; Sec. 1(a), P.D. 276
- [15] Section 1[b], PD 276
- [16] Sec. 2, P.D. 276
- [17] eff. April 18, 1974, empowering the Philippine Coconut Authority (PCA), the government corporation replacing the PHILCOA by mandate of P.D. 232, "to impose a levy on every first sale in accordance with the mechanics established under R.A. 6260," the proceeds of which would be "deposited * * to the account of the Coconut Consumers Stabilization Fund"; Sec. 3-A, P.D. 232 as amended by P.D. 414
- [18] Sec. 3-B, P.D. 232 as amended by P.D. 582
- [19] Section 3-B, PD 232, as amended by PD 582

[20] Ibid.

[21] Sec. 9, P.D. 1468

[22] eff. May 27, 1980

[23] "to finance the cost of the coconut hybrid replanting program"; Sec. 2(a), P.D. 1468 as amended by P.D. 1841

[24] "to defray the cost of the scholarship program for deserving and gifted children of coconut farmers" and "to defray its operating expenses"; Secs. 2(b) and 2(d), id.

[25] "to defray part of its operating expenses"; Sec. 2(e), id.

[26] "to defray the cost of the life and accident insurance on the lives of coconut farmers" and "to defray the costs of the coconut industry rationalization program envisioned and prescribed by LOI 926"; Sec. 2(c) and 2(f), id.

[27] Sec. 3(f), P.D. 232

[28] Section 3(f), PD 232

[29] Section 4, Id.; Section 4, Art. II, PD 1468

[30] See footnote 7, p. 4, supra

[31] Section 9, RA 6260

[32] Section 1, PD 755

[33] Ibid.

[34] Item A. 1. 1. of the UCPB List of Stockholders; Annex G, Petition

[35] Article III, Section 3(e), PD 1468

[36] See p.7, supra

[37] "except such portion of the investments which it may consider necessary to insure continuity and adequacy of financing of the particular endeavor"; Section 10, PD 1468

[38] E.O. No. 2, Section 1

[39] at pp. 205-206; underscoring supplied

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