

**PRESIDENTIAL COMMISSION ON GOOD GOVERNMENT, PETITIONER,
VS. THE HON. SANDIGANBAYAN (THIRD DIVISION) AND PRIMAVERA
FARMS, INC., BLACK STALLION RANCH, INC., MISTY MOUNTAINS
AGRI’L C...**

G.R. Nos. 102370-71. June 15, 1992

Ponente: PADILLA, J.

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PADILLA, J.:

This is a petition for certiorari which seeks to annul the resolution of the Third Division of the respondent Sandiganbayan dated 30 September 1991 issued in Civil Case No. 0110 denying petitioner's motion to consolidate the said case with Civil Case No. 0033 pending before the First Division of the same court.

In April and May 1986, the petitioner Presidential Commission on Good Government (PCGG, for brevity) issued several orders for the sequestration of the San Miguel Corporation (SMC) shares registered and issued in the name of respondent companies.[1] The sequestration of said shares of stock was made pursuant to the provisions of the Freedom Constitution which empowered the President of the Philippines to recover ill-gotten properties of the Marcoses and their supporters, by sequestration or freezing of assets and accounts.

On 31 July 1987, the PCGG filed an action with the Sandiganbayan against Eduardo Cojuangco, Jr., Ferdinand E. Marcos, Imelda R. Marcos and several other individuals, for reconveyance, reversion, accounting, and restitution of alleged ill-gotten wealth (with damages) consisting of funds and other properties which said defendants allegedly acquired and accumulated in flagrant breach of trust of their fiduciary obligations as public officers. The case was docketed as Civil Case No. 0033 and raffled to the First Division of the Sandiganbayan.

On 8 October 1990, respondent companies filed an action (petition) for certiorari, prohibition and injunction with the Sandiganbayan, docketed as Civil Case No. 0110, and raffled to its Third Division, seeking the lifting of the writs of sequestration over the SMC shares owned by them. Respondent companies claimed that the said sequestration of their SMC shares is void for failure of PCGG to comply with the constitutional mandate (Section 23, Article XVIII of the 1987 Constitution) which requires that for orders of sequestration issued before the ratification of the 1987 Constitution, a judicial action must be filed within six (6) months from the ratification of said Constitution.

The PCGG in Civil Case No. 0110 filed its answer,[2] opposition[3] and amended opposition to the motion for issuance of a writ of preliminary injunction.[4] Thereafter, the PCGG filed an amendment to its complaint in Civil Case No. 0033, this time impleading eighty (80) additional defendants which include herein respondent companies.

While the resolution of the respondent companies' motion for issuance of a writ of preliminary injunction (in Civil Case No. 0110) was held in abeyance by the Sandiganbayan,[5] the trial of said Civil Case No. 0110 proceeded; the respondent companies presented their evidence and formally offered the same on 30 July 1991.[6]

After the formal offer of evidence by respondent companies in Civil Case No. 0110, PCGG on 16 August 1991 filed with the Third Division of respondent court a motion to consolidate Civil Case No. 0110 with Civil Case No. 0033 in the First Division. Said motion was opposed by respondent companies.

On 30 September 1991, the Sandiganbayan (Third Division) denied PCGG's motion to consolidate the aforementioned two (2) cases for the following reasons:

"Firstly, the issues involved in the cases are different. As the pleadings show, the issues involved in the instant case are: whether there existed a prima facie case to warrant the sequestration of the petitioners' SMC shares of stock at the time the orders of sequestration were issued, and whether the said SMC shares of stock should remain under sequestration notwithstanding that no judicial action was filed against petitioners in accordance with Section 26, Article XVIII, of the Constitution. On the other hand, the issue in Civil Case No. 0033 is whether the properties of the defendants subject matter of the case are 'ill-gotten wealth';

"Secondly, this case involves only shares of stock of the petitioners in the San Miguel Corporation whereas Civil Case No. 0033 involves various properties like agricultural lands, houses, motor vehicles, airplanes, residential lands, condominium units, fishponds, coconut plantations, and shares of stocks not only in the SMC but also in other corporations;

"Thirdly, the instant case is an action for certiorari, prohibition and injunction against respondent PCGG for allegedly acting in violation of both the Constitution and the law, without or in excess of jurisdiction or with grave abuse of discretion, in sequestering the petitioners shares of stock in the SMC. Civil Case No. 0033, on the other hand, is an action for reconveyance, reversion, accounting restitution and damages arising from breach of public trust, abuse of right and power and unjust enrichment;

"Fourthly, the parties in the two cases are not identical since the forty-three petitioners in the instant case are only among the more than a hundred defendants in Civil Case No. 0033;

"Lastly, records show that the petitioners in the instant case have already presented and formally offered their evidence and respondent PCGG will shortly start presenting its own evidence; Civil Case No. 0033 has not yet passed the pre-trial conference stage." [7]

Hence, this petition by the PCGG.

Petitioner PCGG argues that the parties, subject matters, issues and the evidence to be presented in Civil Case No. 0033 and Civil Case No. 0110 are similar, which fact warrants the consolidation of the two (2) civil cases; and that the refusal of said Third Division of the Sandiganbayan to order the consolidation of the two (2) cases is a grave abuse of discretion on its part.

We find no merit in the petition.

In Civil Case No. 0033 filed by petitioner PCGG against Eduardo Cojuangco, Jr., Ferdinand E. Marcos, Imelda R. Marcos and several of the individuals and corporations, the complaint is mainly for the recovery, reconveyance, accounting and restitution of funds and properties allegedly acquired by illegal means by said defendants in breach of public trust; whereas in Civil Case No. 0110, respondent companies assail the validity of the PCGG's sequestration of the SMC shares issued and registered in their names.

The issues raised in said two (2) cases are not identical, though admittedly, the facts and circumstances involved in the cases are intertwined. But the resolution of the issue on the validity of the sequestration of the SMC shares registered in the name of respondent companies will not prevent PCGG from pursuing the case for recovery of alleged ill-gotten wealth from respondent companies and several other individuals, which is the cause of action in Civil Case No. 0033.

As observed by the Sandiganbayan, in the action for reconveyance (Civil Case No. 0033), the objects sought to be recovered are various properties and funds, while in Civil Case No. 0110, the object is limited to the sequestered SMC shares issued in the name of respondent companies. Furthermore, the fact that respondent companies were sub-sequently impleaded as party defendants in the reconveyance case does not by itself warrant the consolidation of the two (2) cases.

The main object of consolidation is to avoid multi-plicity of suits, guard against oppression or abuse, prevent delay, clear congested dockets, simplify the work of the trial court and save unnecessary costs and expense.[8] However, where a case has been already partially tried before one judge, the consolidation of the same with another related case pending before another judge who had no opportunity to observe the demeanor of the witnesses during trial makes con-solidation not mandatory. In the case of *PAL v. Teodoro* [9], the consolidation of two (2) cases was not allowed by the Court because one of the cases had already been partially heard by a judge different from the judge who would hear the cases, if consolidated.

In Civil Case No. 0110, the Third Division of the Sandiganbayan has partially heard the case. In fact, respon-dent companies have already rested their case and made a formal offer of their evidence. To consolidate Civil Case No. 0110 assailing the validity of the sequestration of respondent companies' SMC shares with Civil Case No. 0033 for reconveyance of alleged ill-gotten wealth, would only delay the whole proceeding. It is a fact that the reconveyance case is only at its pre-trial stage. Considering also that in Civil Case No. 0033 there are several respondents involved and the properties and funds sought to be recovered are enormous, the consolidation of Civil Case No. 0110 with Civil Case No. 0033 at this point would only succeed to delay the resolution of the issue on the validity of the sequestration of the SMC shares issued in the respective names of respon-dent companies.

It is therefore clear that in denying the consolidation of Civil Case No. 0110 with Civil Case No. 0033 as prayed for by petitioner PCGG, the respondent Sandiganbayan (Third Division) did not act with grave abuse of discretion.

It should be made clear, however, that nothing in this decision precludes or estops the petitioner PCGG from pursuing Civil Case No. 0033 in the Sandiganbayan, to recover from the respondent companies the SMC shares in question on the basis of its allegation therein that they are ill-gotten wealth.

WHEREFORE, the petition is DISMISSED.

SO ORDERED.

Narvasa, C.J., Gutierrez, Jr., Cruz, Paras, Feliciano, Bidin, Griño-Aquino, Medialdea, Regalado, Davide, Jr., Romero, and Bellosillo, JJ., concur.
Nocon, J., on leave.

[1] Rollo, pp. 128-130.

[2] Rollo, pp. 42-46.

[3] Ibid., pp. 47-56.

[4] Ibid., pp. 57-66.

[5] Resolution by the Third Division of the Sandiganbayan dated 13 May 1991.

[6] Rollo, pp. 128-138.

[7] Rollo, pp. 26-27

[8] Palanca v. Querubin, G.R. Nos. L-29510-31, 29 Nov. 1969, 30 SCRA 738.

[9] 97 Phil. 469

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