

SECOND DIVISION

[G.R. No. 174673, January 11, 2016]

**REPUBLIC OF THE PHILIPPINES, PETITIONER, VS. FE ROA
GIMENEZ AND IGNACIO B. GIMENEZ, RESPONDENTS.**

D E C I S I O N

LEONEN, J.:

Rules of procedure are not ends in themselves. The object of these rules is to assist and facilitate a trial court's function to be able to receive all the evidence of the parties, and evaluate their admissibility and probative value in the context of the issues presented by the parties' pleadings in order to arrive at a conclusion as to the facts that transpired. Having been able to establish the facts, the trial court will then be able to apply the law and determine whether a complainant is deserving of the reliefs prayed for in the pleading.

Dismissal on the basis of a very strict interpretation of procedural rules without a clear demonstration of the injury to a substantive right of the defendant weighed against 19 years of litigation actively participated in by both parties should not be encouraged.

There is likewise serious reversible error, even grave abuse of discretion, when the Sandiganbayan dismisses a case on demurrer to evidence without a full statement of its evaluation of the evidence presented and offered and the interpretation of the relevant law. After all, dismissal on the basis of demurrer to evidence is similar to a judgment. It is a final order ruling on the merits of a case.

This is a Petition^[1] for Review on Certiorari assailing the Sandiganbayan Resolutions dated May 25, 2006^[2] and September 13, 2006.^[3] The Sandiganbayan deemed petitioner Republic of the Philippines (Republic) to have waived the filing of its Formal Offer of Evidence^[4] and granted the Motion to Dismiss of respondents Spouses Ignacio Gimenez and Fe Roa Gimenez (Gimenez Spouses) based on demurrer to evidence.^[5]

The Republic, through the Presidential Commission on Good Government (PCGG), instituted a Complaint^[6] for Reconveyance, Reversion, Accounting, Restitution and Damages against the Gimenez Spouses before the Sandiganbayan.^[7] "The Complaint seeks to recover . . . ill-gotten wealth . . . acquired by [the Gimenez Spouses] as dummies, agents[,] or nominees of former President Ferdinand E. Marcos and Imelda Marcos[.]"^[8]

During trial, the Republic presented documentary evidence attesting to the positions held, business interests, income, and pertinent transactions of the Gimenez Spouses.^[9] The Republic presented the testimonies of Atty. Tereso Javier, Head of

the Sequestered Assets Department of PCGG, and of Danilo R.V. Daniel, Director of the Research and Development Department of PCGG.^[10] Witnesses testified on the bank accounts and businesses owned or controlled by the Gimenez Spouses.^[11]

On February 27, 2006, the Sandiganbayan denied a motion to recall Danilo R.V. Daniel's testimony.^[12] The Republic then manifested that it was "no longer presenting further evidence."^[13] Accordingly, the Sandiganbayan gave the Republic 30 days or until March 29, 2006 "to file its formal offer of evidence."^[14]

On March 29, 2006, the Republic moved "for an extension of thirty (30) days or until April 28, 2006, within which to file [its] formal offer of evidence."^[15] This Motion was granted by the Sandiganbayan in a Resolution of the same date.^[16]

On April 27, 2006, the Republic moved for an additional 15 days or until May 13, 2006 within which to file its Formal Offer of Evidence.^[17] This Motion was granted by the Sandiganbayan in a Resolution dated May 8, 2006.^[18] Following this, no additional Motion for extension was filed by the Republic.

In the **first assailed Resolution** dated May 25, 2006, the Sandiganbayan noted that the Republic failed to file its Formal Offer of Evidence notwithstanding repeated extensions and the lapse of 75 days from the date it terminated its presentation of evidence.^[19] Thus, it declared that the Republic waived the filing of its Formal Offer of Evidence.^[20]

The first assailed Resolution provides:

It appearing that the plaintiff has long terminated the presentation of its evidence on February 27, 2006, and it appearing further that it failed or otherwise neglected to file its written formal offer of evidence for an unreasonable period of time consisting of 75 days (*i.e.*, 30 days original period plus two extension periods totaling 45 days), the filing of said written formal offer of evidence is hereby deemed WAIVED.

WHEREFORE, the reception of the defendants' evidence shall proceed on June 22 and 23, 2006, both at 8:30 o'clock [sic] in the morning as previously scheduled.^[21]

Ignacio Gimenez filed a Motion to Dismiss on Demurrer to Evidence dated May 30, 2006.^[22] He argued that the Republic showed no right to relief as there was no evidence to support its cause of action.^[23] Fe Roa Gimenez filed a Motion to Dismiss dated June 13, 2006 on the ground of failure to prosecute.^[24] Through her own Motion to Dismiss, she joined Ignacio Gimenez's demurrer to evidence.^[25]

Two days after Fe Roa Gimenez's filing of the Motion to Dismiss or on June 15, 2006, the Republic filed a Motion for Reconsideration [of the first assailed Resolution] and to Admit Attached Formal Offer of Evidence.^[26] The pertinent portions of the Republic's offer of documentary exhibits attached to the Motion are summarized as

follows:

Exhibits A to G and series consist of the Income Tax Returns, Certificate of Income Tax Withheld On Compensation, Statement of Tax Withheld At Source, Schedule of Interest Income, Royalties and Withholding Tax, Statement of Assets, Liabilities & Net Worth of Ignacio B. Gimenez from 1980-1986 proving his legitimate income during said period. **Exhibits H -J** and series refer to the Deeds of Sale and Transfer Certificates of Title proving that spouses Gimenezes acquired several real properties.

Exhibits K and series (K-1-K-4) pertain to Checking Statements Summary issued by the Bankers Trust Company (BTC) proving that Fe Roa Gimenez maintained a current account under Account Number 34-714-415 with BTC. **Exhibits L and series (L1-L-114)** are several BTC checks, proving that from June 1982 to April 1984, Fe Roa Gimenez issued several checks against her BTC Current Account No. 34-714-415 payable to some individuals and entities such as Erlinda Oledan, Vilma Bautista, The Waldorf Towers, Cartier, Gliceria Tantoco, Bulgari, Hammer Galleries and Renato Balestra, involving substantial amount of money in US Dollars. **Exhibits M and series (M1-M-25)** are several The Chase Manhattan Bank (TCMB) checks drawn against the account of Fe Roa Gimenez under Account Number 021000021, proving that she issued several checks drawn against her TCMB account, payable to individuals and entities such as Gliceria Tantoco, Vilma Bautista and The Waldorf Towers, involving substantial sums in US Dollars. **Exhibit N** is the Philippine National Bank (PNB), New York Branch Office Charge Ticket No. FT 56880 dated December 9, 1982 in the amount of US\$30,000.00 for Fe Roa Gimenez proving that she received said enormous amount from the PNB, New York Branch Office, with clearance from the Central Bank, which amount was charged against PNB Manila. **Exhibit N-1** is the PNB New York Branch Advice to Payee No. FT 56535 dated November 12, 1982 in the amount of US\$10,990.00 for Fe Roa Gimenez proving her receipt of such amount as remitted from California Overseas Bank, Los Angeles. **Exhibits O and series (O1-O-8)** refer to several Advices made by Bankers Trust AG Zurich-Geneve Bank in Switzerland to respondent Fe Roa Gimenez proving that she maintained a current account with said bank under Account Number 107094.50 and that from July 30, 1984 to August 30, 1984, she placed a substantial amount on time deposit in several banks, namely, Hypobank, Luzemburg, Luxemburg, Societe Generale, Paris and Bank of Nova Scotia, London.

Exhibit P is the Certification dated March 19, 2002 issued by Director Florino O. Ibanez of the Office of the President proving that Fe Roa Gimenez, from January 1, 1966 to April 1, 1986, worked with the Office of the President under different positions, the last of which as Presidential Staff Director with a salary of P87,072.00 per annum.

Exhibit Q and series (Q-1-Q-18) is the Affirmation of Ralph Shapiro filed with the United States Court of Appeals in the case entitled, "The Republic of the Philippines vs. Ferdinand E. Marcos, et al." which discussed certain acts of Fe Roa Gimenez and Vilma Bautista, among

others, in relation to the funds of the Marcoses.

Exhibits R and S and series (R-1, R-9; S-1-S-10) refer to the Certificate of Filing of Amended Articles of Incorporation of GEI Guaranteed Education, Inc., the Amended Articles of Incorporation of GEI Guaranteed Education, Inc., the Treasurer's Affidavit executed by Ignacio Gimenez and the Director's Certificate executed by Roberto B. Olanday, Ignacio Gimenez and Roberto Coyuto, Jr. proving Ignacio Gimenez and Roberto Olanday's interests in GEI Guaranteed Education, Inc.

Exhibits T and series (T-1-T-8) are the Advices made by the Bankers Trust AG Zurich-Geneve Bank in Switzerland to Ignacio Gimenez proving that he maintained a current account with said bank under Account Number 101045.50 and that from March to June, 1984, he placed a substantial amount on time deposit in several banks, namely, Credit Lyonnais, Brussels, Societe Generate, Paris, Credit Commercial De France, Paris and Bank of Nova Scotia, London.

Exhibits U and V and series (U-1-U-5; V1-V-18) consist of the Affidavit dated April 25, 1986 and the Declaration dated June 23, 1987 including the attachments, of Oscar Carino, Vice-President and Manager of the PNB New York Branch, narrating in detail how the funds of the PNB New York Branch were disbursed outside regular banking business upon the instructions of former President Ferdinand E. Marcos and Imelda Marcos using Fe Roa Gimenez and others as conduit.

Exhibits W and series (W-1-W-4) are the Debit memos from the PNB to Fe Roa Gimenez while **Exhibits X and X-1** are the Acknowledgments of said respondent, proving that she received substantial amounts of money which were coursed through the PNB to be used by the Marcos spouses for state visits and foreign trips.

Exhibit Y and series (Y-1-Y-2) is the Letter dated August 25, 1986 of Juan C. Gatmaitan, Assistant Chief Legal Counsel of PNB to Charles G. LaBella, Assistant United States Attorney regarding the ongoing investigation of irregular transactions at the PNB, New York Branch proving that PNB cooperated with the United States government in connection with the investigation on the irregular transactions of Oscar Carino at PNB New York Branch.

Exhibit Z is the service record of Fe Roa Gimenez issued by Florino O. Ibanez of the Office of the President which proves that she worked with the Office of the President from 1966-1986 holding different positions, the last of which was Presidential Staff Director.

Exhibits AA and series (AA-1-AA-2) are the several Traders Royal Bank checks drawn against Account No. 74-702836-9 under the account name of Fe Roa Gimenez which prove that she issued said checks payable to individuals and entities involving substantial amount of money.

Exhibits BB and CC and series (BB-1-BB-17; CC-1-CC-3) are the

several Transfer of Funds Advice from Traders Royal Bank Statements of Account of Fe Roa Gimenez, proving that she maintained a current account under Account No. 74-7028369 at Traders Royal Bank.

Exhibits HH and series (HH-1-HH-3) are the Certification dated October 3, 2002 of Lamberto R. Barbin, Officer-in-Charge, Malacanang Records Office, that the Statement of Assets and Liabilities of spouses Marcoses for the years 1965 up to 1986 are not among the records on file in said Office except 1965, 1967 and 1969; the Statement of Assets and Liabilities as of December 31, 1969 and December 31, 1967 of former President Ferdinand Marcos; and the Sworn Statement of Financial Condition, Assets, Income and Liabilities as of December 31, 1965 of former President Ferdinand Marcos. These documentary exhibits prove the assets and liabilities of former President Marcos for the years 1965, 1967 and 1969.

Exhibit II and series is [sic] the Statement of Assets and Liabilities as of December 31, 1969 submitted by Fe Roa Gimenez which prove that her assets on that period amounted only to P39,500.00.

Exhibit KK is the Table of Contents of Civil Case No. [0]007 before the Sandiganbayan entitled "Republic of the Philippines vs. Ignacio B. Gimenez and Fe Roa Gimenez, et. al.", including its Annexes which prove the assets and liabilities of spouses Gimenezes.

Exhibits KK-1 up to KK-12 are several transfer certificates of title and tax declarations in the names of spouses Gimenezes, proving their acquisition of several real properties.

Exhibits KK-15, KK-18, KK-20 up to KK-27, KK-30, KK-32 up to KK-38 and KK-40 are the General Information Sheet, Certificate of Filing of Amended Articles of Incorporation, and Amended Articles of Incorporation of various corporations. These prove the corporations in which Ignacio B. Gimenez has substantial interests.

Exhibits KK-41 up to KK-44 are the Writs and Letters of Sequestration issued by the PCGG which prove that the shares of stocks of Ignacio Gimenez in Ignacio B. Gimenez, Securities, Inc. and the real properties covered by Transfer Certificates of Title Nos. 137638, 132807, 126693 and 126694 located in San Fabian, Pangasinan, were sequestered by the PCGG.

Exhibit KK-45 is the Memorandum dated August 1, 1988 of Atty. Ralph S. Lee and Alexander M. Berces, Team Supervisor and Investigator, [sic] respectively, of IRD, PCGG, proving that the PCGG conducted an investigation on New City Builders, Inc., Transnational Construction Corporation, and OTO Construction and Development Corporation in relation to Ignacio B. Gimenez and Roberto O. Olanday.

Exhibits KK-48, KK-49 and KK-50 are certain Lis Pendens from the PCGG addressed to the concerned Register of Deeds informing that the real properties mentioned therein had been sequestered and are the