

FIRST DIVISION

[G.R. NO. 159008, January 23, 2007]

QUEENSLAND-TOKYO COMMODITIES, INC. AND CHARLIE COLLADO, PETITIONERS, VS. MARGIE MATSUDA, RESPONDENT.

DECISION

AZCUNA, J.:

This is an appeal by certiorari under Rule 45 of the Rules of Court to annul and set aside the Decision and Resolution of the Court of Appeals (CA) dated January 8, 2003 and July 3, 2003 in CA-G.R. SP No. 60878, entitled *Queensland-Tokyo Commodities, Inc. and Charlie Collado v. Margie Matsuda*.

The facts are as follows:^[1]

This is a case for recovery of investments with damages filed by the [complainant (respondent)] Margie Matsuda against Queensland-Tokyo Commodities, Inc. (hereinafter referred to as QTCI for brevity), a corporation then engaged as a commodity futures broker, and its officers and directors, citing as grounds therefor the alleged nullity of complainant's spot/futures contracts for having been allegedly traded and supervised by unlicensed employees of QTCI, in violation of Section 20 and 33-A of the Revised Rules and Regulations on Commodity Futures Trading.

The complainant alleged, among others, that on July 13, 1995, she agreed to invest with QTCI on the basis of its officers' representations that investments in currency contracts are very profitable, and that her account would be handled by licensed investment consultants. Complainant further alleged that [petitioner] Charlie Collado induced her to immediately sign the [Customer's] Agreement and Risk Disclosure Statement without explaining the contents thereof; that she made investments in QTCI on July 13, 1995 in the amount of P150,000.00 and an additional amount of P2,000,000.00 on July 24, 1995; that she was required to execute a Special Power of Attorney authorizing Felix Sampaga and that within the same period complainant's account incurred substantial losses; and that sometime in April 1996, upon verification with the [Securities and Exchange Commission (SEC)], complainant learned for the first time that Felix Sampaga and Charlie Collado were not licensed by the SEC; that she demanded the return of her investments but the [petitioners] refused to comply, and that since her currency contracts are null and void for having been traded and supervised by unlicensed employees, she is entitled to the return of her investments in the total amount of P2,150,000.00; that she should be entitled [to] moral and exemplary damages due to the fraud employed by the [petitioners] and to compensate her [for] mental anguish, frustration,

and sleepless nights; and that she was forced to engage the services of counsel for a free (sic) of P50,000.00; and that the corporate directors and officers are implead[ed] pursuant to Section 31 of the [Corporation] Code.

In their Answer, the [petitioners] denied having made misrepresentations and false pretenses to the complainant, alleging, among others, that it was the complainant together with her Japanese husband who came [to] the office of [QTCI] on July 13, 1995 to pen an account with an initial deposit of P150,000.00. The [petitioners] further alleged that [petitioner] Charlie Collado did not induce the complainant to sign the [Customer's] Agreement and Risk Disclosure Statement; that Collado is not involved in the marketing of investments because he is only in [charge] of operations; that Collado did not misrepresent himself as a licensed consultant and that he signed in behalf of QTCI on the [Customer's] Agreement as part of his official function which does not however require a license; that complainant deposited P2,000,000.00 on July 24, 1995 to open a second account after she made a profit in the amount of P67,978.61 under her first account; and that the attorney-in-fact of the complainant is Jose Joeli Colmenar and not Felix Sampaga; that Felix Sampaga is the brother of complainant; that the SPA submitted by the complainant carries a typographical error naming Felix Sampaga as her attorney-in-fact while the signature appearing under the word *conforme* and above the word *attorney-in-fact* is that of Jose Joeli Colmenar; that all copies of the SPA have been corrected of this error but the complainant refused to surrender her copy for correction despite several requests for this purpose; that Jose Joeli Colmenar was duly licensed by the SEC as Commodity Futures salesman; that Felix Sampaga has nothing to do with the account of the complainant; that the various instructions attached to the complaint were ordered by Jose Colmenar and not by Felix Sampaga; that Collado did not supervise the complainant's accounts and that the complainant has no basis for the return of her investments; that by reason of the filing of the suit, [petitioner] corporation suffered besmirched reputation together with the individual [petitioner] who also suffered mental anguish, fright, serious anxiety and moral shock and for which reason they are entitled to an award of P150,000.00 each; that to deter other persons similarly inclined as the complainant in filing grossly unfounded suits, the [petitioners] are entitled to recover from the complainant exemplary and corrective damages of at least P50,000.00 each; and that to protect their interest, the [petitioners] were compelled to retain the services of counsel and agreed to pay attorney's fees in the amount of P150,000.00.

The SEC Hearing Officer rendered his decision on May 18, 1999, the decretal portion of which reads:

WHEREFORE, premises considered, [petitioners] Queensland Tokyo Commodities Inc. and Charlie Collado and Felix Sampaga are hereby ordered to jointly and severally pay the complainant the following:

1. The amount of P2,082,021.40 representing the complainants return of investments.

2. The amount of P50,000.00 as and by way of attorney's fees and

3. Cost of this suit.

SO ORDERED.^[2]

Having received the decision on May 24, 1999, petitioners filed their Motion for Reconsideration on June 22, 1999, but this was denied on November 25, 1999.^[3]

They appealed to the SEC *en banc*, but their appeal was also denied and ordered dismissed on August 29, 2000.^[4] Petitioners then elevated the case to the Court of Appeals (CA), which rendered its assailed decision with the following dispositive portion:

WHEREFORE, premises considered, the Petition is hereby ORDERED DISMISSED, having no merit in fact and in law and the challenged decision [AFFIRMED], with costs to petitioners.

SO ORDERED.^[5]

Again, petitioner's Motion for Reconsideration of the CA Decision was denied.

The issues in this appeal are:

A

WHETHER THE TIMELINESS OF AN APPEAL AND THE FILING OF PLEADINGS, AS WELL AS THE SUFFICIENCY OF THE CONTENTS THEREOF, ARE GOVERNED BY THE RULES OF PROCEDURE IN EFFECT AT THE TIME OF THE FILING THEREOF

B

WHETHER THE COURT OF APPEALS MAY REVIEW AND, IF WARRANTED, REVERSE AND SET ASIDE THE FINDINGS OF FACT OF AN ADMINISTRATIVE AGENCY PERFORMING QUASI-JUDICIAL FUNCTIONS, INCLUDING THE SECURITIES AND EXCHANGE COMMISSION

C

WHETHER A CORPORATE OFFICER MAY BE HELD PERSONALLY LIABLE FOR AN ACT PERFORMED IN AN OFFICIAL CAPACITY AND[,] IF SO, UNDER WHAT CIRCUMSTANCES

Petitioners argue, thus:

The Court of Appeals only addressed the issue of timeliness of the appeal, but did not rule on the propriety of the dismissal on the ground of non-compliance with the formal requirement. A review of the antecedent proceedings and the different rules of procedure implemented by the SEC during the pendency of these proceedings will readily show that petitioners were not selective in their choice of procedural rules to apply. Petitioners maintain that the timeliness of the filing, as well as the sufficiency