

SECOND DIVISION

[G.R. No. 106413, July 05, 1996]

REPUBLIC OF THE PHILIPPINES, PETITIONER, VS. TACLOBAN CITY ICE PLANT, INC. AND ALLIED BANKING CORPORATION, TRUSTEE OF THE COLLEGE ASSURANCE PLAN PHILS., INC., AND SANDIGANBAYAN (SECOND DIVISION), RESPONDENTS.

DECISION

MENDOZA, J.:

This is a petition for certiorari to set aside the two resolutions of the Second Division^[1] of the Sandiganbayan for having been allegedly issued with grave abuse of discretion. These are (1) the resolution dated October 1, 1991 declaring the previous resolution of June 28, 1989, which ordered the return of the Price Mansion to private respondents, to be final and executory, and therefore ordering petitioner to comply with such directive; and (2) the resolution dated July 23, 1992 denying petitioner's motion for reconsideration for being moot and academic. In the alternative, the present petition prays for the issuance of a writ of mandamus to compel the Sandiganbayan to conduct a hearing and determine whether the Price Mansion in Tacloban City, subject of the case in the Sandiganbayan, is ill-gotten property.

The facts are as follows:

On March 18, 1986, the newly-organized Presidential Commission on Good Government (PCGG), placed under sequestration two parcels of land and a building thereon, which are collectively known as the Price Mansion, in Tacloban City, believing that it belonged to Benjamin "Kokoy" Romualdez. Private respondent Tacloban City Ice Plant (TCIP), a family corporation, asserting ownership of the Price Mansion, sought the lifting of the order of sequestration. It claimed that the Price Mansion had been sold to it by the children and heirs of the original owners, Walter Scott Price and Simeona K. Price, in a Deed of Extrajudicial Partition and Sale dated March, 1978.^[2] In view of this claim, the PCGG conducted hearings at which Engineer Wilson Chan, director of TCIP, and Professor Esteban A. Ocampo of the National Historical Commission testified. According to Engr. Chan, the Price Mansion, located beside TCIP's Tacloban Plaza Pensione, had been acquired by TCIP in 1978 for the purpose of converting it into a commercial complex. TCIP in fact commenced construction immediately after the purchase by making the necessary excavations and laying out the scaffoldings but was not able to proceed with its plan in view of local opposition to the commercialization of what was thought a historical landmark. Prof. Ocampo corroborated TCIP's claim. He testified that when he went to Tacloban City in 1978 in behalf of the National Historical Commission, he met Mr. Joseph Ch. Chan, TCIP president, who assured him that TCIP was not going to demolish the Price Mansion. It was his impression that the Chan family owned the property.

On the basis of these testimonies, the PCGG held that TCIP had "sufficiently substantiated its claim to the bonafide ownership of the subject property" and that "the [Price Mansion] does not constitute ill-gotten wealth as defined by Executive Order Nos. 1, 2 and 14, as amended, series of 1986." The dispositive portion of the order, dated February 27, 1987, reads:

WHEREFORE, the sequestration of the property known as the Price Mansion, covered by Transfer Certificates of Titles Nos. T-14733 and T-14734, Registry of Deeds for the City of Tacloban, is hereby LIFTED.

SO ORDERED.^[3]

However, despite its order lifting the sequestration, the PCGG did not give up its possession of the Price Mansion. Instead it listed the property as Asset No. 29 of Benjamin "Kokoy" Romualdez against whom, among others, it filed a case (Civil Case No. 0035^[4]) in the Sandiganbayan on August 13, 1987. The Price Mansion was also included as Asset No. 293 in a list appended to a complaint earlier filed against Alfredo "Bejo" Romualdez, which was docketed as Civil Case No. 0010.

Private respondent TCIP called the attention of the PCGG and the Solicitor General to the order of February 23, 1987 lifting the order of sequestration on the Price Mansion. On June 17, 1988 TCIP requested them to file a motion to withdraw the property from the list of assets in both cases.

The Price Mansion was deleted from the list of assets of Alfredo "Bejo" Romualdez in Civil Case No. 0010, but in Civil Case No. 0035, the Solicitor General merely informed private respondent that "the property will be excluded in an amendment we intend to make."^[5] The PCGG, for its part, advised private respondent that the property would be returned to it as soon as the Sandiganbayan had approved the amendment of the complaint.^[6]

No action was taken upon the matter, however. On June 14, 1989, on advice of the Solicitor General and the PCGG, private respondent filed a Motion to Exclude Sequestered Property and/or Approve Lifting of Sequestration. At the hearing held on June 19, 1989, counsel for petitioner Republic appeared and told the court that the PCGG had informed the Solicitor General of the fact that it (the PCGG) had already lifted the sequestration of the Price Mansion and that the PCGG did not have any objection to the exclusion of the property from Annex "A" of the complaint. Accordingly, on June 28, 1989, the Sandiganbayan granted the motion of TCIP and ordered the deletion of the Price Mansion from the list of assets or properties of Benjamin "Kokoy" Romualdez and its turnover to TCIP. The dispositive portion of the resolution reads:^[7]

WHEREFORE, in view of the foregoing premises, We hereby decide, and so rule, to grant the relief as prayed for. Accordingly, the lots and building of "Price Mansion" is hereby ordered deleted from the list of assets/properties of Benjamin "Kokoy" Romualdez (No. 293, Amended Complaint) in the above-entitled case. Accordingly, the Presidential

Commission on Good Government and the Office of the Solicitor General are hereby directed to effect the turnover of said property to herein movant Tacloban City Ice Plant, Incorporation at the soonest possible time.

SO ORDERED.

It appears, however, that despite the assurance earlier given by it that it would abide by the order of the Sandiganbayan, the PCGG did not turn over the Price Mansion to private respondent. Instead it remained in possession and custody of it or at least of a portion occupied by an antenna/tower of the PRTV-12.

In February 1990, TCIP sold the Price Mansion to the other private respondent Allied Banking Corporation (Allied) as trustee for the College Assurance Plan Philippines, Inc. (CAPP). TCIP undertook to remove the antenna/tower built by PRTV-12 (another sequestered entity) on the premises and thereafter to transfer possession of the property to Allied, failing which it was bound to pay a penalty of P15,000.00 a month starting September 1990 until the transfer of possession is finalized.

In a letter to TCIP's Engr. Chan and Atty. Quimbo dated April 7, 1990, the PCGG and the PRTV-12 expressed their willingness to remove the antenna/tower provided it was given financial assistance for doing so by TCIP.^[8]

On March 22, 1991 TCIP filed with the Sandiganbayan a Motion for Compliance to compel petitioner, represented by the PCGG, to make a complete turnover of the property to it (TCIP).^[9] In its motion, TCIP stated:

2. The term "soonest possible time" was interpreted by the PCGG as a period of almost three (3) years because up to the present time, it has not turned over **a portion of the "lots"** mentioned in the afore-quoted RESOLUTION (June 28, 1989)." (Italics supplied)

In its comment, petitioner opposed TCIP's motion on the ground that the transfer might cause financial loss to PRTV-12 and, therefore, unnecessary hardship on petitioner. Petitioner averred that, in any event, it was not bound by the terms and conditions of the sale to Allied.

On April 26, 1991 petitioner's motion was heard. The parties submitted oral arguments. On October 1, 1991 the Sandiganbayan issued the first questioned resolution,^[10] granting, over petitioner's objection, respondent TCIP's motion for compliance and declaring its resolution of June 28, 1989 final and executory on the ground that petitioner did not appeal or file a motion for reconsideration. It reiterated its stance that the continued possession of the PCGG of a portion of the mansion was an impairment without legal basis of TCIP's right of ownership.

Petitioner filed a Motion for Reconsideration.^[11] It alleged that it had been furnished by Francisco Tantuico, former Chairman of the Commission on Audit, who was also a defendant in Civil Case No. 0035, with copies of documents showing that prior to its sequestration, the Price Mansion had been sold by TCIP to Universal Broadcasting

Corp. (UBC), which is listed as Asset No. 56 of Benjamin Romualdez.^[12] It contended that the lifting of the sequestration order was obtained through false representation of TCIP that the Price Mansion had never been sold to Romualdez. It insisted that the mansion, though released from sequestration, "may be ill-gotten" after all because UBC is a sequestered corporation and its incorporator and majority stockholder, Zenaida Ocampo, is also a defendant in the aforesaid Civil Case No. 0035.^[13] Petitioner prayed that the order to turn over the Price Mansion to TCIP be suspended pending resolution of the issues raised in its motion for reconsideration, because to compel petitioner to comply with the Sandiganbayan resolution directing the turnover could result in irreparable injury to the rights and interests of the Republic.

Meanwhile UBC filed a Motion for Leave of Court to Intervene, claiming ownership of the Price Mansion.^[14] According to UBC, sometime in May 1978, TCIP offered to sell the property to it. However, at the time of the transaction, UBC was not yet incorporated, so the sale was consummated on its behalf by its incorporator and stockholder Zenaida Ocampo, and the Deed of Absolute Sale was notarized only on December 15, 1981. The titles to the property were subsequently delivered to UBC, it was alleged, but the sale still could not be registered in UBC's name. Nonetheless, UBC was able to gain possession of the property, erecting thereon an antenna/tower for PRTV-12. Thereafter, feigning loss of its titles, TCIP succeeded in obtaining new owner's duplicate certificates of title and had the lots surveyed anew and divided into three portions. It was in this form, and using three new certificates of title, that the children of Joseph Ch. Chan allegedly sold the Price Mansion to Allied.

On June 16, 1992, the Sandiganbayan denied the Motion for Leave of Court to Intervene, opining that the dispute between UBC and TCIP could best be resolved in a separate action before a regular court.

On July 23, 1992, the Sandiganbayan issued the second questioned resolution denying petitioner's motion for reconsideration of the October 1, 1991 resolution for lack of merit. The court declared petitioner's motion for reconsideration moot and academic in view of the finality of the resolution of June 28, 1989, with the result that the Sandiganbayan had lost its jurisdiction over the subject property. It ruled that although the Price Mansion was formerly a sequestered asset of Benjamin Romualdez and under custodia legis, from the moment the Sandiganbayan ordered the deletion of the property from the list of assets of Romualdez, the property lost its character as ill-gotten and the Sandiganbayan lost its jurisdiction over the property. The Sandiganbayan further held that even if the Price Mansion were eventually adjudicated in favor of UBC in a separate proceeding, the mansion would not revert to its status as ill-gotten property because the UBC itself is not a party defendant in this case.

Hence this petition. Petitioner charges the Sandiganbayan with grave abuse of its discretion in declaring petitioner's motion for reconsideration moot and academic. Petitioner contends:

- (a) The resolution (Annex "E-1") is a mere interlocutory order that can never acquire finality;