

THIRD DIVISION

[G.R. No. 191838, October 20, 2014]

YKR CORPORATION, MA. TERESA J. YULO-GOMEZ, JOSE ENRIQUE J. YULO, MA. ANTONIA J. YULO-LOYZAGA, JOSE MANUEL J. YULO, MA. CARMEN J. YULO AND JOSE MARIA J. YULO, PETITIONERS, VS. PHILIPPINE AGRI-BUSINESS CENTER CORPORATION, RESPONDENT.

[G.R. No. 191863]

REPUBLIC OF THE PHILIPPINES, PETITIONER, VS. PHILIPPINE AGRI-BUSINESS CENTER CORPORATION, RESPONDENT.

D E C I S I O N

VILLARAMA, JR., J.:

At bar are two consolidated petitions for review on certiorari of the Resolutions promulgated on June 30, 2009^[1] and April 8, 2010^[2] of the Sandiganbayan, 5th Division, in Civil Case No. 0024 entitled *Republic of the Philippines v. Peter Sabido, et al.*, rendering summary judgment in favor of respondent Philippine Agri-Business Center Corporation (PABC).

In G.R. No. 191838, petitioners Yulo King Ranch Corporation (which later changed its name to YKR Corporation and hereafter will be referred to as such) and six out of the ten Yulo heirs raise purely questions of law as they seek to set aside or modify the assailed Resolutions. YKR Corporation is a domestic corporation with office address at C-J Yulo & Sons Building, Pasong Tamo corner Don Bosco Road, Makati City. The six out of the ten Yulo heirs include six out of the nine children and legal heirs of the late spouses Luis A. Yulo and Teresa J. Yulo. The late Luis A. Yulo was one of the original defendants in this civil case. After his death on January 10, 1999, his late wife Teresa J. Yulo and their six children became substitute defendants. Teresa J. Yulo subsequently passed away on July 21, 2008. Petitioners have three other siblings who, according to the petition, "have gone their own separate way[s] when Luis A. Yulo died."^[3] The petition further states that "[p]etitioners have no knowledge or information sufficient to form a belief if their siblings are aware of the proceedings in (Sandiganbayan) Civil Case No. 0024, including respondent's move for a summary judgment and the assailed resolutions of the Sandiganbayan."^[4] Respondent PABC, a domestic corporation, is a plaintiff-in-intervention in Civil Case No. 0024 which sought, among others, that the Sandiganbayan adjudge it as the true and lawful owner of a real property known as the "Yulo King Ranch" located in Busuanga, Palawan, and order petitioner Republic of the Philippines (Republic) to lift the sequestration and return possession of the subject property to said respondent. The Sandiganbayan issued the assailed Resolutions in its favor.

G.R. No. 191863 is a petition filed by the Republic, represented by the Presidential

Commission on Good Government (PCGG). The Republic is the plaintiff in Civil Case No. 0024 – an action for reversion, reconveyance, restitution, accounting and damages. Similar to the petition in G.R. No. 191838, petitioner Republic raises a pure question of law on whether the Sandiganbayan erred in granting respondent PABC's motion for summary judgment.^[5]

The facts are stated in the Resolution^[6] promulgated on June 30, 2009 of the Sandiganbayan:

On 27 September 1988, plaintiff-in-intervention PABC filed a Motion for Intervention and a Complaint-in-intervention to recover possession (not title) of real properties registered in its name (PABC's Busuanga Properties), located in Busuanga, Palawan, and covered by Transfer Certificate of Title Nos. 6110 and 6111. PABC prayed that: (a) it be adjudged the true and lawful owner of the subject properties; and (b) defendant-in-intervention Republic be ordered to return possession of the subject parcels of land to plaintiff-in-intervention.

In its Complaint-in-intervention, PABC explained that:

1. Among the assets allegedly belonging to defendants-in-intervention Ferdinand E. Marcos and Imelda R. Marcos sought to be forfeited or reconveyed to plaintiff in the instant action is the real property known as the Yulo King Ranch located at Busuanga, Palawan, listed in Annex A of the complaint and the expanded complaint, as part of the properties of defendant-in-intervention Peter Sabido;
2. The property (i.e. Yulo King Ranch) was, prior to sequestration, then controlled by defendant-in-intervention YKR Corporation wherein defendants-in-intervention Sabido and Yulo are the controlling stockholders on record;
3. The Yulo King Ranch includes two (2) parcels of land and all the improvements therein which are owned by the plaintiff-in-intervention;
4. Sometime in 1975, without the knowledge or consent of the plaintiff-in-intervention, the defendant-in-intervention YKR Corporation unlawfully entered into and occupied said two (2) parcels of land and all the improvements thereon which are owned by the plaintiff-in-intervention;
5. On or about 2 April 1986, defendant-in-intervention Republic of the Philippines, through the PCGG, sequestered the Yulo King Ranch and gave the possession and control of all the assets in said ranch, including the two parcels of land owned by plaintiff-in-

intervention, to the then Ministry of Agriculture; and

6. Defendant-in-intervention Republic of the Philippines is obligated to x x x return possession of those (2 parcels of) lands to plaintiff-in-intervention which was a victim of the Marcos rule.

On 14 November 1988, the Court issued a Resolution granting PABC's Motion to Intervene and admitting the Complaint-in-intervention. Defendant-in-intervention Republic filed a Motion for Reconsideration, which was denied by the Court in a Resolution dated 4 January 1989.

On 31 January 1989, PABC received Sabido's Answer with Compulsory Counterclaim (to Complaint-in-intervention), wherein Sabido:

1. Denied that he had acted in concert with defendants-in-intervention Ferdinand E. Marcos and Imelda R. Marcos in illegally acquiring the real property which is the subject of the Complaint-in-intervention, the truth being that at the time of the alleged unlawful act in 1975, defendant-in-intervention Sabido had no involvement directly or indirectly with co-defendants-in-intervention Marcoses and YKR Corporation, much less in the alleged unlawful acquisition of said property;
2. Denied that the Yulo King Ranch forms part of his properties;
3. Admitted that the Republic through the PCGG[,] sequestered the Yulo King Ranch.

On 26 April 2007, PABC served a Request for Admissions on all the defendants-in-intervention, requesting the admission of the following:

- 1.2. Title to the properties [PABC's Busuanga properties] is registered in the name of plaintiff-in-intervention PABC;
- 1.3. The properties are legally and beneficially owned by plaintiff-in-intervention PABC;
- 1.4. The properties have never been registered in the names of any of the defendants-in-intervention;
- 1.5. Plaintiff-in-intervention PABC did not execute any deed or document transferring the ownership or possession of the properties to any of the defendants-in-intervention or to any other person;
- 1.6. Plaintiff-in-intervention PABC is, and has never ceased to be, the true, lawful and registered owner of the properties;
- 1.7. The properties are not assets of defendant-in-intervention YKR;
- x x x x
- 1.10. Sometime in 1975, without the knowledge or consent of plaintiff-in-intervention PABC, defendant-in-intervention YKR entered into and

occupied the properties and used them for its cattle breeding and dispersal operations;

- 1.11. Defendant-in-intervention YKR possessed and had control of the properties during the time that the Marcos Government declared Martial Law;
- 1.12. Plaintiff-in-intervention PABC demanded that defendant-in-intervention YKR vacate the properties, but the demand was not heeded;
- 1.13. Plaintiff-in-intervention PABC could not take any judicial action without risk to itself and its stockholders, because they had been warned that defendants-in-intervention YKR and its owners were close to or associated with defendants-in-intervention Marcoses, and that such action would be futile;
- 1.14. Plaintiff-in-intervention PABC could not obtain judicial relief during the Martial Law regime without incurring the ire of the Marcoses and risking retaliation;

x x x x

- 1.17. On or about 2 April 1986, defendant-in-intervention Republic, through the PCGG, sequestered YKR and gave the possession and control of all its assets to the then Ministry of Agriculture.

Defendant-in-intervention Republic filed its "Reply" on 9 May 2007 admitting the following:

1. Prior to the issuance of the Sequestration Order dated 2 April 1986, the properties were possessed by defendants-in-intervention YKR;
2. YKR entered into and occupied the properties and used them for its cattle breeding and dispersal operations;
3. YKR possessed and had control of the properties during the time that the Marcos Government declared Martial Law;
4. On or about 2 April 1986, defendant-in-intervention Republic, through the PCGG, sequestered YKR's assets and turned over the management and operation of the ranch x x x to the Bureau of Animal Industry;
5. The properties are not assets of defendant-in-intervention YKR.

In the same Reply, Republic denied that: a) the properties are legally and beneficially owned by PABC; b) the properties have never been registered in the names of any of the defendants-in-intervention; and c) PABC is, and has never ceased to be, the true, lawful and registered owner of the properties on account of the existence of Presidential Proclamation No. 1387, entitled "Reserving and Establishing As a Pasture Reserve a Certain

Parcel of Land of the Public Domain Situated in the Island of Busuanga, Province of Palawan” and Presidential Decree No. 1297, entitled “Centralizing the Importation of Ruminants for Breeding and Slaughter And Beef”, which placed the entire Busuanga Ranch as reserved grazing public land.

On 11 May 2007, defendants-in-intervention YKR Corporation and seven out of the ten Yulo Heirs filed their Answer to the Request for Admissions, wherein they answered that they cannot truthfully admit or deny the following matters:

1. Title to the properties is registered in the name of plaintiff-in-intervention PABC;
2. The properties are legally and beneficially owned by plaintiff-in-intervention PABC;
3. The properties have never been registered in the names of any of the defendants-in-intervention;
4. Plaintiff-in-intervention PABC did not execute any deed or document transferring the ownership or possession of the properties to any of the defendants-in-intervention or to any other person;
5. Plaintiff-in-intervention PABC is, and has never ceased to be, the true, lawful and registered owner of the properties;
6. The properties are not assets of defendant-in-intervention YKR;
7. Prior to the issuance of the Sequestration Order dated 2 April 1986, the properties were possessed by defendants-in-intervention YKR;
8. Sometime in 1975, without the knowledge or consent of plaintiff-in-intervention PABC, defendant-in-intervention YKR entered into and occupied the properties and used them for its cattle breeding and dispersal operations;
9. Defendants-in-intervention YKR possessed and had control of the properties during the time that the Marcos Government declared Martial Law.

According to YKR Corporation and seven out of the ten Yulo Heirs, a truthful admission or denial of the above-stated matters could not be made because all the records of YKR Corporation have been taken by the PCGG when it was sequestered.

On the other hand, [d]efendant-in-intervention Sabido did not answer PABC’s Request for Admissions despite due notice.