

## THIRD DIVISION

[ G.R. No. 108838, July 14, 1997 ]

**PHILIPPINE AMUSEMENT AND GAMING CORPORATION,  
PETITIONER, VS. COURT OF APPEALS, HON. JULIO R. LOGARTA,  
IN HIS CAPACITY AS PRESIDING JUDGE, RTC-BRANCH 63,  
MAKATI, MM AND CASINO OPERATOR CORPORATION AND  
EDUARDO MARCELO, RESPONDENTS.**

### D E C I S I O N

**FRANCISCO, J.:**

Pursuant to a "Contract to Operate" entered into on December 17, 1985 whereby herein petitioner Philippine Amusement and Gaming Corporation (hereafter PAGCOR) granted private respondent Philippine Casino Operators Corporation (PCOC) sole and exclusive right to manage gambling casinos in the entire Philippines, PCOC operated casinos in Manila, Cebu and Laoag, Ilocos Norte.

Not long thereafter, the Presidential Commission on Good Government (PCGG) sequestered PCOC under a sequestration order dated March 19, 1986, reading:

"Provident International Resources Corp.

Philippine Casino Operators Corporation

M a n i l a

Sir:

By virtue of the powers vested unto this Commission by the President of the Philippines, I hereby order the take-over of all assets, movable or immovable of the two (2) above corporations. It is further ordered that the operations of all casinos in the country be provisionally stopped and until further permit to operate is given by the Philippine Laws Amusement Corporations and this Commission.

The Tax Force headed by Mr. Carmelo Lazatin, is hereby authorized to implement the following:

1. Conduct an inventory of all assets and properties within the premises of the Casinos.
2. To make an audit and inventory of all the money and movable equipments as well as gambling paraphernalia presently being used in the operations of the Casinos.

3. To secure all properties, records, receipts, documents, and other pertinent books of accounts, ledgers relative to the operation of the Casinos.

Very truly yours,

FOR THE COMMISSION

(Sgd.)

MARY CONCEPCION BAUTISTA

Commissioner"

PAGCOR then caused the transportation of gaming and office equipment and paraphernalia used in the Laoag casino to its Metro Manila offices for safekeeping. On June 12, 1986 while the trucks containing said equipment were enroute to PAGCOR's offices, private respondent Eduardo Marcelo (Marcelo) intercepted said trucks and ordered the drivers to bring the cargoes to his compound at Governor Pascual Avenue, Malabon.

This prompted PAGCOR to file, on July 25, 1986, a civil case before the Makati Regional Trial Court against private respondents Marcelo, PCOC, "John Doe" and "Peter Doe" for recovery of personal property. Presiding Judge Santiago Ranada, Jr., on even date, issued the writ of replevin and consequently, the gaming and office equipment were turned over to PAGCOR.

Judge Julio Logarta heard the case after private respondents (as defendants), on August 13, 1986, filed their answer with counterclaim alleging, among others, that the court has no jurisdiction.

After PAGCOR (as plaintiff) rested its case on November 8, 1990, a demurrer to evidence was filed grounded on (1) the RTC's non-jurisdiction over the case inasmuch as the subject properties were brought under sequestration, and (2) PAGCOR's failure to sufficiently prove its ownership over the properties, PAGCOR filed its opposition to the demurrer.

Judge Logarta, acting on the demurrer, issued an order dated May 6, 1991 (the first assailed order) dismissing the case for lack of jurisdiction and lifting the writ of replevin. He ruled that the case falls within the exclusive jurisdiction of the Sandiganbayan, citing as authorities "PCGG v. Peña"<sup>[1]</sup> which held that:

"Under Section 2 of the President's Executive Order No. 14 issued on May 7, 1986, all cases of the Commission regarding 'the Funds, Moneys, Assets, and Properties Illegally Acquired or Misappropriated by Former President Marcos, Mrs. Imelda Romualdez Marcos, their Close Relatives, Subordinates, Business Associates, Dummies, Agents, or Nominees' whether civil or criminal, are lodged within the 'exclusive and original