



REPUBLIC OF THE PHILIPPINES
SANDIGANBAYAN
QUEZON CITY

THIRD DIVISION

REPUBLIC OF THE PHILIPPINES,
Petitioner,

- versus -

ALFREDO T. ROMUALDEZ, et al.,
Respondents.

Civil Case No. 0167
For: *Forfeiture of Unlawfully Acquired Property under R.A. No. 1379 in Relation to E.O. Nos. 1, 2, 14 and 14-A*

Present:

CABOTAJE-TANG, P.J.,
Chairperson,
B. FERNANDEZ, J. and
R. MORENO, J.

Promulgated:

JUNE 22, 2021

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RESOLUTION

CABOTAJE-TANG, P.J.:

For resolution is respondent Alfredo T. Romualdez' "*Motion for Reconsideration*" dated March 05, 2021 of the Court's Resolution promulgated on February 18, 2021 which granted petitioner-Republic's "*Motion for Leave of Court to Amend Amended Supplemental Petition*".

Respondent Romualdez asserts that the Court committed a serious and reversible error when it granted petitioner-Republic's motion for leave for court to amend its Amended Supplemental Petition. He argues that the liberality in admitting amendments is applicable only to early stages of the

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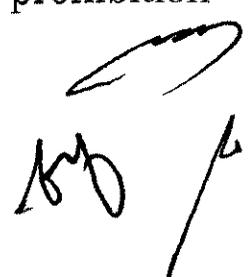
proceedings which is not present in this case since this has been dragging for more than twenty-five (25) years already. Thus, he claims that the Court cannot invoke its liberality in admitting petitioner's motion.

Further, he claims that the motion should have been denied on the ground that petitioner is guilty of inexcusable delay considering that this is the third time it moved for the amendment of its petition. According to him, petitioner already invoked the constitutional requirement of due process to justify the granting of its *Second Amended Supplemental Petition*, and it is an abuse of this right if it is to be granted for the third time. Moreover, he reiterates that due process also includes the right to speedy disposition of cases and impleading two (2) additional respondents would result in inordinate delays in the proceedings.

In its *Comment* dated March 25, 2021, petitioner-Republic asserts that the amendment sought does not impose any substantial prejudice on respondent Romualdez as it involves a mere formal amendment. It further claims that the due process requirement that corporations should be impleaded effectively came into effect only after the Supreme Court's Decision in *POTC and PHILCOMSAT v. Sandiganbayan*¹ became final on July 21, 2016.

Furthermore, it contends that it cannot be accused of delaying the case because it was Romualdez who caused the delay. Petitioner claims that upon the filing of the original petition in 1996, Romualdez filed a motion to dismiss which was denied by the Sandiganbayan in 2002. His subsequent motion for reconsideration was also denied. Thereafter, or on March 31, 2003, he filed a motion for preliminary investigation and suspension of proceedings. This was likewise denied by this Court. Thus, he filed a petition for certiorari and prohibition

¹ 780 Phil. 563-585 (2016)

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seeking to annul this Court's rulings and prevent it from further proceeding with this case until another preliminary investigation is conducted. This petition was denied by the Supreme Court on July 13, 2010. After the denial of his motion for reconsideration, this Court continued with the proceedings. Even then, respondent Romualdez only filed his Answer to the Supplemental Petition in July 2015.

On the other hand, petitioner maintains that it is not guilty of delay because it filed the Amended Supplemental Petition for no other reason than to attain a complete and final determination of the nullity of the illegal transfer of the forty-two (42) properties from respondent Romson Realty, Inc. to Robinsons Land Corporation and thus impleaded the latter.

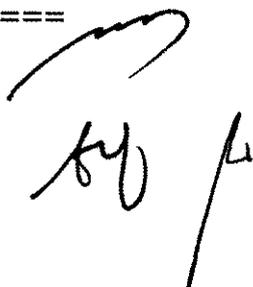
Finally, it claims that since Storton and Halston are not doing business in the Philippines and are wholly owned and controlled by respondent Spouses Alfredo and Agnes Romualdez, it does not intend to serve summons upon them. Thus, no delay will result from impleading Storton and Halston as additional party-respondents.

THE RULING OF THE COURT

The Court finds the subject motion *unmeritorious*.

- I. The allowance of the amendment of the petition is consistent with prevailing jurisprudence.**

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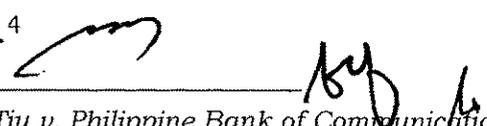
The prevailing rule on amendment of pleadings in favor of liberality is grounded on the goal of obtaining substantial justice for all the parties, and may only be refused if there are justifiable circumstances for its denial.²

In our assailed Resolution, we quoted the following pronouncement of the Supreme Court on the matter, viz:

The Court should be liberal in allowing amendments to pleadings to avoid multiplicity of suits and in order that the real controversies between the parties are presented, their rights presented, and the case decided on the merits without unnecessary delay. **This liberality is greatest in the early stages, especially in this case where the amendment was made before the trial of the case, thereby giving the petitioners all the time allowed by law to answer and to prepare for trial.**³

To be clear, the phrase “early stages of the proceeding” does not refer to the time that elapsed from the filing of the complaint but refers to the specific stage of the trial, i.e. complaint, answer, pre-trial, presentation of petitioner’s evidence, presentation of respondent’s evidence. Undoubtedly, this case is still in the stage prior to pre-trial, which falls within the early stages of the proceedings.

There is likewise no merit to respondent’s claim that petitioner is guilty of inexcusable delay. It is a well-settled rule that the determination of whether a delay was inordinate is not simply through mere mathematical reckoning but through the examination of the facts and circumstances surrounding the case.⁴


² See *Tiu v. Philippine Bank of Communications*, 631 Phil. 56-72 (2009) and *Central Bank Board of Liquidators v. Banco Filipino Savings and Mortgage Bank*, 806 Phil. 156-174 (2017).

³ *Lisam Enterprises, Inc. v. Banco De Oro Unibank, Inc.*, 686 Phil. 293-308 (2012); Emphasis supplied

⁴ *Cagang v. Sandiganbayan*, G.R. Nos. 206438, 206458 & 210141-42, July 31, 2018

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In this case, the records show that the delay in this case was caused by the following: (1) the failure to serve summons on all the respondents, (2) the amendment of the petition, and (3) the filing by Respondent Romualdez of various motions and petitions which stayed the proceedings in this Court. Evidently, while it is true that petitioner-Republic caused some delay through the amendment of its pleadings, respondent Romualdez himself also contributed to this delay.

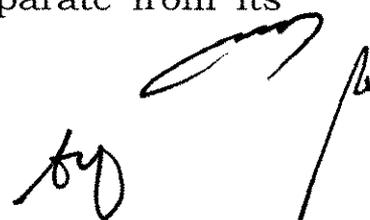
The records will further disclose that upon the filing of the original petition in 1996, Romualdez filed a motion to dismiss which was denied by this Court in 2002. His subsequent motion for reconsideration was also denied. Thereafter, or on March 31, 2003, he filed a motion for preliminary investigation and suspension of proceedings. This was likewise denied by this Court upon finding that a preliminary investigation was already conducted by the Ombudsman prior to the filing of the petition. Thus, he filed a petition for certiorari and prohibition seeking to annul this Court's rulings and prevent it from further proceeding with this case until another preliminary investigation is conducted. This petition was denied by the Supreme Court on July 13, 2010. It was only after the denial of his motion for reconsideration that this Court continued with the proceedings. Even then, respondent Romualdez only filed his Answer to the Supplemental Petition in July 2015.

Prescinding therefrom, we find that there was no inordinate delay on the part of petitioner-Republic nor was there any intention on its part to deliberately prolong this case.

II. The amendment of the pleading is necessary to fulfill the requirements of due process.

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There is no question that a corporation is a legal entity with a juridical personality distinct and separate from its



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stockholders. Thus, jurisprudence teaches that the principles of justice and fair play dictate that it must be impleaded as defendants, separate from its stockholders, to give it an opportunity to be heard. In *POTC and PHILCOMSAT v. Sandiganbayan*, the Supreme Court emphasized the importance of this matter in this wise:

Failure to implead POTC and PHILCOMSAT is a violation of the fundamental principle that a corporation has a legal personality distinct and separate from its stockholders; that, the filing of a complaint against a stockholder is not *ipso facto* a complaint against the corporation.

... ..

The basic tenets of fair play and principles of justice dictate that a corporation, as a legal entity distinct and separate from its stockholders, must be impleaded as defendants, giving it the opportunity to be heard. The failure to properly implead POTC and PHILCOMSAT not only violates the latters' legal personality, but is repugnant on POTC's and PHILCOMSAT's right to due process. "[F]ailure to implead these corporations as defendants and merely annexing a list of such corporations to the complaints is a violation of their right to due process for it would in effect be disregarding their distinct and separate personality without a hearing." As already settled, a suit against individual stockholders is not a suit against the corporation.⁵

Based on the aforesaid considerations, we affirm our ruling that the amendment of the petition is warranted to achieve a full resolution of the issues in this case.

⁵ Citations omitted

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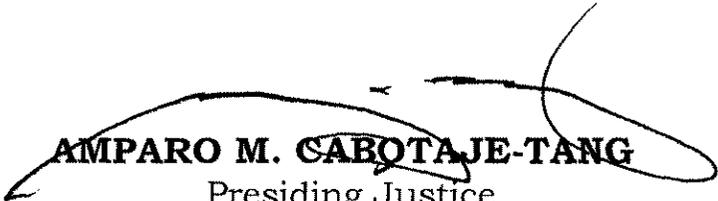
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WHEREFORE, respondent Alfredo T. Romualdez' *Motion for Reconsideration* dated March 05, 2021 is **DENIED** for lack of merit.

SO ORDERED.

Quezon City, Metro Manila



AMPARO M. CABOTAJE-TANG

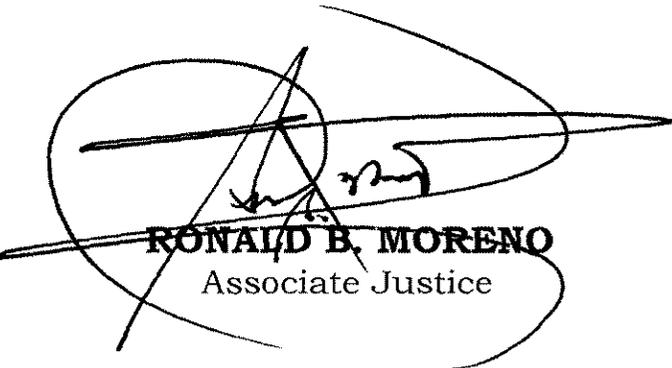
Presiding Justice
Chairperson

WE CONCUR:



BERNELITO R. FERNANDEZ

Associate Justice



RONALD B. MORENO

Associate Justice