



REPUBLIC OF THE PHILIPPINES  
SANDIGANBAYAN  
QUEZON CITY

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FIFTH DIVISION

REPUBLIC  
PHILIPPINES,

OF THE

Plaintiff,

Civil Case No. 0024

For: Reconveyance  
Reversion Accounting  
Damages

-vs-

PETER A. SABIDO, ET AL,  
Defendants.

Present:

LAGOS, J., Chairperson  
MENDOZA-ARCEGA, J.,  
and CORPUS-MAÑALAC, J.

Promulgated:

August 11, 2023

*Suzel E. Leon*

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RESOLUTION

**MENDOZA-ARCEGA:**

For consideration are the: Motion for Reconsideration<sup>1</sup>, filed by the Republic, dated March 13, 2023; Opposition of Yulo King Ranch Corporation (YKR) and Six Out of the Ten Legal Heirs of the Late Luis A. Yulo, through counsel, dated June 2, 2023; Opposition of Ma. Antonia J. Yulo-Loyzaga, through counsel, dated June 19, 2023; and Comment filed by Jose Maria J. Yulo, through counsel, dated July 3, 2023.


<sup>1</sup> Record, Vol. 60, pp.222-239

The Republic in its motion prays for a reconsideration of the Court's Decision<sup>2</sup> dated February 21, 2023, dismissing the Complaint for failure to prove by preponderance of evidence the material allegations in the Amended Complaint. The plaintiff, in its motion generally claims that defendant Sabido, with Rafael Sison (Sison) and Don M. Ferry (Ferry), took advantage of his relationship, influence, and connection with the Marcos Family to hide his ill-gotten wealth and unjustly enrich himself. The plaintiff continued that based on financial records Sabido was a member of the Parliament from July 1984 to 1986. That despite his total income of P789,400.00 (Seven Hundred Eighty-Nine Thousand Four Hundred Pesos), he was able to amass wealth grossly disproportionate to his source of legitimate income, as shown by the Schedular Income Tax Return of 1984. Moreover, the Memorandum of Atty. Cimagala shows that Sabido was a close associate of former President Marcos. It was related that Sabido utilized the loans from GSIS to finance the takeover of Lianga Bay Logging Co. (LBLCI). The List of Stockholders equally demonstrated that Sabido together with his relatives owned 16,737 shares of the total of 60,714 shares in LBLCI, which are grossly disproportionate to his reported income. Furthermore, the Fiscal Committee of LBLCI in its Memorandum dated September 22, 1986 addressed to the PCGG, said that Georgia Pacific International Corporation (GPIC) entered into a number of one-sided or grossly disadvantageous contracts in favor of Sabido, while the Memorandum of Luga disclosed the exorbitant management fees from Lianga were paid to GPIC, with Sabido as payee, in the total amount of P4,438,270 (Four Million Four Hundred Thirty-Eight Thousand Two Hundred Seventy Pesos) from 1983 to 1986, which validates how Sabido took advantage of his public office to enrich himself. Also, Escosora in his Memorandum dated November 17, 1986, addressed to the PCGG said that Sabido dissipated the assets of LBLCI, estimated at over P1,000,000.00 (One Million Pesos) per month, in violation of existing tax laws, discriminatory to the stockholders, and at the expense of other company claimants. The accrued employees' and workers' accrued claims amounted to P8,200,000.00 (Eight Million Two Hundred Thousand Pesos). Finally, plaintiff presented evidence that Sabido secured enormous foreign loans through Phil-Asia Food Industries Corp (PAFICO) from DBP, under terms and conditions grossly disadvantageous to the plaintiff and the Filipino people.

As to defendant Yulo, the plaintiff alleges that the latter admitted ownership of 25% of the outstanding shares of PIMECO, thus, his responsibility for proper accounting of the properties and funds. The plaintiff also avers that Yulo engaged in questionable transactions in furtherance of former President Marcos' plan to accumulate ill-gotten wealth for himself, his family and his close business associates. This is evidenced by the Technical Service Agreement executed by YKR. The said agreement purportedly revealed that Marcos, through the issuance of PD 1297, centralized the importation of beef for breeding and slaughter which gave them a significant advantage in the industry, under the control of King Ranch. The act of YKR in entering a management contract with King Ranch apparently showed a misuse of power and resources by the defendants to accumulate ill-gotten wealth. According to the plaintiff, the allegations in the Amended Complaint were further strengthened by the defendants' admissions. Yulo admitted owning 25% of the outstanding shares of PIMECO and that he served as a member of the Board of Directors. As per the plaintiff, his categorical admission was supported by his failure

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<sup>2</sup> Record, Vol. 59, pp. 312-467; copy attached as Annex "A", Motion for Reconsideration above



to produce evidence to substantiate his claim that they were not acting as dummies of former President Marcos.

To establish its position, the plaintiff added that LBLCI admitted that the late Roberto Sabido was elected as a member of the Board of Directors of LBLCI and thereafter acquired 100 shares of the company. Prior to the expiration of the Laurel-Langley Agreement, GPIC submitted a divestment program, transferring 60% of its shareholdings to BPI, as trustee for the benefit of the employees and workers of LBLCI. Meanwhile, GPIC sold 10% of its stockholdings to the late Roberto Sabido, as part of the divestment program. The following admissions ostensibly show the connection between Sabido and LBLCI, one of the defendant corporations, which entered into a number of one-sided or grossly disadvantageous contracts, the ultimate beneficiary being Sabido, who was then a member of the Parliament who took advantage of his public office to enrich himself. Alternatively, Sabido acknowledged that he owned 9,295 shares of the total issued shares of 60,714 of LBLCI. He also admitted being elected as President of LBLCI, who exercises the right to represent the 60% shares belong to the employees and workers of LBLCI. Likewise, he said that the SSS liabilities have been properly recorded as company liabilities and that whenever the cashflow of the company prevented it from paying these obligations seasonably they were not diverted or appropriated by him for his personal use and benefit.


On June 2, 2023, YKR and Six out of the Ten Legal Heirs of the Late Luis A. Yulo filed an Opposition<sup>3</sup> to the subject motion, wherein they said that the motion was intended to delay the proceedings, being a mere rehash of the plaintiff's previous arguments. Equally, the plaintiff's evidence is insufficient to support its causes of action against YKR and the heirs of Yulo, the same being inadmissible since Gapud was not presented as witness, while the other exhibits are mere photocopies of photocopies. In total, the evidence submitted are mere scraps of paper for non-compliance with the best evidence rule. To conclude, they claim that plaintiff's allegations remained mere allegations which is not considered evidence.

On June 19, 2023, Ma. Antonia J. Yulo-Loyzaga, in her capacity as one of the heirs of the late defendant Luis Araneta Yulo, through counsel, filed an Opposition<sup>4</sup> to the Plaintiff's Motion for Reconsideration. She said that the plaintiff failed to prove its material allegations, since mere ownership of properties listed under Exhibit A, is not enough to consider said properties as ill-gotten wealth. The plaintiff failed to discharge its burden to prove that Yulo was a close relative, subordinate, associate, dummy, agent, or nominee of former President Marcos and or Imelda R. Marcos. It emphasized that Yulo's shareholdings in PIMECO and YKR Corporation are not ill-gotten wealth. The plaintiff as well did not present any evidence to show that Yulo's shares in PIMECO and YKR originated or belonged to the government. There was also no evidence to show that Yulo acquired his shares in PIMECO and YKR through unlawful means. Besides, plaintiff failed to prove that the shares of stock of Yulo were owned by President Marcos, or that Yulo was a close associate of former President Marcos.

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<sup>3</sup> Record, Vol. 60, pp. 355-359

<sup>4</sup> Id. pp. 385-400



On July 4, 2023, Jose Maria J. Yulo, in his capacity as one of the heirs of defendant, the late Luis A. Yulo, through counsel, filed a Comment<sup>5</sup> to the Plaintiff's Motion for Reconsideration, stating that the entire case including the present motion is hinged on hearsay testimony and conclusions of fact which are unsupported by independent evidence. The mere ownership of shares by Yulo in PIMECO and YKR does not prove that the latter was a dummy or front. Also, he believed that the plaintiff failed to discharge its burden to prove the material allegations in the Amended Complaint.

Thus, this resolution.

Section 1,<sup>6</sup> Rule 133 of the Rules of Court mandates that in civil cases, the party having the burden of proof must establish his case by a preponderance of evidence. By preponderance of evidence, according to *Raymundo v. Lunaria*,<sup>7</sup> [means] that the evidence as a whole adduced by one side is superior to that of the other. It refers to the weight, credit and value of the aggregate evidence on either side and is usually considered to be synonymous with the term "greater weight of evidence" or "greater weight of the credible evidence." It is evidence which is more convincing to the court as worthy of belief than that which is offered in opposition thereto.

As in other civil cases, basic is the rule that the party making allegations has the burden of proving them by a preponderance of evidence.<sup>8</sup> Moreover, parties must rely on the strength of their own evidence, not upon the weakness of the defense offered by their opponent.

An examination of the records of the case reveals that the arguments raised by the plaintiff in the present motion are the very same issues already discussed and passed upon by the Court in the assailed Decision. For failure of the plaintiff to convince the Court of the cogency of their position and finding no new matters or persuasive grounds to merit a reconsideration of its earlier Decision, the Court finds no convincing reason to depart from it.



<sup>5</sup> Id. pp. 449-458

<sup>6</sup> Section 1. *Preponderance of evidence, how determined* - In civil cases, the party having burden of proof must establish his case by a preponderance of evidence. In determining where the preponderance or superior weight of evidence on the issues involved lies, the court may consider all the facts and circumstances of the case, the witnesses' manner of testifying, their intelligence, their means and opportunity of knowing the facts to which they are testifying, the nature of the facts to which they testify, the probability or improbability of their testimony, their interest or want of interest, and also their personal credibility so far as the same may legitimately appear upon the trial. The court may also consider the number of witnesses, though the preponderance is not necessarily with the greater number.

<sup>7</sup> G.R. No. 171036, October 17, 2008, 569 SCRA 526, 532.

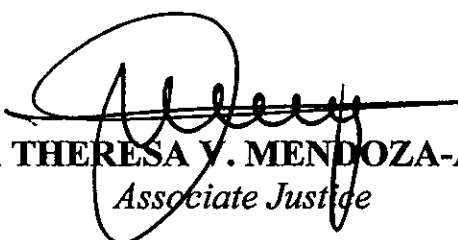
<sup>8</sup> *Saguid v. Court of Appeals*, 451 Phil. 825, June 10, 2003; *Ocampo v. Ocampo*, 427 SCRA 545, April 14, 2004; *Catapusan v. Court of Appeals*, 332 Phil. 586, November 21, 1996. Section 1 of Rule 131 of the Rules of Court provides:

"SECTION 1. *Burden of proof*. — Burden of proof is the duty of a party to present evidence on the facts in issue necessary to establish his claim or defense by the amount of evidence required by law."




**WHEREFORE**, in view of the foregoing, the Motion for Reconsideration is hereby **DENIED** for lack of merit.

**SO ORDERED.**

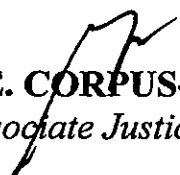


**MARIA THERESA V. MENDOZA-ARCEGA**  
*Associate Justice*

**WE CONCUR:**



**RAFAEL R. LAGOS**  
*Chairperson*  
*Associate Justice*



**MARYANN E. CORPUS-MAÑALAC**  
*Associate Justice*