



Republic of the Philippines
Supreme Court
Baguio City

SUPREME COURT OF THE PHILIPPINES
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FIRST DIVISION

REPUBLIC OF THE PHILIPPINES,
 Petitioner,

G.R. No. 189590

Present:

- versus -

SERENO,* *CJ.*,
 LEONARDO-DE CASTRO,**
 Acting Chairperson,
 DEL CASTILLO,
 JARDELEZA, and
 TIJAM, *JJ.*

HON. SANDIGANBAYAN, ROMEO
 G. PANGANIBAN, FE L.
 PANGANIBAN, GERALDINE L.
 PANGANIBAN, ELSA P. DE LUNA
 AND PURITA P. SARMIENTO,
 Respondents.

Promulgated:

APR 23 2018

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DECISION

LEONARDO-DE CASTRO, *J.*:

This Petition for *Certiorari* under Rule 65 of the Rules Court, as amended, seeks the nullification and setting aside of the portion of the Resolutions dated March 18, 2009¹ and July 31, 2009² of the Sandiganbayan in Civil Case No. 0192, entitled “*Republic of the Philippines v. Romeo Gatdula Panganiban, et al.*” The Resolution dated March 18, 2009 partly granted the Demurrer to Evidence filed by private respondents Romeo Panganiban (Romeo), Fe Labunos Panganiban (Fe), Geraldine Labunos Panganiban (Geraldine), Elsa Panganiban De Luna (Elsa), and Purita Panganiban Sarmiento (Purita) (Romeo, *et al.*); while the Resolution dated July 31, 2009 denied petitioner Republic of the Philippines’ (Republic) motion for reconsideration thereto.

* On leave.
 ** Per Special Order No. 2540 dated February 28, 2018.
¹ *Rollo*, pp. 43-47; penned by Sandiganbayan Associate Justice Edilberto G. Sandoval with Associate Justices Teresita V. Diaz-Baldos and Samuel R. Martires (now a member of this Court) concurring.
² *Id.* at 48-49.

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The Facts of the Case

On September 27, 2004, petitioner Republic, through the Office of the Ombudsman (Ombudsman), filed before public respondent Sandiganbayan a petition³ for the forfeiture of unlawfully acquired properties of private respondents Romeo, *et al.*, including Geraldine Labunos Panganiban, pursuant to Section 2 of Republic Act No. 1379, entitled “*An Act Declaring Forfeiture In Favor Of The State Any Property Found To Have Been Unlawfully Acquired By Any Public Officer Or Employee And Providing For The Proceedings Therefor.*” Particularly, petitioner Republic sought the forfeiture of five real properties described⁴ as follows, which are claimed to be valued at not less than Forty Million Seven Hundred Sixty-Six Thousand Three Hundred Pesos (₱40,766,300.00):

<u>Description</u>	<u>Acquisition Cost/Value</u>	<u>Annex(es)</u>
a. Residential House and Lot covered by, and described under, TCT No. 307495 in the name of Spouses Romeo G. Panganiban and Fe L. Panganiban, consisting of 256 square meters, located at Grand Villas, Batong Malake, Los Baños, Laguna [hereinafter referred to as the “ <i>Los Baños Property</i> ”] x x x.	₱1,280,000.00	“D & E”
b. Commercial Four-Storey Building and Lots covered by Tax Declarations (sic) No. (sic) 1999-25-003-00041 and 1999-25-003-00042, and described under TCT No. 150693 and TCT No. 150694, [in the name of Romeo Panganiban] located at Regional St., Sta. Cruz, Laguna [hereinafter referred to as the “ <i>Sta. Cruz Property</i> ”] x x x.	₱2,000,000.00	“F, G, H & I”
c. Residential House and Lot located at No. 430 San Bartolome St., Ayala Alabang Village, Muntinlupa City covered by, and described under, TCT No. 1577 and Tax Declaration (RPA Form) No. 126-00-009-39-012-0000 [in the name of Elsa P. De Luna, hereinafter referred to as the “ <i>Ayala Alabang Property</i> ”].	₱24,800,000.00	“J & K”

³ Records, pp. 1-12.

⁴ Rollo, pp. 54-55.

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- d. Three-bedroom House and Lot ₱12,540,300.00 "L"
located at No. 2840 Heritage Drive,
Pasadena, Los Angeles, California,
[registered in the name of "Fe
Panganiban and Geraldine
Panganiban," hereinafter referred to
as the "*Los Angeles Property*"].
- e. Residential Lot, consisting of 200 square meters, located at Barangay Callos, Sta. Cruz, Laguna, covered by Tax Declaration No. 1999-25-007-01027 and described under TCT No. T-110804 [declared in the name of "Spouses Romeo and Fe Panganiban," hereinafter referred to as the "*Callos-Sta. Cruz Property*"].

as well as such other additional properties amounting to, or in the value of, Ten Million Two Hundred Thirty-Six Thousand Seven Hundred Seventy-One Pesos and Sixty Centavos (₱10,236,771.60).

In seeking the forfeiture of the aforementioned properties, petitioner Republic alleged that private respondent Romeo owned the same and that they were unlawfully acquired during his incumbency as *Regional Director* at the Department of Public Works and Highways.⁵ Private respondents *Fe* (Romeo's wife), *Elsa* and *Purita* (Romeo's sisters), including *Geraldine* (Romeo's daughter), were made party respondents to the forfeiture case on the basic premise that they were holding said properties for and on behalf of private respondent Romeo.

Petitioner Republic anchored its prayer for forfeiture on the fact that private respondent Romeo's networth in *1986* per his *Statement of Assets, Liabilities and Networth* (SALN) was only **₱455,000.00**; but in his *2001* SALN, it had already ballooned to **₱13,208,590.50**. The bloat could not be explained by private respondent Romeo's Service Record showing the total amount of government salary that he earned from January 1, 1986 to December 31, 2001 to be just **₱2,516,818.90** – which is **₱10,236,771.60**⁶ less than his stated networth by the end of 2001.

And juxtaposed with the supposed value of the five real properties, *i.e.*, ₱40,766,300.00, the latter is way out of proportion to private respondent Romeo's 15-year accumulated income of ₱2,516,818.90. Petitioner Republic also took note of the fact that private respondent Romeo made eight foreign travels between 1999 and 2004; while his wife, private respondent *Fe*, made 28 travels abroad during the same period.

⁵ Id. at 3.

⁶ Private respondent Romeo's 2001 networth less the total amount of his government salary by end of 2001.

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Petitioner Republic concluded that the discrepancy of ₱10,236,771.60,⁷ plus the aggregate ₱40,766,300.00 value of the five real properties, all constituted ill-gotten wealth.

Thus, the Republic prayed –

1. Before hearing, a writ be issued commanding respondents to show cause why their assets, more particularly enumerated in paragraph 5 hereof amounting to at least FORTY MILLION SEVEN HUNDRED SIXTY-SIX THOUSAND THREE HUNDRED PESOS (₱40,766,300.00), and such other additional properties amounting, or the value of which is equivalent to, TEN MILLION TWO HUNDRED THIRTY-SIX THOUSAND SEVEN HUNDRED SEVENTY-ONE AND 60/100 PESOS (₱10,236,771.60) or a total of at least FIFTY-ONE MILLION THREE THOUSAND SEVENTY-ONE AND 60/100 PESOS (₱51,003,071.60), which are in excess of respondent Romeo G. Panganiban's lawful and legitimate income, should not be forfeited in favor of the government; and

2. After trial, the above-described real properties enumerated in paragraph 5 hereof amounting to at least FORTY MILLION SEVEN HUNDRED SIXTY-SIX THOUSAND THREE HUNDRED PESOS (₱40,766,300.00), and such other additional properties amounting, or the value of which is equivalent to, TEN MILLION TWO HUNDRED THIRTY-SIX THOUSAND SEVEN HUNDRED SEVENTY-ONE AND 60/100 PESOS (₱10,236,771.60), be declared forfeited in favor of the petitioner.⁸

In his *Answer*, private respondent Romeo denied the allegations, and averred that his wife and his sisters had the financial capacity to purchase the real estate properties registered in their names; and that private respondent Fe contributed substantially to the family income as a business owner. He disavowed any personal participation in the purchase of the Ayala Alabang and Los Angeles properties. But he admitted that the Los Angeles property was actually purchased by his daughter Geraldine and his wife.⁹

Private respondents Fe, Elsa, and Purita filed a *Joint Answer* echoing the same denial and special and affirmative defenses raised by private respondent Romeo.

Geraldine, however, did not file any *Answer*; thus, she was declared in default by the Sandiganbayan.

Upon the conclusion of the presentation of petitioner Republic's evidence-in-chief, it filed its Formal Offer of Exhibits.¹⁰

⁷ Private respondent Romeo's networth in 2001 is ₱13,208,590.50 per his SALN of that year, less ₱2,516,818.90, the total government salary received by him from January 1, 1986 to December 31, 2001 per his Service Record.

⁸ *Rollo*, pp. 59-60.

⁹ *Id.* at 12-13.

¹⁰ *Id.* at 88-114.

EXHIBIT	DESCRIPTION	PURPOSE
A	Original copy of Romeo G. Panganiban's service record dated April 28, 2005	1. To prove that respondent Romeo was a public officer and held various positions in the government until he was dismissed from office by virtue of the Court of Appeals decision in a case for grave misconduct and dishonesty; and 2. As part of the testimony of Eduardo Dimaculangan, who checked, verified, and certified the documents.
B	Certified photocopy of Romeo G. Panganiban's appointment dated March 8, 2000	
C	Certified photocopy of Romeo G. Panganiban's <i>Panunumpa sa Katungkulan</i> dated March 22, 2000	
D	Original copy of Analytical Presentation of the Net Worth of Romeo G. Panganiban in Relation to his Income from Employment in Government and Assets Declared	1. To show that there are great disparities between respondent Romeo's lawful income and the increase in his assets; 2. To prove that respondent Romeo has acquired assets during his incumbency, the amount of which is manifestly out of proportion to his salary and other lawful income; and 3. As part of the testimony of David Lucero, who prepared the document and is the Associate Graft Investigating Officer IV of the Office of the Ombudsman.
E	Certified photocopy of Romeo G. Panganiban's SALN dated December 31, 2001	1. To prove the disparities in respondent Romeo's lawful income and the increase in his reported properties; 2. As part of the testimony of Rolando M. Bofie, who certified the document and is the Chief of the Records Division of DPWH, Central Office; and 3. Respondents admitted the existence, authenticity, and due execution of the document.

F	Certified photocopy of TCT T-307495 which is the land title of Saccay Grand Villas house and lot in Los Baños, Laguna	1. To prove the acquisition by respondent Romeo of the Saccay Grand Villas property under the name of Spouses Romeo and Fe Panganiban for
G	Certified photocopy of Deed of Absolute Sale dated June 28, 1994 executed by Crescent Holdings Corporation in favor of Spouses Panganiban	<p>1. To prove the acquisition by respondent Romeo of the Saccay Grand Villas property under the name of Spouses Romeo and Fe Panganiban for ₱1,280,000.00 on September 9, 1994;</p> <p>2. To prove that as of March 2005, the title of Saccay Grand Villas property is in the name of respondents Romeo and Fe;</p> <p>3. As part of the testimony of Chona Undasan, Records Officer III of the Registry of Deeds of Calamba, Laguna; and</p> <p>4. Respondents admitted the existence, authenticity, and due execution of these documents.</p>
H	Certified photocopy of Declaration of Real Property of Spouses Romeo and Fe Panganiban with Property Index No. 023-11-005-27-270 (246)	1. To prove that the tax declaration of the Saccay Grand Villas Property is in the name of Spouses Romeo and Fe and that they are paying the real estate tax of said property;
I	Certified photocopy of Declaration of Real Property of Spouses Romeo and Fe Panganiban with Property Index No. 023-11-005-27-270 (246) and Tax Declaration No. 005-3621	<p>2. As part of the testimony of Noel L. Veracruz, Provincial Assessor of Laguna; and</p> <p>3. Respondents admitted that it is a faithful reproduction of its original.</p>
J	Certified photocopy of Declaration of Real Property of Spouses Romeo and Fe Panganiban with Property Index No. 023-11-005-27-270 (246) and Tax Declaration No. 005-3395	
K	Certified photocopy of Declaration of Real Property of Spouses Romeo and Fe Panganiban with Property Index No. 023-11-005-27-270 (246) and Tax Declaration No. 005-4509	

L	Certified photocopy of Declaration of Real Property of Spouses Romeo and Fe Panganiban with Property Index No. 023-11-005-27-270 (246) and Tax Declaration No. 005-4195	
M	Certified photocopy of Deed of Sale executed by Walfrido T. Hicban in favor of Romeo Panganiban dated June 2, 1994	1. To prove that the two parcels of land situated in Regidor St., Sta. Cruz, Laguna and covered by a Deed of Sale was sold to respondent Romeo on June 2, 1994 for ₱200,000.00;
N	Certified photocopy of TCT No. T-150693 in the name of Romeo Panganiban dated June 21, 1994	2. As part of the testimony of Atty. Julius Hidalgo, Register of Deeds of Sta. Cruz, Laguna; and 3. Respondents admitted its existence, due execution, and authenticity
O	Certified photocopy of Declaration of Real Property of Romeo Panganiban with Property Index No. 023-25-003-01-023 and Tax Declaration No. 0294	1. To prove that the lot covered by TCT T-150693 located in Regidor St., Sta. Cruz, Laguna is declared in the name of respondent Romeo for tax purposes;
P	Certified photocopy of Declaration of Real Property of Romeo Panganiban with Property Index No. 023-25-003-01-023 and Tax Declaration No. 0041	2. As part of the testimony of Noel L. Veracruz, Provincial Assessor of Laguna; and 3. Respondent admitted that it is a faithful reproduction of the original.
Q	Certified photocopy of Declaration of Real Property of Romeo Panganiban with Property Index No. 023-25-003-01-023 and Tax Declaration No. 0041	
R	Certified photocopy of TCT No. T-150694 in the name of Romeo Panganiban dated June 21, 1994	1. To prove that the property in Regidor St., Sta. Cruz, Laguna is in the name of respondent Romeo and it was issued on June 21, 1994;

		<ol style="list-style-type: none"> 2. As part of the testimony of Atty. Julius Hidalgo, Register of Deeds of Sta. Cruz, Laguna; and 3. Respondent admitted its existence, authenticity, and due execution.
S	Certified photocopy of Declaration of Real Property of Romeo Panganiban with Property Index No. 023-25-003-01-024 and Tax Declaration No. 0295	<ol style="list-style-type: none"> 1. To prove that the other lot covered by TCT T-150694 located in Regidor St., Sta. Cruz, Laguna is declared in the name of respondent Romeo for tax purposes;
T	Certified photocopy of Declaration of Real Property of Romeo Panganiban with Property Index No. 023-25-003-01-024 and Tax Declaration No. 0042	<ol style="list-style-type: none"> 2. As part of the testimony of Noel L. Veracruz, Provincial Assessor of Laguna; and 3. Respondent admitted that it is a faithful reproduction of the original
U	Certified photocopy of Declaration of Real Property of Romeo Panganiban with Property Index No. 023-25-003-01-024 and Tax Declaration No. 0042	<ol style="list-style-type: none"> 1. As part of the testimony of Noel L. Veracruz; and 2. Respondent admitted its existence, authenticity, and due execution.
V	Certified photocopy of Declaration of Real Property of Romeo Panganiban with Property Index No. 023-25-003-01-024-1001 and Tax Declaration No. 0043	
W	Original copy of a letter addressed to the Office of Special Prosecutor, Office of the Ombudsman dated April 6, 2005 from Engr. Pablo M. Magpily, Jr., Municipal Engineer, Office of the Municipal Engineer and Building Official, Municipality of Sta. Cruz, Province of Laguna	<ol style="list-style-type: none"> 1. To prove the existence of building permits issued to Fe Panganiban of Regidor St., Sta. Cruz, Laguna, for a three-storey commercial building; 2. The estimated construction cost of the three-storey building is ₱2,150,000.00; and
X	Highlighted portion of the certified photocopy of record of Building Permit No. 94-0111 granted to Fe Panganiban dated August 5,	<ol style="list-style-type: none"> 3. This building was not reported by respondent Romeo in his SALNs.

	1994	
Y	Certified photocopy of record of Building Permit Application of Fe Panganiban	
Z	NONE	
AA	Photocopy of Property Profile in the name of Fe and Geraldine Panganiban with address at 2840 Heritage Drive, Pasadena, California, USA	1. To prove that the house and lot at 2840 Heritage Drive, Pasadena, California, USA was acquired by the family of respondent Romeo on May 24, 2000 in the name of Fe and Geraldine Panganiban, the latter being 22 years old at the time of the sale;
BB	Photocopy of Sales Comparables indicating the name of Fe and Geraldine Panganiban with address at 2840 Heritage Drive, Pasadena, California, USA	2. Respondent admitted the purchase in his counter-affidavit dated October 17, 2003 and submitted to the Office of the Ombudsman
CC	Certified photocopy of TCT No. T-110804 dated June 16, 1988 in the name of Spouses Romeo and Fe Panganiban	1. To prove that respondent Romeo owns a 200 sq. m. lot in Sta. Cruz, Laguna; 2. As part of the testimony of Atty. Julius Hidalgo, Register of Deeds of Sta. Cruz, Laguna; and 3. Respondent admitted the existence, authenticity, and due execution of the document
DD	Certified photocopy of Declaration of Real Property of Spouses Romeo and Fe Panganiban with Tax Declaration No. 25669	1. To prove that the 200 sq. m. lot in Bagumbayan, Sta. Cruz, Laguna covered by TCT No. T-110804 is in the name of Spouses Romeo and Fe Panganiban for tax purposes;
EE	Certified photocopy of Declaration of Real Property of Spouses Romeo and Fe Panganiban with Tax Declaration No. 0922	2. As part of the testimony of Noel L. Veracruz, Provincial Assessor of Laguna; and
FF	Certified photocopy of Declaration of Real Property	

	of Spouses Romeo and Fe Panganiban with Tax Declaration No. 0989	3. Admitted as faithful reproduction of the original
GG	Certified photocopy of Declaration of Real Property of Spouses Romeo and Fe Panganiban with Tax Declaration No. 01027	
HH	Certified true copy of SALN of Romeo G. Panganiban as of Dec. 31, 1986	1. To prove that these are the existing records of SALN of respondent Romeo in the Office of the Ombudsman;
II	Certified true copy of SALN of Romeo G. Panganiban as of Dec. 31, 1987	2. These SALNs were attached to an undated letter of respondent Romeo to Atty. Ferwin Macabenta, Graft Investigation Officer of the Office of the Ombudsman and a member of the OMB Task Force of Public Works and Highways. The letter was submitted in connection with OMB Case No. 0-93-9030 entitled Anonymous v. Romeo Panganiban; and
JJ	Certified true copy of SALN of Romeo G. Panganiban as of Dec. 31, 1988	3. As part of the testimony of Jesus Salvador, Records Officer of the Office of the Ombudsman
KK	Certified true copy of SALN of Romeo G. Panganiban as of Dec. 31, 1989	
LL	Certified true copy of SALN of Romeo G. Panganiban as of Dec. 31, 1990	
MM	Certified true copy of SALN of Romeo G. Panganiban as of Dec. 31, 1991	
NN	Certified true copy of SALN of Romeo G. Panganiban as of Dec. 31, 1992	
OO	Certified true copy of SALN of Romeo G. Panganiban as of Dec. 31, 1993	1. To show that there has been a pattern of substantial increases in the net worth of respondent Romeo from 1986 to 2001; 2. As part of the records of preliminary investigation; and 3. As one of the basis of Exhibit "D," the Analytical Presentation of the Net Worth of Romeo Panganiban.

PP	Certified true copy of SALN of Romeo G. Panganiban as of Dec. 31, 1994	<ol style="list-style-type: none"> 1. To prove that there is substantial increases in respondent Romeo's net worth, which is not proportionate to the increase in his salary. These exhibits were the basis of the computations in Exhibit D; 2. As part of the testimony of Eduardo Dimaculangan, Human Resource Management Officer of DPWH Central Office; and 3. To prove that Dimaculangan verified and reviewed these documents which are under his custody and forms part of the personnel records of respondent Romeo at the DPWH Central Office
QQ	Certified true copy of SALN of Romeo G. Panganiban as of Dec. 31, 1995	
RR	Certified true copy of SALN of Romeo G. Panganiban as of Dec. 31, 1996	
SS	Certified true copy of SALN of Romeo G. Panganiban as of Dec. 31, 1997	
TT	Certified true copy of SALN of Romeo G. Panganiban as of Dec. 31, 1998	
UU	Certified true copy of SALN of Romeo G. Panganiban as of Dec. 31, 1999	<ol style="list-style-type: none"> 1. As part of the testimony of Sofia G. Salinas, Records Officer of DPWH Regional Office IV-A, EDSA, Quezon City 2. To prove the substantial increase in the network of respondent Romeo which are not proportionate to the increase in his salary; and 3. Respondent admitted the existence, authenticity, and due execution of these documents
VV	Certified true copy of SALN of Romeo G. Panganiban as of Dec. 31, 2000	
WW	Certified true copy of SALN of Romeo G. Panganiban as of Dec. 31, 2002	
		<ol style="list-style-type: none"> 1. As part of the testimony of Rolando M. Bofe, Chief of the Records Division of DPWH, Central Office; 2. To prove the substantial increases in the network of respondent Romeo which are not proportionate to the increase in his salary; 3. Respondent admitted the existence, authenticity, and due execution of these documents

XX	Certified true copy of SALN of Purita P. Sarmiento as of Dec. 31, 2001	1. As part of the testimony of Arnel Larrobis of OMB-Luzon;
YY	Certified true copy of SALN of Purita P. Sarmiento as of Dec. 31, 2002	2. To prove that respondent Purita, sister of respondent Romeo, never declared the Saccay Grand Villas property in her SALN despite their claim that she purchased it from her brother Romeo in December 1994
ZZ	Certified true copy of SALN of Purita P. Sarmiento as of Dec. 31, 2003	
AAA	Photocopy of certification dated March 31, 2005 issued by Joseph Garret L. Suyao, Section Head-Collections, Home Cable	1. As part of the testimony of Joseph Garret L. Suyao; 2. To prove that the cable subscription of the house at 430 San Bartolome St., Ayala Alabang Village, Muntinlupa is in the name of respondent Fe Panganiban, wife of respondent Romeo
BBB	Original copy of certification dated March 21, 2005 issued by Elias S. Olasiman, Bureau of Immigration	1. To prove that the travel records of respondent Spouses Romeo and Fe were prepared and certified by an authorized officer;
CCC	Attachment list of Exhibit BBB	2. To prove that respondent Fe used the address of the Ayala Alabang property in her travel records;
DDD	Original copy of certification dated March 21, 2005 issued by Elias S. Olasiman, Bureau of Immigration	3. To prove that within January 1, 1992 to March 15, 2005, respondent Romeo had a total of 28 travels, while his wife, respondent Fe, had a total of 60 travels within January 1, 1993 to March 2005;
EEE	Attachment list of Exhibit DDD	4. Respondent stipulated on the above manifestations made by the prosecution; and 5. As part of the testimony of Elias Olasiman

FFF	Certified photocopy of Declaration of Real Property of Spouses Romeo and Fe Panganiban with Tax Declaration No. 2236	<ol style="list-style-type: none"> 1. As part of the testimony of Noel L. Veracruz, Provincial Assessor of Laguna; 2. To prove that the following properties are declared in the name of Spouses Romeo and Fe for tax purposes: <ol style="list-style-type: none"> a. Lot No. 2217 situated at Brgy. Calios, Sta. Cruz, Laguna; b. Lot and house covered by TCT 341189 situated at Batong Malake, Los Baños, Laguna, c. Lot No. 2219-E situated at Brgy. Calios, Sta. Cruz, Laguna; and 3. Respondent admitted all the documents as faithful reproduction of the original
GGG	Certified photocopy of Declaration of Real Property of Spouses Romeo and Fe Panganiban with Tax Declaration No. 01517	
HHH	Certified photocopy of Declaration of Real Property of Spouses Romeo and Fe Panganiban with Property Index No. 023-11-005-27-238 and Tax Declaration No. 005-4637;	
III	Certified photocopy of Declaration of Real Property of Spouses Romeo and Fe Panganiban with Property Index No. 023-11-005-27-238 and Tax Declaration No. 005-4313	
JJJ	Certified photocopy of Declaration of Real Property of Spouses Romeo and Fe Panganiban with Tax Declaration No. 15382	
KKK	Certified photocopy of Declaration of Real Property of Spouses Romeo and Fe Panganiban with Tax Declaration No. 2465	
LLL	Certified photocopy of Declaration of Real Property of Spouses Romeo and Fe Panganiban with Tax Declaration No. 1487	
MMM	Certified photocopy of Declaration of Real Property of Spouses Romeo and Fe Panganiban with Tax Declaration No. 1534	
NNN	Certified photocopy of Declaration of Real Property of Spouses Romeo and Fe	

	Panganiban with Tax Declaration No. 01518	
OOO	Certified photocopy of Declaration of Real Property of Spouses Romeo and Fe Panganiban with Tax Declaration No. 24975	
PPP	Certified photocopy of Declaration of Real Property of Spouses Romeo and Fe Panganiban with Tax Declaration No. 0923	
QQQ	Certified photocopy of Declaration of Real Property of Spouses Romeo and Fe Panganiban with Tax Declaration No. 0990	
RRR	Certified photocopy of Declaration of Real Property of Spouses Romeo and Fe Panganiban with Tax Declaration No. 01028	
SSS	Duplicate original copy of undated letter from respondent Romeo addressed to Atty. J. Celrin M. Macavinta, GIO I, Member, OMB Task Force on Public Works and Highways	<ol style="list-style-type: none"> 1. To prove that respondent Romeo submitted copies of his SALNs attached to the original copy of the letter. The SALNs submitted cover the years 1986 to 1992; and 2. As part of the testimony of Jesus G. Salvador
TTT	Original copy of memorandum for Melchor Arthur H. Carandang, OIC-Asst. Ombudsman, FIRO from David A. Lucero, AGIO I dated March 19, 2004	<ol style="list-style-type: none"> 1. As part of the testimony of David Lucero, Associate Graft Investigation Officer IV of the Office of the Ombudsman; and 2. To prove that a fact-finding investigation was conducted by the Fact-Finding and Intelligence Bureau of the Office of the Ombudsman
UUU	Original copy of a letter dated July 23, 2003 addressed to respondent Romeo G. Panganiban from Atty. Virgilio T. Pablico, Chief, Special	<ol style="list-style-type: none"> 1. As part of the testimony of Januario G. Mendoza who testified that respondent Romeo's sister, respondent Elsa, actually resides in her house at



	Investigation Branch, Anti-fraud and Commercial Crimes Division, PNP CIDG	Moonwalk, Parañaque and not in Ayala Alabang, and that Januario Mendoza personally delivered Exhibit VVV to respondent Elsa;
VVV	Original copy of a letter dated July 23, 2003 addressed to respondent Elsa P. De Luna from Atty. Virgilio T. Pablico, Chief, Special Investigation Branch, Anti-fraud and Commercial Crimes Division, PNP CIDG	2. To prove that the CIDG conducted an investigation on respondent Romeo's properties; and 3. To prove that the house and lot in Ayala Alabang is actually purchased, owned, and is being used by respondent Romeo
WWW	Original copy of memorandum for C. Lo dated July 24, 2003 from Januario G. Mendoza, Crime Investigator II, DY Legal Office, CIDG	

Public respondent Sandiganbayan admitted all of petitioner Republic's documentary exhibits except Exhibit "AA," or the *Property Profile in the name of Fe and Geraldine Panganiban with address at No. 2840 Heritage Drive, Pasadena, Los Angeles, California;* and Exhibit "BB," or the *Sales Comparables indicating the name of Fe and Geraldine Panganiban with address at No. 2840 Heritage Drive, Pasadena, Los Angeles, California* – both for being mere photocopies.¹¹

Thereafter, private respondents Romeo, *et al.*, filed a *Demurrer to Evidence* with leave of court seeking the dismissal of the petition on the ground that petitioner Republic failed to sufficiently prove that private respondent Romeo unlawfully acquired the five real properties and other amounts subject of the forfeiture proceeding. In addition, they argued that petitioner Republic failed to refute the legitimate and legally binding ownership of private respondent Purita of the Los Baños Property, and private respondent Elsa of the Ayala Alabang Property.¹²

The Ruling of the Sandiganbayan

In a Resolution dated March 18, 2009, the Sandiganbayan partly granted the demurrer to evidence, the dispositive portion of which reads:

WHEREFORE, premises considered, the Demurrer to Evidence is partly granted in that for the property listed in pages 5 and 6 of the petition, there is a need to present countervailing evidence by the

¹¹ Id. at 14.

¹² Id. at 14-15.

respondents with respect to the property described in par (a)¹³ – the Residential House and Lot covered by TCT No. 307495 in the name of spouses Romeo G. Panganiban and Fe L. Panganiban and par (b)¹⁴ – the Commercial three-storey Bldg. covered by TCT No. 150693 and TCT No. 150694.

Respondents are likewise directed to present proofs to fully explain how they were able to finance the many foreign travels specified in paragraphs 8 and 9 of the Petition.

With respect to the other properties¹⁵ alleged in the Petition, We accord affirmative relief to the prayer in Respondents' Demurrer to Evidence and hereby dismiss the Petition insofar as the same are concerned.¹⁶

The Sandiganbayan made the following findings:

Let us first tackle the **Residential House and Lot located at No. 430 San Bartolome St., Ayala Alabang Village, Muntinlupa City** covered by, and described under, TCT No. 1577 and Tax Declaration No. 126-00-009-39-012-0000 with a value of ₱24,800,000 x x x. The said property is in the name of Elsa P. de Luna widow under TCT No. 1577 (Exh. "8") and was acquired through a Deed of Absolute Sale from spouses Jose and Concepcion Singson as early as September 29, 1999 (Exh. "4"). The only evidence adduced by the plaintiff to support its claim that the said property belonged to respondent Romeo Panganiban was that his wife Fe Panganiban has listed the property in her travel documents as her address, and that there was a [S]ky [C]able account with the same address of the said property in the name of respondent[']s wife Fe Panganiban. We can not sustain the assertion of the plaintiff. Those facts can not defeat the ownership of the property evidenced by a Torrens Title, and a Deed of Absolute Sale from the former owner. The usage of the said premises [by Romeo and Fe] is not unnatural considering that the public respondent and his wife Fe Panganiban are residing in Callos, Sta. Cruz, Laguna, and respondent Elsa Panganiban de Luna is the sister of Romeo Panganiban. Being siblings it is natural and proper for the brother and sister to make things convenient for each other.

Petitioner would also asseverate that the property located in Los Angeles California – that is a **three-bedroom house and lot at 2840 Heritage Drive, Pasadena, Los Angeles, California, U.S.A.** with a value of Twelve Million Five Hundred Forty Thousand Three Hundred Pesos (₱12,540,300.00) x x x is respondent Romeo Panganiban's property in excess of his lawful income. As proof of its claim, petitioner presented Exhibit "AA" which is a mere photocopy of Property Profile in the name of Fe and Geraldine Panganiban, and Exh. "BB" which is a photocopy of Sales Comparables indicating the name of Fe and Geraldine Panganiban with the allegation that there was an admission by the public respondent of supposed purchase in his counter-affidavit. Since we denied admission of Exhibits "AA" and "BB", and the alleged counter-affidavit was not even marked by the petitioner as its exhibit, We can not rule and resolve that

¹³ The Los Baños Property.

¹⁴ The Sta. Cruz Property.

¹⁵ The Ayala Alabang, Los Angeles and Callos-Sta. Cruz Properties.

¹⁶ *Rollo*, p. 47.

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this property was acquired by the [private] respondent while he was a public [officer] and even before or after he was a public officer. Petition for forfeiture of property must be supported and sustained by evidence admissible under the Rules of Court just like any other case. **The Courts ruling denying the admission of Exhs. "AA" and "BB" was not even questioned by the petitioner.**

With respect to the Residential House and Lot covered by and described under TCT No. 307495 in the name of spouses Romeo and Fe Panganiban consisting of 256 sq. meters located at Grand Villas, Batong Malake, Los Baños, Laguna x x x, We resolve there is a need for respondent Romeo Panganiban to explain the circumstances surrounding the same. If as appearing in Exhibit "1" of the defense that the same has been sold to respondent Purita Sarmiento even as early as December 1994, We can not understand why up to the present the same has not been transferred in the name of the vendee. The consideration of the Deed of Absolute Sale between Crescent Holdings Corp. and spouses Romeo and Fe Panganiban amounted to One Million Two Hundred Eighty Thousand (₱1,280,000.00) pesos which could be considered a considerable amount at that time, it is, we feel, unnatural and not in accordance with human behavior why up to the time the petition for forfeiture was filed, there has been no move on the part of the respondent Purita Sarmiento, the supposed transferee of the property from Romeo and Fe Panganiban, to effect the eventual transfer in her name of the property.

Let us now consider the three-storey commercial bldg. and the lots on which it is located. Per proof of the petitioner, the three-storey building is sitting on two lots with areas of 64 and 84 sq. meters with a valuation of ₱2.15 million (Exhs. "X" and "Y" with their sub-markings). And while the two (2) lots purchased from Walfrido T. Hicban had only a consideration of ₱200,000.00, they were acquired in June 1994 (Exh. "M") at a time when the gross salary of respondent Romeo Panganiban was only ₱147,768 (Exh. "D"). the petitioner has driven its point that unless sufficiently explained by the respondents, the circumstances would warrant forfeiture of the property.

We find the **residential lot consisting of 200 sq. meters covered by TCT No. T-110804 in the names of spouses Romeo Panganiban and Fe Labunas** upon which the petitioner placed the value at ₱146,000 can be very well acquired by the salaries and income of respondent Romeo Panganiban. In petitioner's Exh. "DD", the market value was only ₱16,000.00 in the year 1989, and in Exh. "EE" it was only ₱40,000.00 in the year 1994, while in Exh. "FF" in the year 1997 the market value was only ₱110,000.00. Lastly, in Exh. "GG" Tax Declaration for the year 2000, the market value was pegged at ₱146,000.00.

For the many foreign travels made by the respondents we rule and hold that the respondents should be made to explain how they were able to finance the same.¹⁷ (Emphases supplied.)

Petitioner Republic moved for the partial reconsideration of the Resolution on the following arguments: (i) relative to the **Ayala Alabang property**, the Sandiganbayan failed to appreciate the testimony of an

¹⁷ Id. at 45-47.

investigator of the Philippine National Police (PNP) Criminal Investigation and Detection Group (CIDG) that private respondent Elsa admitted that the subject property really belonged to private respondent Romeo; (ii) as to the **Los Angeles property**, the Sandiganbayan overlooked the fact that if private respondent Fe co-owned the Los Angeles property, then it would similarly make private respondent Romeo a co-owner thereof being the spouse of Fe; and (iii) the finding that the value of **Callos-Sta. Cruz property** was well within the means of private respondent Romeo to procure it deserved closer examination.¹⁸

On July 31, 2009, the Sandiganbayan denied petitioner Republic's partial motion for reconsideration.¹⁹

Hence, the instant petition for *certiorari* under Rule 65 of the Rules of Court, as amended.

The Issue

Petitioner Republic raises the following issues for this Court's consideration, to wit:

6.1 PUBLIC RESPONDENT ACTED WITH GRAVE ABUSE OF DISCRETION WHEN IT CONSIDERED IN FAVOR OF ROMEO, FE AND ELSA A PURPORTED CERTIFICATE OF TITLE AND AN ALLEGED DEED OF SALE WHICH WERE NOT FORMALLY OFFERED IN EVIDENCE, AND DISREGARDED THE UNREBUTTED EVIDENCE THAT ROMEO AND FE ARE THE BENEFICIAL OWNERS OF THE SUBJECT PROPERTY IN AYALA ALABANG.

6.2 PUBLIC RESPONDENT ACTED WITH GRAVE ABUSE OF DISCRETION WHEN IT DISREGARDED THE JUDICIAL ADMISSION OF ROMEO IN HIS ANSWER TO THE PETITION THAT THE PROPERTY IN PASADENA, LOS ANGELES, CALIFORNIA WAS JOINTLY ACQUIRED BY HIS DAUGHTER GERALDINE AND WIFE FE, MAKING HIM A CO-OWNER.

6.3 PUBLIC RESPONDENT ACTED WITH GRAVE ABUSE OF DISCRETION WHEN IT PREMATURELY RULED THAT THE SUBJECT PROPERTY IN STA. CRUZ, LAGUNA CAN BE VERY WELL ACQUIRED BY ROMEO WITH HIS SALARIES AND INCOME.²⁰

The Court's Ruling

The petition is partly granted.

¹⁸ Id. at 17-18.

¹⁹ Id. at 48-49.

²⁰ Id. at 21-22.

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Procedural Matter

We note at the outset that petitioner Republic instituted the wrong mode of review of public respondent Sandiganbayan's assailed resolutions. Forfeiture proceedings filed under Republic Act No. 1379 are civil in nature,²¹ thus, the proper mode of review being a petition for review on *certiorari* under Rule 45 of the Rules of Court, as amended, and not a special civil action of *certiorari* under Rule 65 thereof.²²

This Court has previously explained in *Condes v. Court of Appeals*²³ the nature and purpose of a demurrer to evidence, to wit:

A demurrer to evidence is a motion to dismiss on the ground of insufficiency of evidence and is filed after the plaintiff rests his case. It is an objection by one of the parties in an action, to the effect that the evidence which his adversary produced, is insufficient in point of law, whether true or not, to make out a case or sustain the issue. The question in a demurrer to evidence is whether the plaintiff, by his evidence in chief, has been able to establish a *prima facie* case. (Citation omitted.)

And an order granting demurrer to evidence is a judgment on the merits.²⁴ Section 1, Rule 45 of the Rules of Court, as amended, provides –

SECTION 1. *Filing of petition with Supreme Court.* - A party desiring to appeal by *certiorari* from a judgment, final order or resolution of the Court of Appeals, the Sandiganbayan, the Court of Tax Appeals, the Regional Trial Court or other courts, whenever authorized by law, may file with the Supreme Court a verified petition for review on *certiorari*. The petition x x x shall raise only questions of law, which must be distinctly set forth x x x.

Nevertheless, considering that rules of procedure are subservient to substantive rights, and in order to finally write *finis* to this prolonged litigation, the Court hereby dispenses with the foregoing lapses in the broader interest of justice. The Court has repeatedly favored the resolution of disputes on the merits, rather than on procedural defects,²⁵ especially where the case is undeniably ingrained with immense public interest, public policy and/or deep historical repercussions, *certiorari* is allowed notwithstanding the existence and availability of the remedy of appeal.²⁶ We thus take cognizance of this case and settle with finality the issues raised.

Substantive Matters

Going into the propriety of the Resolutions dated March 18, 2009 and July 31, 2009 issued by public respondent Sandiganbayan, the following

²¹ *Garcia v. Sandiganbayan*, 618 Phil. 346, 362-363 (2009).

²² *Republic v. Gimenez*, G.R. No. 174673, January 11, 2016, 778 SCRA 261, 288.

²³ 555 Phil. 311, 323 (2007).

²⁴ *Oropesa v. Oropesa*, 686 Phil. 877, 888 (2012).

²⁵ *Republic v. De Borja*, G.R. No. 187448, January 9, 2017.

²⁶ *Republic v. Sandiganbayan*, 453 Phil. 1059, 1087 (2003).

guidelines will be the yardstick by which this Court shall evaluate the action taken by the latter on the demurrer to evidence filed by herein private respondents Romeo, *et al.*, to wit:

A demurrer to evidence may be issued when, upon the facts and the law, the plaintiff has shown no right to relief. **Where the plaintiff's evidence, together with such inferences and conclusions as may reasonably be drawn therefrom does not warrant recovery against the defendant, a demurrer to evidence should be sustained.** A demurrer to evidence is likewise sustainable when, **admitting every proven fact favorable to the plaintiff and indulging in his favor all conclusions fairly and reasonably inferable therefrom, the plaintiff has failed to make out one or more of the material elements of his case, or when there is no evidence to support an allegation necessary to his claim.** It should be sustained where the plaintiff's evidence is *prima facie* insufficient for recovery.²⁷ (Citations omitted.)

Ayala Alabang Property

Petitioner Republic argues that public respondent Sandiganbayan put much stock on private respondent Elsa's *Certificate of Title and Deed of Sale*, which had not been formally offered in evidence as private respondent Romeo, *et al.*, had not even commenced presenting their evidence yet. Hence, public respondent Sandiganbayan should not have considered the two documents in resolving the demurrer to evidence pursuant to Section 34, Rule 132 of the Rules of Court, as amended, which states that "*the court shall consider no evidence which has not been formally offered.*" It also asserts that in *Tan v. Bantegui*,²⁸ this Court held that "*the incontrovertible nature of a certificate of title applies only when the issue involved is the validity of the original and not of the transfer.*" In this case, public respondent Sandiganbayan considered a transfer certificate of title as an absolute and indefeasible evidence of ownership.

Petitioner Republic also insists that from *Yuchengco v. Sandiganbayan*,²⁹ even if a respondent is not the registered owner of a property if it could be shown by preponderance of evidence that the property is ill-gotten and that he/she is the beneficial owner, thus, the subject property could still be forfeited in favor of the State.³⁰ It insists that private respondents Romeo and Fe are the actual and beneficial owners of the Ayala Alabang property.

Lastly, petitioner Republic avers that public respondent Sandiganbayan merely speculated when it ruled that "*being siblings, it is natural and proper for the brother and sister to make things convenient for each other*";³¹ that speculation should not be allowed to supplant hard

²⁷ *Heirs of Emilio Santioque v. Heirs of Emilio Calma*, 536 Phil. 524, 540-541 (2006).

²⁸ 510 Phil. 434, 447 (2005).

²⁹ 515 Phil. 1 (2005).

³⁰ *Rollo*, p. 45.

³¹ *Id.* at 24-25.

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evidence; and that private respondents Romeo, *et al.*, should present evidence to show that it was really private respondent Elsa who purchased the Ayala Alabang property, and she lent it to her brother.

Private respondents Romeo, *et al.*, counters that, “the petitioner’s evidence as to the usage by private respondents Romeo and Fe Panganiban of the same property cannot defeat the ownership documents of [private respondent] Ms. Elsa P. de Luna,”³² which documents, *i.e.*, Revised Tax Declaration Form and Deed of Absolute Sale, were attached to the Petition for Forfeiture as Annexes “J” and “K”, respectively, and made integral parts thereof. They also countered that the testimonial evidence given by its witness Januario Mendoza – to the effect that when he went to a residence in Moonwalk Village in Paranaque City to serve a letter of invitation to private respondent Elsa, the latter admitted to him that the residential property in Ayala Alabang is actually owned by private respondents Romeo and Fe – is of doubtful veracity because witness Mendoza narrated that when he was ushered inside the house at Moonwalk Village, private respondent Elsa walked towards him, which is improbable because private respondent Elsa has been wheelchair-bound since before the petition for forfeiture was filed.

In dismissing the forfeiture complaint as to the Ayala Alabang property, public respondent Sandiganbayan held that the evidence adduced by petitioner Republic – travel documents of private respondent Fe and the Sky Cable account documents both listing such property as the latter’s given address – failed to defeat the presumed ownership of private respondent Elsa whose name appears on the TCT and the Deed of Absolute Sale pertaining to the subject property.

We agree with public respondent Sandiganbayan that the facts of the case fail to substantiate the assertion that the real owners of the Ayala Alabang property are private respondents Romeo and Fe, especially when contrasted with the Deed of Absolute Sale, Revised Tax Declaration Form and the Transfer Certificate of Title all stating therein that the owner is one Elsa P. De Luna.

While it is true that public respondent Sandiganbayan incorrectly made mention of Exhibits “4” (Deed of Absolute Sale) and “8” (Transfer Certificate of Title) of the private respondents, however, a certified true copy of the same Deed, including the Revised Tax Declaration Form covering the subject property were earlier attached to the Petition for Forfeiture and made integral parts thereof; and a copy of the title was attached as Annex “3” of the Joint Answer of private respondents Fe, Elsa and Purita.

Again, Section 1, Rule 33 of the Rules of Court, as amended, provides that:

³² Id. at 168.

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Section 1. *Demurrer to evidence.* — After the plaintiff has completed the presentation of his evidence, the defendant may move for dismissal **on the ground that upon the facts and the law the plaintiff has shown no right to relief.** If his motion is denied, he shall have the right to present evidence. If the motion is granted but on appeal the order of dismissal is reversed he shall be deemed to have waived the right to present evidence. (Emphasis supplied.)

From above, what should be resolved in a demurrer to evidence is whether or not the plaintiff is entitled to the relief based on the facts and the law. The evidence to be considered pertains to the merits of the case, which does not include technical aspects thereof, *i.e.*, capacity to sue. But, the plaintiff's evidence is not the sole basis in resolving a demurrer to evidence. The "facts," contemplated by the rule should include all the means sanctioned by the Rules of Court in ascertaining matters in judicial proceedings, *i.e.*, judicial admissions, matters of judicial notice, stipulations made during the pre-trial and trial, admissions, and presumptions, the only exclusion being the defendant's evidence.³³

Section 4, Rule 129 of the Rules of Court, as amended, provides:

Section 4. *Judicial admissions.* — An admission, verbal or written, made by a party in the course of the proceedings in the same case, does not require proof. The admission may be contradicted only by showing that it was made through palpable mistake or that no such admission was made.

In *Republic v. Sandigabayan*,³⁴ this Court settled that judicial admissions may be made: (a) in the pleadings filed by the parties; (b) in the course of the trial either by verbal or written manifestations or stipulations; or (c) in other stages of judicial proceedings, as in the pre-trial of the case.

Hence, in the instant case, facts pleaded in the petition and answer/joint answer are deemed admissions of petitioner Republic and private respondents Romeo, *et al.*, respectively, who are not permitted to contradict them or subsequently take a position contrary to or inconsistent with such admissions.³⁵

Though the title to the property was initially filed in court through the Joint Answer, however, petitioner Republic failed to refute the same, and even marked it during pre-trial. Hence, petitioner Republic already admitted its genuineness and due execution. Such judicial admission was correctly considered by public respondent Sandiganbayan in resolving the demurrer to evidence. When the due execution and genuineness of an instrument are deemed admitted because of the adverse party's failure to make a specific

³³ *Casent Realty Development Corporation v. Philbanking Corporation*, 559 Phil. 793, 802 (2007), citing *Celino v. Heirs of Alejo Santiago*, 479 Phil. 617, 623 (2004).

³⁴ *Supra* note 26 at 1129.

³⁵ *Id.*, citing Moran, *Comments on the Rules of Court*, Volume V (1980 ed.), p. 64.

verified denial thereof, the instrument need not be presented formally in evidence for it may be considered an admitted fact.³⁶

As to the cable television subscription and travel documents wherein private respondent Fe used the Ayala Alabang property as her given address, what they simply proved is that private respondent Fe resides in the said property, nothing more. They are not sufficient to prove that private respondents Romeo and Fe are the actual and beneficial owners of the property, much less that they unlawfully acquired it.

Los Angeles Property

Petitioner Republic argues that private respondent Romeo already admitted in his *Answer* that the Los Angeles property was jointly acquired by his wife and daughter, private respondent Fe and Geraldine, respectively.³⁷ It insists that the existence of the said property and the fact that his wife is a co-owner does not require proof pursuant to Section 4, Rule 129 of the Rules of Court, as amended and *Republic v. Sandiganbayan*.³⁸

Petitioner Republic reasons that whether the property relation of private respondents Romeo and Fe is governed by the system of absolute community of property or conjugal partnership of gains, private respondent Romeo stands as a co-owner of his wife's interest in the Los Angeles property.³⁹

Petitioner Republic concludes that it was premature of public respondent Sandiganbayan to conclude that private respondent Romeo had no participation in the purchase of the said property, which is his defense that he needed to prove during trial.⁴⁰

Private respondents Romeo, *et al.*, on the other hand, simply insists that any admission on the ownership of the Los Angeles property that may have been made (in the answer/joint answer) is not sufficient basis to find that the said property belonged to private respondent Romeo, much less illegally acquired by him.

Public respondent Sandiganbayan ordered the dismissal of the petition for forfeiture as to the Los Angeles property on the ground that the two documentary evidence, Annexes "AA" and "BB," though formally offered by petitioner Republic, were mere photocopies; therefore, inadmissible in evidence. And that the latter failed to formally offer the counter-affidavit⁴¹ of private respondent Romeo.

³⁶ *Philippine American General Insurance Co., Inc. v. Sweet Lines, Inc.*, 287 Phil. 213, 221-222 (1992).

³⁷ *Rollo*, p. 30.

³⁸ *Supra* note 26.

³⁹ *Rollo*, p. 31.

⁴⁰ *Id.* at 31-32.

⁴¹ This should be the Answer.

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In this instance, this Court disagrees with public respondent Sandiganbayan.

As similarly discussed above, the admission of private respondent Romeo in his Answer that the Los Angeles property was bought by his wife, private respondent Fe, and his daughter, Geraldine, is a judicial admission that necessarily formed part of the facts of the case, which did not require proof to be sufficiently considered in the resolution of the demurrer to evidence.

Moreover, the denial by private respondent Romeo of his ownership of the subject property is pregnant with an admission, *i.e.*, that he has an interest in his wife's share in the property by virtue of their marital union. This is a negative pregnant, which is a form of negative expression which carries with it an affirmation or at least an implication of some kind favorable to the adverse party.⁴²

In his Answer, private respondent Romeo alleged that, "*respondent reiterates that he had no participation whatsoever in the purchase of that residential house and lot located at No. 2840 Heritage Drive, Pasadena, Los Angeles, as the same was actually purchased by his daughter, Geraldine, who is U.S. based, together with her mother, Fe.*"⁴³ On the other hand, private respondent Fe claimed in her Joint Answer that, she "*vehemently denies that the residential house and lot located at No. 2840 Heritage Drive, Pasadena, Los Angeles, belongs to respondent Romeo Panganiban as the same was actually purchased by her daughter, Geraldine, who is U.S. based, and that her name as co-owner of the property was indicated to enable Geraldine to secure approval for a loan to finance [the] purchase of the property.*"⁴⁴

Although private respondents Romeo and Fe aver that the former had nothing to do in the transaction, the fact that they are spouses makes the Los Angeles property part of their property regime, be it an absolute community or conjugal property of gains. Article 91 of the Family Code states that *unless otherwise provided in this Chapter or in the marriage settlements, the community property shall consist of all the property owned by the spouses at the time of the celebration of the marriage or acquired thereafter.*

On the other hand, Articles 106, 116, and 117 of the Family Code provide what constitutes the conjugal property of the spouses.

Art. 106. Under the regime of conjugal partnership of gains, the husband and wife place in a common fund the proceeds, products, fruits and income from their separate properties and those acquired by either or

⁴² *Republic v. Sandiganbayan*, supra note 26.

⁴³ *Rollo*, p. 64.

⁴⁴ *Id.* at 71.

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both spouses through their efforts or by chance, and, upon dissolution of the marriage or of the partnership, the net gains or benefits obtained by either or both spouses shall be divided equally between them, unless otherwise agreed in the marriage settlements.

Art. 116. All property acquired during the marriage, whether the acquisition appears to have been made, contracted or registered in the name of one or both spouses, is presumed to be conjugal unless the contrary is proved.

Art. 117. The following are conjugal partnership properties:

(1) Those acquired by onerous title during the marriage at the expense of the common fund, whether the acquisition be for the partnership, or for only one of the spouses;

(2) Those obtained from the labor, industry, work or profession of either or both of the spouses;

(3) The fruits, natural, industrial, or civil, due or received during the marriage from the common property, as well as the net fruits from the exclusive property of each spouse;

(4) The share of either spouse in the hidden treasure which the law awards to the finder or owner of the property where the treasure is found;

(5) Those acquired through occupation such as fishing or hunting;

(6) Livestock existing upon the dissolution of the partnership in excess of the number of each kind brought to the marriage by either spouse; and

(7) Those which are acquired by chance, such as winnings from gambling or betting. However, losses therefrom shall be borne exclusively by the loser-spouse.

Just as public respondent Sandiganbayan gave weight to the admission of private respondents Romeo, *et al.*, as to the registered owners on the certificate of title to the Ayala Alabang property, then it should have accorded the same credence to their admission as to the owners of the Los Angeles property, otherwise, the application of the rules on evidence is arbitrary and tantamount to grave abuse of discretion. Based on the evidence on record, the Los Angeles property is co-owned in equal shares by private respondent Fe and Geraldine, and by law, the half share therein of respondent Fe is deemed to pertain to both private respondents Romeo and Fe as spouses.

And as a consequence of Our reversal of the resolution granting the demurrer to evidence *vis-à-vis* one-half of the Los Angeles property, or that portion pertaining to the undivided share of private respondent Fe, private

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respondents Romeo, *et al.*, are deemed to have waived the right to present countervailing evidence that such one-half was not unlawfully acquired.⁴⁵

Callos-Sta. Cruz Laguna Property

Petitioner Republic argues that private respondents Romeo and Fe did not deny the acquisition of the said property in their Answers; thus, they now have the burden to show that the same was not unlawfully acquired.⁴⁶

Private respondents Romeo, *et al.*, counter-argue that petitioner Republic's very own evidence show the value of the subject property to be well within private respondent Romeo and Fe's financial capacity to purchase; therefore, it has not been proved to have been unlawfully acquired.

This Court finds that public respondent Sandiganbayan correctly dismissed the petition for forfeiture with respect to the Callos-Sta. Cruz property. Petitioner Republic's pieces of documentary evidence failed to sufficiently prove that the subject property was unlawfully acquired, or that private respondent Romeo could not have afforded the said property.

Further, petitioner Republic claims that the assailed resolutions *deserve closer examination*, without actually stating upon what ground public respondent Sandiganbayan abused its discretion in granting the demurrer to evidence concerning the Callos-Sta. Cruz property. Where a petition for certiorari under Rule 65 of the Rules of Court, as amended, alleges grave abuse of discretion, the petitioner should establish that the respondent court or tribunal acted in a capricious, whimsical, arbitrary or despotic manner in the exercise of its jurisdiction as to be equivalent to lack of jurisdiction. This is so because "grave abuse of discretion" is well-defined and not an amorphous concept that may easily be manipulated to suit one's purpose.

Conclusion

This Court finds that the pieces of evidence adduced by petitioner Republic *vis-à-vis* the Ayala Alabang and Callos-Sta. Cruz properties are wholly insufficient to support the allegations of the petition for forfeiture in Civil Case No. 0192. Thus, for failure of petitioner Republic to show any right to the relief sought, this Court partly affirms the assailed resolutions.

⁴⁵ *Regional Container Lines of Singapore v. The Netherlands Insurance Co. (Philippines), Inc.*, 614 Phil. 485 (2009); Rule 33, Section 1. *Demurrer to evidence*. — After the plaintiff has completed the presentation of his evidence, the defendant may move for dismissal on the ground that upon the facts and the law the plaintiff has shown no right to relief. If his motion is denied he shall have the right to present evidence. **If the motion is granted but on appeal the order of dismissal is reversed he shall be deemed to have waived the right to present evidence.** (Rules of Court.)

⁴⁶ *Rollo*, pp. 33, 197-202.

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WHEREFORE, the petition is **PARTLY GRANTED**. The portion of the Resolutions dated March 18, 2009 and July 31, 2009 by public respondent Sandiganbayan in Civil Case No. 0192 dismissing the petition for forfeiture as to the three-bedroom house and lot property located at No. 2840 Heritage Drive, Pasadena, Los Angeles, California is **ANNULLED and SET ASIDE**, but only as to one-half portion of said property. Pursuant to Section 1, Rule 33 of the Rules of Court, as amended, private respondents Romeo Panganiban, *et al.*, are deemed to have waived the right to present evidence relative thereto. In all other respect, the said Resolutions are **AFFIRMED**.

SO ORDERED.


TERESITA J. LEONARDO-DE CASTRO
Associate Justice

WE CONCUR:

On leave
MARIA LOURDES P. A. SERENO
Chief Justice

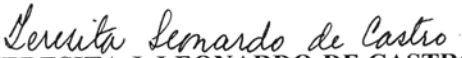

MARIANO C. DEL CASTILLO
Associate Justice


FRANCIS H. JARDELEZA
Associate Justice


NOEL GIMENEZ TIJAM
Associate Justice

ATTESTATION

I attest that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.


TERESITA J. LEONARDO-DE CASTRO
Associate Justice
Acting Chairperson

CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution and the Division Acting Chairperson's Attestation, I certify that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.


ANTONIO T. CARPIO
Acting Chief Justice