



Republic of the Philippines
 Supreme Court
 Manila

FIRST DIVISION

REPUBLIC OF THE
 PHILIPPINES, represented by the
 ANTI-MONEY LAUNDERING
 COUNCIL,

G.R. No. 214071

Present:

Petitioner,

GESMUNDO, C.J., Chairperson,
 CAGUIOA,
 LAZARO-JAVIER,
 LOPEZ, M., and
 LOPEZ, J., JJ.

- versus -

HON. ANTONIO M. EUGENIO,
 JR., as the former Presiding Judge
 of Branch 24, Regional Trial Court,
 City of Manila; HON. LYLIHA L.
 ABELLA-AQUINO, as Acting
 Presiding Judge of Branch 24,
 Regional Trial Court, City of
 Manila; THE ESTATE OF
 TERESITA ROJO CORPUS; and
 TERESITA GOMEZ,

Promulgated:

Respondents.

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DECISION

CAGUIOA, J.:

This is a Petition for Review on *Certiorari* with Prayer for the Issuance of a Temporary Restraining Order¹ (Petition) filed under Rule 45 of the Rules of Court, assailing the following issuances of the Court of Appeals (CA) Former Eleventh Division in CA-G.R. SP No. 127303: (a) the Decision² dated January 27, 2014 (Assailed Decision) which dismissed the Petition for *Certiorari* filed by the Republic of the Philippines (petitioner); and (b) the Resolution³ dated August 28, 2014, which denied petitioner's motion for reconsideration.

¹ Rollo, pp. 21-40.

² Id. at 46-59. Penned by Associate Justice Magdangal M. De Leon and concurred in by Associate Justices Stephen C. Cruz and Myra V. Garcia-Fernandez.

³ Id. at 60-61.

Facts

This case stemmed from Civil Case No. 03-107324, a money laundering case filed before the Regional Trial Court (RTC) of Manila (RTC-Manila) by petitioner, represented by the Anti-Money Laundering Council (AMLC), against Conrado Ariola, Jr. and his conspirators (Ariola, *et al.*). The AMLC argued before the RTC-Manila that Ariola, *et al.* violated Sections 8.1, 26.1, and 26.3 of the Securities Regulation Code⁴ by soliciting investments from the general public without the necessary secondary licenses to do so.⁵ The AMLC prayed that the assets of Ariola, *et al.* be forfeited in favor of the government.

During the civil forfeiture proceedings before the RTC-Manila, AMLC offered into evidence the testimonies of Teresita Corpus (Corpus) and Teresita Gomez (Gomez) (collectively, private respondents). Private respondents testified that Ariola, *et al.* induced them to invest large amounts of money with Five Vision Consultancy, Inc. (Five Vision), which was owned by Ariola, *et al.* They also filed a related case for collection of sum of money directly against Ariola, *et al.* before the RTC of Makati City (RTC-Makati).⁶ Branch 132 of the RTC-Makati ruled that Corpus and Gomez invested ₱4,720,000.00 and ₱11,799,000.00 in Five Vision, respectively.⁷

Subsequently, in a Decision⁸ dated January 11, 2011, Branch 24 of the RTC-Manila in the civil forfeiture proceedings granted AMLC's Complaint and declared Ariola, *et al.*'s bank accounts forfeited in favor of the government.

After receipt of the RTC-Manila's order of forfeiture, private respondents jointly filed a pleading captioned "Second Verified Petition"⁹

⁴ These sections provide as follows:

Sec. 8. *Requirement of Registration of Securities.* — 8.1. Securities shall not be sold or offered for sale or distribution within the Philippines, without a registration statement duly filed with and approved by the Commission. Prior to such sale, information on the securities, in such form and with such substance as the Commission may prescribe, shall be made available to each prospective purchaser.

Sec. 26. *Fraudulent Transactions.* — It shall be unlawful for any person, directly or indirectly, in connection with the purchase or sale of any securities to:

26.1. Employ any device, scheme, or artifice to defraud;

x x x x

26.3. Engage in any act, transaction, practice or course of business which operates or would operate as a fraud or deceit upon any person.

⁵ *Rollo*, p. 73.

⁶ *Id.* at 256.

⁷ *Id.* at 47.

⁸ *Id.* at 85-93. Rendered by Judge Antonio M. Eugenio, Jr.

⁹ *Id.* at 104-107.



dated February 8, 2011. This was in compliance with Section 35 of A.M. No. 05-11-04-SC¹⁰ (the Rules on Civil Forfeiture) which states:

Sec. 35. Notice to File Claims. — Where the court has issued an order of forfeiture of the monetary instrument or property in a civil forfeiture petition for any money laundering offense defined under Section 4 of Republic Act No. 9160, as amended, **any person who has not been impleaded nor intervened claiming an interest therein may apply, by verified petition, for a declaration that the same legitimately belongs to him and for segregation or exclusion of the monetary instrument or property corresponding thereto.** The verified petition shall be filed with the court which rendered the order of forfeiture within fifteen days from the date of finality of the order of forfeiture, in default of which the said order shall be executory and bar all other claims.¹¹ (Emphasis supplied)

In their Second Verified Petition, private respondents prayed that a portion of the funds forfeited in favor of the government be released to them equivalent to the amounts that they were induced to invest in Ariola, *et al.*'s fraudulent investment scheme. They also prayed that they be allowed to litigate *in forma pauperis*, alleging that they were both jobless and without sufficient means to support their families, let alone to pay the filing and

¹⁰ RULES OF PROCEDURE IN CASES OF CIVIL FORFEITURE, ASSET PRESERVATION, AND FREEZING OF MONETARY INSTRUMENT, PROPERTY, OR PROCEEDS REPRESENTING, INVOLVING, OR RELATING TO AN UNLAWFUL ACTIVITY OR MONEY LAUNDERING OFFENSE UNDER REPUBLIC ACT NO. 9160, AS AMENDED, approved on November 15, 2005.

¹¹ *See also* Section 12 of Republic Act No. 9160, or the "Anti-Money Laundering Act of 2001," which states:

Sec. 12. Forfeiture Provisions.

(a) *Civil Forfeiture.* — When there is a covered transaction report made, and the court has, in a petition filed for the purpose ordered seizure of any monetary instrument or property, in whole or in part, directly or indirectly, related to said report, the Revised Rules of Court on civil forfeiture shall apply.

(b) *Claim on Forfeiture Assets.* — Where the court has issued an order of forfeiture of the monetary instrument or property in a criminal prosecution for any money laundering offense defined under Section 4 of this Act, the offender or **any other person claiming an interest therein may apply, by verified petition, for a declaration that the same legitimately belongs to him and for segregation or exclusion of the monetary instrument or property corresponding thereto.** The verified petition shall be filed with the court which rendered the judgment of conviction and order of forfeiture, within fifteen (15) days from the date of the order of forfeiture, in default of which the said order shall become final and executory. This provision shall apply in both civil and criminal forfeiture.

(c) *Payment in Lieu of Forfeiture.* — Where the court has issued an order of forfeiture of the monetary instrument or property subject of a money laundering offense defined under Section 4, and said order cannot be enforced because any particular monetary instrument or property cannot, with due diligence, be located, or it has been substantially altered, destroyed, diminished in value or otherwise rendered worthless by any act or omission, directly or indirectly, attributable to the offender, or it has been concealed, removed, converted or otherwise transferred to prevent the same from being found or to avoid forfeiture thereof, or it is located outside the Philippines or has been placed or brought outside the jurisdiction of the court, or it has been commingled with other monetary instruments or property belonging to either the offender himself or a third person or entity, thereby rendering the same difficult to identify or be segregated for purposes of forfeiture, the court may, instead of enforcing the order of forfeiture of the monetary instrument or property or part thereof or interest therein, accordingly order the convicted offender to pay an amount equal to the value of said monetary instrument or property. This provision shall apply in both civil and criminal forfeiture. (Emphasis supplied)

docket fees. The RTC-Manila issued an Order dated February 18, 2011, directing the AMLC to file within 15 days its Comment on the Second Verified Petition.¹²

Instead of filing a Comment or Opposition, the AMLC filed a Manifestation and Motion¹³ dated February 21, 2011. Citing Sections 36¹⁴ and 37¹⁵ of the Rules on Civil Forfeiture, the AMLC posited that its deadline to file a Comment should be suspended until after the RTC-Manila has ruled on the sufficiency in form and substance of the Second Verified Petition and resolved the motion to litigate *in forma pauperis*.¹⁶

The RTC-Manila subsequently issued an Order¹⁷ dated March 21, 2011 setting for hearing the motion to litigate as pauper litigants, and noting but without making any explicit ruling on the AMLC's Manifestation and Motion.

On May 23, 2011, the RTC-Manila issued an Order¹⁸ allowing private respondents to litigate as pauper litigants and exempting them from paying the docket and filing fees.

Several months later, on September 21, 2011, private respondents moved for the issuance of an order approving their claim in their Second Verified Petition,¹⁹ pointing out that the AMLC had not filed any comment thereon and that their claims were not contested, since the AMLC adopted their testimonies as evidence during the civil forfeiture proceedings. The AMLC opposed²⁰ this motion. It argued that its 15 days to file a comment/opposition should commence only after the RTC-Manila has ruled that the Second Verified Petition was sufficient in form and substance. It also said that the fact that private respondents were presented as witnesses by the AMLC before the civil forfeiture proceedings did not automatically result in an admission of their respective claims against the forfeited assets.

After a further exchange of pleadings, the RTC-Manila eventually issued an Order²¹ dated January 31, 2012 (Assailed Order) granting private

¹² *Rollo*, p. 48.

¹³ *Id.* at 108-115.

¹⁴ Sec. 36. *How to File a Claim; Contents.* — In his petition, the claimant must state the complete facts, attach the affidavits of his witnesses, supporting documents and other evidence, and personally verify the claim. The claimant shall file the petition with the clerk of court, pay the docket and other lawful fees and submit proof of service of a copy of the claim upon the petitioner.

¹⁵ Sec. 37. *Effect of Non-Compliance with Requirements.* — The court may dismiss the claim outright if it is not sufficient in form and substance and is manifestly filed for delay. Otherwise, it shall issue a notice to the petitioner to file its comment on the claim.

¹⁶ *Rollo*, pp. 110-111.

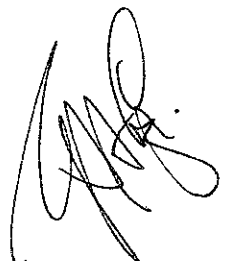
¹⁷ *Id.* at 116.

¹⁸ *Id.* at 117.

¹⁹ *Id.* at 119-123.

²⁰ *Id.* at 124-130.

²¹ *Id.* at 139-140.



respondents' motion for issuance of an order approving an uncontested claim. The RTC-Manila noted that prior to the Second Verified Petition and while the forfeiture proceedings were still pending, private respondents filed an earlier "Verified Petition" which the RTC-Manila ordered AMLC to comment on in an Order dated July 27, 2006.²² Hence, AMLC had already been given two opportunities to oppose private respondents' claims, since it was ordered to respond to both the first and second Verified Petitions. It also pointed out that Section 37 of the Rules on Civil Forfeiture does not require that a separate order explicitly declaring the petition filed by claimants as sufficient in form and substance be issued before directing the AMLC to comment thereon. Finally, the RTC-Manila found it unfair that the AMLC would contest private respondents' claims after using their testimonies as evidence in its favor during the civil forfeiture proceedings. Upon motion of private respondents, the RTC-Manila issued an Order²³ dated August 17, 2012 correcting the amounts awarded to the two claimants. Subsequently, the RTC-Manila denied AMLC's motion for reconsideration for lack of merit.²⁴

AMLC filed a Petition for *Certiorari*²⁵ with the CA assailing the RTC-Manila's Orders. Considering that the RTC-Manila subsequently issued another Order²⁶ on January 11, 2013 directing the issuance of a writ of execution of its Assailed Order, the AMLC applied for,²⁷ and was granted by the CA, a temporary restraining order and a writ of preliminary injunction, which were issued by the CA on March 21, 2013²⁸ and June 2, 2013,²⁹ respectively.³⁰

In its Assailed Decision, the CA ruled that the RTC-Manila did not act with grave abuse of discretion in issuing its Assailed Order. Interpreting Section 37 of the Rules on Civil Forfeiture, the CA concluded that it was not necessary for the RTC-Manila to issue a separate Order finding that private respondents' Second Verified Petition was sufficient in form and substance; its Order directing the AMLC to file a Comment to the said petition is notice enough that the petition was found acceptable. The AMLC cannot compel the RTC-Manila to issue an Order which is not required by the Rules on Civil Forfeiture. According to the CA, the AMLC's Manifestation and Motion should be considered a motion to extend its time to file a comment, which it is not entitled to as a matter of right.

²² Id. at 140.

²³ Id. at 183. Rendered by Presiding Judge Lyliha L. Abella-Aquino.

²⁴ Id. at 184.

²⁵ Id. at 185-205.

²⁶ Id. at 206-208.

²⁷ Id. at 209-215.

²⁸ Id. at 233-234.

²⁹ Id. at 235-236.

³⁰ Noted in the CA's Assailed Decision, id. at 53.



In its Resolution³¹ dated August 28, 2014, the CA denied the AMLC's motion for reconsideration for alleging no new matters of substance which could justify the reversal of the Assailed Decision.

Hence, this Petition.

Before the Court, the AMLC introduces a new argument: that the Second Verified Petition was premature. It cites Section 35 of the Rules on Civil Forfeiture which states:

Sec. 35. *Notice to File Claims.* — Where the court has issued an order of forfeiture of the monetary instrument or property in a civil forfeiture petition for any money laundering offense defined under Section 4 of Republic Act No. 9160, as amended, any person who has not been impleaded nor intervened claiming an interest therein may apply, by verified petition, for a declaration that the same legitimately belongs to him and for segregation or exclusion of the monetary instrument or property corresponding thereto. **The verified petition shall be filed with the court which rendered the order of forfeiture within fifteen days from the date of finality of the order of forfeiture, in default of which the said order shall be executory and bar all other claims.** (Emphasis supplied)

In relation to the above provision, the AMLC notes that private respondents received a copy of the RTC-Manila's order of forfeiture on January 31, 2011, and said order would have attained finality 15 days later or on February 15, 2011, if Ariola, *et al.* did not file a motion for reconsideration or appeal.³² Private respondents' Second Verified Petition was, however, dated February 8, 2011; hence, it was premature. The AMLC further argues that the issue of prematurity is jurisdictional, and may be raised at any time, even for the first time on petition for review before the Court. Aside from this, the AMLC also reiterates its arguments before the CA: that it was deprived of due process because the RTC-Manila declared private respondents' claims as uncontested without comment from the AMLC, and that said claims were contested and needed to be heard and supported by evidence.

For their part, private respondents argue that the AMLC availed of the wrong remedy when it filed a petition for *certiorari* before the CA. They point out that the AMLC should have appealed from the RTC-Manila's Decision pursuant to the Rules on Civil Forfeiture. They also point out that the AMLC's prematurity argument was raised for the first time before the Court, and that it is erroneous because Section 35 of the Rules on Civil Forfeiture merely prescribes a deadline for filing a claim, not a prohibition on filing prior to finality of the order of forfeiture. They also echo the CA's

³¹ *Supra* note 3.

³² *Id.* at 29.



ruling that the Rules on Civil Forfeiture do not require the RTC to issue a separate order finding the petition sufficient in form and substance. Finally, they emphasize that the AMLC judicially admitted their claims when it used their testimonies as evidence before the RTC-Manila.

On August 6, 2019, counsel for Corpus filed a Notice of Death³³ informing the Court that she passed away last January 19, 2018 and that upon her death, a petition for the probate of her Holographic Will with an application for appointment of an administrator had been filed and pending before the RTC of Pasig City, Branch 71 (RTC-Pasig).³⁴ On August 14, 2019, the Court, *via* a Resolution,³⁵ required said counsel to inform the Court of the duly appointed administrator/administratrix of the estate of Corpus so that s/he could be substituted for the deceased. On December 2, 2020, because no such notification had been filed, the Court resolved to require counsel to show cause why he should not be disciplinarily dealt with or held in contempt, and to comply with the Court's Resolution dated August 14, 2019, within 10 days from notice.³⁶

On January 26, 2021, Atty. Mark Anthony B. Ploteña (Atty. Ploteña) filed a Motion for Substitution³⁷ informing the Court that he had been appointed as the Special Administrator of the Estate of Teresita Tirol Rojo (the maiden name of Corpus).³⁸ Attached thereto were original copies of the Letters of Special Administration³⁹ issued by the Clerk of Court of the RTC-Pasig, and Atty. Ploteña's Oath of Office.⁴⁰ On March 8, 2021, private respondents, through Atty. Ploteña, also filed a Manifestation and Compliance⁴¹ with the Court's Resolution dated December 2, 2020, praying that the Court refrain from holding him in contempt. The Court hereby finds that Atty. Ploteña has duly complied with the Court's directives and substitution as prayed for is proper.

Issues

Essentially, the issues for the Court's resolution are as follows:

1. Whether the AMLC's resort to the CA through a petition for *certiorari* was proper;

³³ Id. at 303-304.

³⁴ See Petition to Probate, *id.* at 307-310, and Motion to Appoint Jesus Zeus S. Rojo as Special Administrator, *id.* at 311-314.

³⁵ Id. at 320.

³⁶ Id. at 322.

³⁷ Id. at 323-324.

³⁸ Id. at 305.

³⁹ Id. at 325.

⁴⁰ Id. at 326.

⁴¹ Id. at 330-332.



2. Whether the AMLC was denied due process by the RTC-Manila;
3. Whether private respondents' claims were contested or uncontested; and
4. Whether private respondents' Second Verified Petition was prematurely filed.

Ruling of the Court

The Court finds no merit in the instant Petition.

The AMLC should have appealed from the RTC's Assailed Order

There is indeed merit in private respondents' argument that the AMLC should have appealed from the RTC-Manila's Assailed Order instead of filing a petition for *certiorari*. Title VII of the Rules on Civil Forfeiture, which deals with claims against forfeited assets, states:

TITLE VII

Claims Against Forfeited Assets

Sec. 35. *Notice to File Claims.* — Where the court has issued an order of forfeiture of the monetary instrument or property in a civil forfeiture petition for any money laundering offense defined under Section 4 of Republic Act No. 9160, as amended, any person who has not been impleaded nor intervened claiming an interest therein may apply, by verified petition, for a declaration that the same legitimately belongs to him and for segregation or exclusion of the monetary instrument or property corresponding thereto. The verified petition shall be filed with the court which rendered the order of forfeiture within fifteen days from the date of finality of the order of forfeiture, in default of which the said order shall be executory and bar all other claims.

Sec. 36. *How to File a Claim; Contents.* — In his petition, the claimant must state the complete facts, attach the affidavits of his witnesses, supporting documents and other evidence, and personally verify the claim. The claimant shall file the petition with the clerk of court, pay the docket and other lawful fees and submit proof of service of a copy of the claim upon the petitioner.

Sec. 37. *Effect of Non-Compliance with Requirements.* — The court may dismiss the claim outright if it is not sufficient in form and substance and is manifestly filed for delay. Otherwise, it shall issue a notice to the petitioner to file its comment on the claim.



Sec. 38. *Notice to File Comment.* — Within fifteen days after notice, petitioner shall file a comment admitting or denying the claim specifically, and setting forth the substance of the matters which are relied upon to support the admission or denial. If the petitioner has no knowledge sufficient to enable it to admit or deny specifically, it shall state such want of knowledge. The petitioner in its comment shall allege in offset any fees, charges, taxes and expenses due to it. A copy of the comment shall be served on the claimant.

Sec. 39. *Disposition of Admitted or Uncontested Claim.* — The court may, without hearing, issue an appropriate order approving any claim admitted or not contested by the petitioner.

Sec. 40. *Hearing on Contested Claim.* — Upon the filing of a comment contesting the claim, the court shall set the claim for hearing within thirty days with notice to all parties.

Sec. 41. *Final Order.* — The court shall issue a final order on the contested claim within thirty days from submission.

Sec. 42. *Appeal.* — An appeal to the Court of Appeals may be taken in the same manner as prescribed in Section 34 of this Rule.

In relation to Section 42, Section 34 of the Rules on Civil Forfeiture states:

Sec. 34. *Appeal.* —

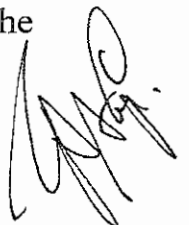
(a) *Notice and period of appeal.* — An aggrieved party may appeal the judgment to the Court of Appeals by filing within fifteen days from its receipt a notice of appeal with the court which rendered the judgment and serving a copy upon the adverse party.

(b) *Procedure on appeal.* — The parties shall file, in lieu of briefs, their respective memoranda within a non-extendible period of thirty days from receipt of the notice issued by the clerk of court to the parties that all the evidence, oral and documentary, are attached to the record.

The failure of the appellant to file his memorandum within the period therefor may be a ground for dismissal of the appeal.

According to the AMLC, appeal is not available as a remedy if the order or decision to be appealed from is one that declares a claim uncontested. The AMLC points out that Section 42 (Appeal) follows Section 40 (Hearing on Contested Claim) and Section 41 (Final Order); hence, an appeal can only be filed against final orders on contested claims after a full-blown hearing. It also points out that only an “aggrieved party” may appeal to the CA under Section 34, and if claims are uncontested, there cannot be any aggrieved party.

Even a cursory reading of Title VII and Section 34 of the Rules on Civil Forfeiture as quoted above would expose the ludicrousness of the



AMLC's arguments. Appeal under Section 42 is available as a remedy for any final orders of the RTC as regards any claims against the forfeited assets. Just because Section 42 sequentially comes after Section 40 (Hearing on Contested Claim) and Section 41 (Final Order) is not an argument to sever Section 42 from the rest of Title VII. This sequence in provisions could not have meant to leave parties without a remedy in a case where, for whatever reason, the RTC erroneously approves an uncontested claim under Section 39.

An order declaring a claim admitted or not contested under Section 39 of the Rules on Civil Forfeiture is a final order, as it leaves nothing more to be done except to be executed in favor of the claimant. Hence, the AMLC should have appealed to the CA instead of filing a petition for *certiorari*.

However, the Court notes that despite the flawed resort to *certiorari*, the CA nonetheless resolved the AMLC's petition on the merits and deemed it proper to forego a strict application of the rules. Courts are not precluded from doing this in the sound exercise of their discretion. As the Court has explained:

A party cannot substitute the special civil action of *certiorari* under Rule 65 of the Rules of Court for the remedy of appeal. The existence and availability of the right of appeal are antithetical to the availability of the special civil action of *certiorari*. Remedies of appeal (including petitions for review) and *certiorari* are mutually exclusive, not alternative or successive. Hence, *certiorari* is not and cannot be a substitute for an appeal, especially if one's own negligence or error in one's choice of remedy occasioned such loss or lapse. One of the requisites of *certiorari* is that there be no available appeal or any plain, speedy and adequate remedy. Where an appeal is available, *certiorari* will not prosper, even if the ground therefor is grave abuse of discretion.

Nevertheless, the acceptance of a petition for *certiorari*, as well as the grant of due course thereto is, generally, addressed to the sound discretion of the court. The provisions of the Rules of Court, which are technical rules, may be relaxed in certain exceptional situations. While a petition for *certiorari* is dismissible for being the wrong remedy, there are exceptions to this rule, to wit: (a) when public welfare and the advancement of public policy dictates; (b) **when the broader interest of justice so requires**; (c) when the writs issued are null and void; or (d) when the questioned order amounts to an oppressive exercise of judicial authority.⁴² (Citations omitted and emphasis supplied)

Indeed, a relaxation of the rules by the CA was warranted. Given that the case involves significant sums of money which appear to have been fraudulently obtained from unwitting victims of a large-scale investment scam, a full resolution of the case on the merits was preferable over an

⁴² *Butuan Development Corporation (BDC) v. Twenty-First Division of the Honorable Court of Appeals (Mindanao Station)*, G.R. No. 197358, April 5, 2017, 822 SCRA 352, 360-361.



outright dismissal on procedural grounds. The CA had sufficient basis to exercise leniency when it acted on the AMLC's petition for *certiorari*.

The AMLC was not denied due process; the RTC-Manila could not be faulted for considering private respondents' claims as uncontested

For clarity, the following were the material dates starting from the filing of the Second Verified Petition:

- | | |
|--------------------|--|
| February 10, 2011 | Second Verified Petition was filed, with motion to litigate as indigents. |
| February 18, 2011 | The RTC-Manila issued an Order directing the AMLC to file its comment to the Second Verified Petition within 15 days. |
| February 21, 2011 | AMLC filed a Manifestation and Motion praying that the period within which to file its comment be suspended until the issue of indigency had been resolved. |
| March 21, 2011 | The RTC-Manila again set for hearing on April 13, 2011 the motion to litigate as indigents. It also noted the AMLC's Manifestation and Motion without directly ruling thereon. |
| May 23, 2011 | The RTC-Manila granted private respondents' motion to litigate as paupers. |
| September 21, 2011 | Private respondents moved for the issuance of an order approving and declaring their claims as uncontested, since the AMLC had not filed any comment to their petition. |

The AMLC opposed private respondents' September 21, 2011 motion. After a reply and rejoinder were filed, the RTC-Manila granted private respondents' motion.

The crux of the AMLC's claim of denial of due process is the fact that they were not given a sufficient opportunity to file a comment before the RTC-Manila declared private respondents' claims uncontested. It admits that it was directed by the RTC-Manila to comment on the claims, but points out that given the foregoing antecedents, it could not have filed its comment because there were pending incidents.



It is evident that the AMLC was *not* deprived of due process. A perusal of the records would reveal that it was given *two* separate opportunities to contest private respondents' claims, since the RTC-Manila directed it to file a comment on both the first and Second Verified Petitions.⁴³ In both instances, the AMLC failed to file a comment as directed.⁴⁴

The AMLC is also mistaken in expecting that the RTC-Manila should have issued a separate and explicit order declaring private respondents' petition as sufficient in form and substance. As pointed out by the CA, Section 35 of the Rules on Civil Forfeiture does not require the RTC to issue such an order. If the RTC finds the petition to be sufficient in form and substance, it will simply direct the plaintiff — the AMLC in this case — to comment thereon.

Granted, by that time, the eligibility of private respondents to litigate as indigents was still in issue, prompting the AMLC to file its Manifestation and Motion. Nevertheless, when the RTC-Manila eventually declared private respondents' exempt from paying docket fees on May 23, 2011, the AMLC did not file a comment, or any other pleading for that matter, whether to clarify the status of their Manifestation and Motion or to ascertain what period should be followed for the filing of its comment. When *almost five months* passed without the AMLC filing any response to their claims, private respondents finally filed their motion to declare their claims uncontested.

Given these circumstances, the AMLC's claim of denial of due process is easily seen as a bankrupt claim, and cannot be given credence. The AMLC unreasonably failed to timely contest private respondents' claims, and the RTC-Manila cannot be faulted for granting the latter's motion. The AMLC lost the chance to file its comment through its own fault.

***Private respondents' Second Verified
Petition was not dismissible for being
filed early***

There is no merit in the AMLC's argument that the Second Verified Petition was prematurely filed. To recall, Section 35 of the Rules on Civil Forfeiture provides:

Sec. 35. *Notice to File Claims.* — Where the court has issued an order of forfeiture of the monetary instrument or property in a civil forfeiture petition for any money laundering offense defined under Section

⁴³ *Rollo*, p. 140.

⁴⁴ *Id.* at 271.



4 of Republic Act No. 9160, as amended, **any person who has not been impleaded nor intervened claiming an interest therein** may apply, by verified petition, for a declaration that the same legitimately belongs to him and for segregation or exclusion of the monetary instrument or property corresponding thereto. **The verified petition shall be filed with the court which rendered the order of forfeiture within fifteen days from the date of finality of the order of forfeiture, in default of which the said order shall be executory and bar all other claims.** (Emphasis supplied)

Section 35 does not explicitly prohibit the filing of a claimant's verified petition earlier than the finality of the order of forfeiture. Notably, under the same provision, claimants may already raise their claims before the order is even issued through participation in the forfeiture proceedings, either by being impleaded or by intervening therein. The 15-day period to file a verified petition (for those who did not participate in the forfeiture proceedings) certainly serves some practical purposes, *i.e.*, to avoid multiplicity of suits and conflicting decisions in case the defendant in the civil forfeiture case files a motion for reconsideration or appeal against the order of forfeiture, as well as to serve as a reglementary period beyond which all claims against the forfeited assets would be barred. However, to equate this period to an absolute prohibition against early filing — as proposed by the AMLC — seems neither practical nor logical.

Section 35 does not support AMLC's argument that the RTC-Manila should have dismissed the Second Verified Petition for lack of jurisdiction. If indeed a claimant files his or her verified petition before the 15-day period commences, the trial court may simply hold the verified petition in abeyance and defer any action thereon until after the order of forfeiture becomes final and executory. In other words, the 15-day period prescribed by Section 35 should not be read in a way that will unduly impair a claimant's chance to assert his or her claim against the forfeited assets. This is especially true in this case where both the RTC-Manila and the AMLC were already aware of private respondents' claims even while the forfeiture proceedings were still pending because *their testimonies were used by the AMLC to further its own case*. The Court quotes with approval the RTC-Manila's Assailed Order, which says:

More importantly, it would indeed be the height of injustice and unfairness for the plaintiff Republic to have utilized these claimants as their witnesses, and their documents as their exhibits, presenting and arguing their case for which plaintiff has procured a favorable decision, and now in a sudden turnaround, contends that claimants must still prove via clear and convincing evidence the validity of their claims. x x x.⁴⁵

⁴⁵ Id. at 140.



A final note

The Court expresses profound disappointment in the procedural missteps and amateur lawyering which the AMLC resorted to before the RTC-Manila. As earlier mentioned, the AMLC was twice given an opportunity to contest the claims of private respondents; twice also it failed to do so.

Furthermore, from the parties' submissions, it seems that the RTC-Manila's first directive to comment relative to the first Verified Petition was entirely ignored by the AMLC. To emphasize, Section 35 of the Rules on Civil Forfeiture does not preclude an interested party from intervening in the civil forfeiture case itself. This, private respondents already attempted to do during the pendency of the civil forfeiture proceedings, and the RTC-Manila gave due course to the same by directing the AMLC to comment. The AMLC neither complied with the RTC-Manila's directive nor offered an explanation for its non-compliance.

The Court also frowns upon the AMLC's lackadaisical attitude towards its duty to file a comment to the Second Verified Petition. First, it expected the RTC-Manila to issue a separate order finding the said petition sufficient in form and substance. Second, when the RTC-Manila finally allowed private respondents to litigate as indigents, the AMLC still did not file its comment within 15 days. It does not matter that the RTC-Manila did not explicitly rule on its Manifestation and Motion asking to suspend its period to file a comment until after the indigency issue was resolved. *In that same Manifestation and Motion, the AMLC took a stance that they would be filing their comment after the issue regarding private respondents' statuses as indigents was resolved.* It is ludicrous for them to assume that the RTC-Manila would have to give them a go-signal while the case dragged on indefinitely. Nothing was preventing them from filing their comment or at the very least, clarifying the RTC-Manila's ruling on their Manifestation and Motion. Instead, they did not only allow the 15-day period to comment to lapse; they also let almost five months pass by without contesting private respondents' claims.

The AMLC is reminded that courts are not duty-bound, in the conduct of trial and in their application of rules of procedure, to look out for and ensure that a party's interests are sufficiently protected. Parties in cases pending before the courts have a duty to seriously and actively pursue their causes of action or raise their defenses in a timely manner. While rules of procedure may be relaxed in exceptional circumstances in the interest of substantial justice, parties may not abuse this leniency nor rely on it as a matter of right.

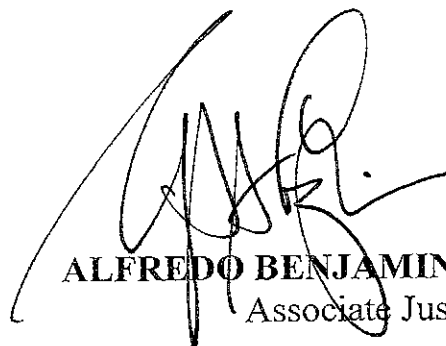


In addition, it must be noted that despite having dragged this case all the way to the Court, and despite the passage of almost 10 years since private respondents filed their Second Verified Petition, AMLC has not offered any substantive arguments against private respondents' entitlement to their respective claims. Whether before the RTC, the CA, or this Court, AMLC has merely harped on supposed procedural technicalities, all of which have failed to hold water. AMLC forgets that "judicial cases do not come and go through the portals of a court of law by the mere mandate of technicalities."⁴⁶ Its actions smack of bad faith, indifference to private respondents' rights as innocent victims of an investment scam, and blatant disregard for fair play. Its antics have unduly delayed the grant of private respondents' claims — a delay so egregious especially on the part of Corpus, who died before her hard-earned money could be returned to her. The Court will not permit any further injustice to be caused in this case.

WHEREFORE, premises considered, the Court **RESOLVES** to:

1. **NOTE** the Manifestation and Compliance dated March 5, 2021 filed by private respondents through counsel, Atty. Mark Anthony B. Ploteña;
2. **GRANT** the Motion for Substitution dated January 22, 2021 of Atty. Mark Anthony B. Ploteña and **SUBSTITUTE** the Estate of Teresita Rojo Corpus for private respondent Teresita Corpus; and
3. **DENY** the Anti-Money Laundering Council's Petition for Review on *Certiorari* with Prayer for the Issuance of a Temporary Restraining Order. The Decision dated January 27, 2014 and Resolution dated August 28, 2014 of the Court of Appeals Former Eleventh Division in CA-G.R. SP No. 127303 are hereby **AFFIRMED**.

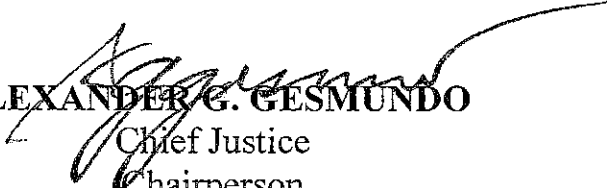
SO ORDERED.



ALFREDO BENJAMIN S. CAGUIOA
Associate Justice

⁴⁶ *Fulgencio v. National Labor Relations Commission*, G.R. No. 141600, September 12, 2003, 411 SCRA 69, 77.

WE CONCUR:


ALEXANDER G. GESMUNDO
Chief Justice
Chairperson


AMY C. LAZARO-JAVIER
Associate Justice


MARIO V. LOPEZ
Associate Justice


JHOSEP V. LOPEZ
Associate Justice

CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution, 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.


ALEXANDER G. GESMUNDO
Chief Justice

