SUPREME COURT
THIRD DIVISION

CELIA B. CHUA, MARITES P. MARTINEZ and ARACELI A. ELARDO, For Themselves and in Their Capacity as Attorneys-In-Fact of 2,345 Former Daily-Paid Employees of Stanford Microsystems. Inc., LUDIVINA L. SABALZA, ADELIZA E. CANTILLO and REMIGIO P. PESTAÑO, For Themselves and in Their Capacity As Attorneys-In-Fact of 3,244 Former Daily-Paid Employees of Stanford Microsystems, Inc., MARIO A. MENTIL, REMIGIO F. SANTOS and NOEL VILLENA, For Themselves and in Their Capacity As Attorneys-In-Fact of 599 Former Monthly-Paid Employees of Stanford Microsystems Inc., MAXIMO E. DAQUIL, GEORGE T. BARTOLOME and ERNESTO L. CONCEPCION, For Themselves and in Their Capacity As Attorneys-In-Fact of 300 Former Non-Unionized and Confidential Employees of Stanford Microsystems, Inc., and LIQUIDATION COMMITTEE OF STANFORD MlCROSYSTEMS, INC., Duly Appointed by the Securities and Exchange Commission,

Petitioners,

-versus-

G.R. Nos. 89971-75
October 17, 1990

NATIONAL LABOR RELATIONS COMMISSION LABOR ARBITER DOMINADOR M. CRUZ,
***Public Respondents*,**

- and -

FERNANDO R. GUMABON, CARMELITA TOLENTINO, RICARTE CABASE, TERESITA ALORAN, ENCARNITA JULIANO, ANITA DAILEG, ERNESTO ALARCON, JOHNNY ARAGON, LEONCIO PIMENTEL, RODOLFO MERCADO, DANIEL ALMAZAN, ORLANDO DE LEON, EDITHA LIMA, MARYLIN INES, LINDA ESTABA, NELIA DE BORJA, CECILIA CRUZ, FE RAYALA, ADELIZA MOYA, NATY LAMAN, JANET PONCE, ESTELA ALABASO, MILAGROS CERRA, JOSEPHINE BAYONETA and ANNABELLE SALABIT,
Private Respondents.
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D E C I S I O N

GUTIERREZ, JR., *J.*:

The instant Petition questions the jurisdiction of the National Labor Relations Commission (NLRC) in issuing three (3) resolutions dated October 6, 1988, November 8, 1988 and January 3, 1990 in NLRC Injunction Case No. 1793. The October 6, 1988 resolution denied for lack of merit the petitioners' petition for writ of prohibition to stay further proceedings in the five (5) consolidated labor cases involving

the former employees of Stanford Microsystems, Inc. pending with respondent Labor Arbiter Dominador M. Cruz. The November 3, 1988 resolution ordered petitioners' Liquidation Committee of Stanford Microsystems, Inc. to defer the payment of SIX MILLION PESOS (P6,000,000.00) to the former employees of Stanford Microsystems, Inc. The January 3, 1990 resolution, among others directed petitioner Liquidation Committee to deposit with the NLRC the deducted attorney's fees representing ten percent (10%) of the amount due and/or to be paid to the former employees of Stanford Microsystems, Inc.

In December, 1985, Stanford Microsystems, Inc. (Stanford) a service conductor corporation filed a petition for suspension of payments and appointment of rehabilitation receiver (Annex "A", Petition) with the Securities and Exchange Commission (SEC). The petition was docketed as SEC Case No. 2930. At that time, Stanford had seven (7) secured creditor banks and more or less seven thousand one hundred twenty-four (7,124) employees.

On February 5, 1986, the SEC declared Stanford to be in a state of suspension of payments. It issued an order (Annex "B", Petition) appointing Sycip Gorres & Velayo & Co. (SGV) as the rehabilitation receiver.

In view of these developments, the former employees of Stanford filed with the Department of Labor and Employment (DOLE) cases for money claims, to wit:

> "(a) STANFORD TECHNICAL AND OFFICE STAFF EMPLOYEES ASSOCIATION (STOSEA)-FFW, THROUGH ITS PRESIDENT, NOEL VILLENA AND FOR AND IN BEHALF OF ITS EIGHT HUNDRED SIXTY (860) MEMBERS, Complainants, vs. STANFORD MICROSYSTEMS, INC. AND CRISTINO CONCEPCION, JR., IN HIS CAPACITY AS PRESIDENT AND GENERAL MANAGER, Respondents, NLRC-NCR CASE NOS. 1-106-86 AND 1-117-86, filed by herein Petitioners Mario A. Mentil, Noel Villena, and Remigio F. Santos, acting for themselves and as the duly appointed Attorneys-In-Fact of Five Hundred Ninety Nine (599) Monthly-

Paid Employees for Stanford, and assigned to Labor Arbiter Ceferina Diosana —

> — for illegal lockout and payment of thirteenth month pay, vacation leave and sick leave benefits and subsidiary seminar fund and recreational activities fund. This case has been decided but execution was suspended upon motion of the complainants;

(b) RODOLFO FERNANDEZ, ET AL., Petitioners, vs. STANFORD MICROSYSTEMS, INC., Respondent, NCR CASE NO. 1-29486, filed by herein Petitioners Rodolfo Fernandez, for himself, Maximo E. Daquil, George T. Bartolome and Ernesto L. Concepcion, acting for themselves and as the duly appointed Attorneys-In-Fact of Three Hundred (300) Confidential and Non-Unionized employees of Stanford, and assigned to Labor Arbiter Raymundo R. Valenzuela —

> — which case have been archived at the instance of the complainants;

(c) STANFORD MICROSYSTEMS, INC. LABOR UNION-FFW, Petitioners, vs. STANFORD MICROSYSTEMS, INC., Respondent, CASE NO. 1-039-86, filed by herein Petitioners Celia B. Chua, Araceli A. Elardo and Marites P. Martinez, acting for themselves and as the duly appointed Attorneys-In-Fact of Two Thousand Three Hundred Forty Five (2,345) Daily-Paid employees of Stanford, and formerly assigned to Labor Arbiter Benigno C. Villarente, now assigned to Labor Arbiter Alex Arcadio Lopez —

> — which case has been decided but the execution of the decision and the case archived at the instance of the complainants;

(d) LUDIVINA L. SABALZA, ADELIZA E. CANTILLO, REMIGIO P. PESTAÑO, ET AL., Complainants vs. STANFORD MICROSYSTEMS, INC. ET AL., Respondents, CASE NO. 12-4882-86, filed by herein Petitioners Ludivina L. Sabalza, Adelina E. Cantillo, and Remigio P. Pestaño, acting for

themselves and as the duly appointed Attorneys-In-Fact of Three Thousand Two Hundred Forty Four (3,244) Daily-Paid employees of Stanford, and formerly assigned to Labor Arbiter Evangeline Lubaton —

> — for payment of separation pay, back (strike duration) pay and thirteenth month pay for 1985, cash conversion of vacation leave and sick leave and other money claims. The petitioner Stanford Liquidation Committee has intervened in this case and moved to stay proceedings;

(e) SMI LABOR UNION-FFW, ET AL., Petitioners vs. STANFORD MICROSYSTEMS, INC. Respondent, NCR-NS-3-124-85, CASE NO. 3-753-86, filed by herein Petitioners Ludivina L. Sabalza, Adelina E. Cantillo, and Remigio P. Pestaño, acting for themselves and as the duly appointed Attorneys-In-Fact of Three Thousand Two Hundred Forty Four (3,244) Daily-Paid employees of Stanford, and assigned to Labor Arbiter Dominador M. Cruz —

> — for payment of separation pay, back (strike duration) pay and thirteenth month pay for 1985, cash conversion of vacation leave and sick leave, and other money claims. The petitioner Stanford Liquidation Committee has intervened in this case and moved to stay proceedings;

(f) LUDIVINA SABALZA, ET AL., Petitioners vs. STANFORD MICROSYSTEMS, INC., Respondent, CASE NO. 2-628-86, filed by herein Petitioners Ludivina L. Sabalza, Adeliza E. Cantillo, end Remigio P. Pestaño, acting for themselves and as the duly appointed Attorneys-In-Fact of Three Thousand Two Hundred Forty Four (3,244) Daily-Paid employees of Stanford, and assigned to Labor Arbiter Dominador M. Cruz —

> — for payment of separation pay, back (strike duration) pay and thirteenth month pay for 1985, cash conversion of vacation leave and sick leave, and other money claims. The petitioner Stanford Liquidation Committee has intervened in this case and moved to stay proceedings;

(g) LUDIVINA SABALZA, ET AL., FERNANDO R. GUMABON, ET AL., Complainants vs. Stanford Microsystems, Inc., Respondent, CASE NO. 11-4543-86, filed by herein Petitioners Ludivina L. Sabalza, Adeliza E. Cantillo, and Remigio P. Pestaño, acting for themselves and as the duly appointed Attorneys-In-Fact of Three Thousand Two Hundred Forty Four (3,244) Daily-Paid employees of Stanford, and formerly assigned to Labor Arbiter Armando Polintan —

> — for payment of separation pay, back (strike duration) pay and thirteenth month pay for 1985, cash conversion of vacation and sick leave, and other money claims. The petitioner Stanford Liquidation Committee has intervened in this case and moved to stay proceedings; and

(h) FERNANDO R. GUMABON, ET AL., Petitioners vs. STANFORD MICROSYSTEMS, INC., Respondent, CASE NO. 3-803-86, filed by herein Petitioners Mario A. Mentil, Noel Villena, and Remigio F. Santos, acting for themselves and as the duly appointed Attorneys-In-Fact of Five Hundred Ninety Nine (599) Monthly-Paid employees of Stanford, and formerly assigned to Labor Arbiter Martinez —

> — for payment of separation pay, back (strike duration) pay and thirteenth month pay for 1985, cash conversion of vacation leave and sick leave, and other money claims. The petitioner Stanford Liquidation Committee has intervened in this case and moved to stay proceedings." (Petition, pp. 40-43)

Except for cases (a), (b) and (c) which were assigned to different labor arbiters, cases (d) to (h) were consolidated and assigned to respondent Labor Arbiter Dominador M. Cruz. The petitioners in case (d) comprise the former daily paid employees of Stanford who were members of the Stanford Microsystems, Inc., Labor Union ("SMILU"). They formed a "Caretaker Committee", and the individual members appointed Ludivina L. Sabalza, Adeliza E. Cantillo and Remigio P. Pestaño as Attorneys-In-Fact for the purpose of prosecuting and settling

their claims against Stanford, both before the SEC and the DOLE. The Attorneys-In-Fact engaged the services of private respondent, Atty. Vicente Ocampo, to act as their legal counsel.

In January, 1987, the SEC disapproved the Rehabilitation Plan submitted by SGV and dismissed Stanford's Petition for Suspension of Payments and Appointment of a Rehabilitation Receiver. (Annex "C", Petition) Subsequently, the SEC ordered Stanford's liquidation.

The seven (7) secured creditor banks of Stanford, namely:

(a) Philippine Commercial International Bank;

(b) Far East Bank and Trust Company;

(c) Private Development Corporation of the Philippines;

(d) Equitable Banking Corporation;

(e) Union Bank of the Philippines;

(f) Philippine National Bank; and

(g) City Trust Banking Corporation

which have an aggregate principal exposure of Two Hundred Thirty One Million Six Hundred Thousand Pesos (P231,600,000.00), and the twelve (12) duly authorized Attorneys-In-Fact of six thousand three hundred forty one (6,341) former employees of Stanford (89% of the total employees) with employees' claims of approximately One Hundred Twenty Five Million Seven Hundred Ten Thousand Pesos (P125,710,000.00) reached a mutually acceptable plan for the speedy and orderly liquidation of Stanford. Hence, representatives of the seven (7) secured banks and the employees' Attorneys-In-Fact assisted by their respective counsel held marathon meetings and negotiations in the Office of Director Luna C. Piezas of the DOLE, National Capital Region resulting in the execution of a Memorandum of Agreement dated March 13, 1987 ("MOA", Annex "D", Petition).

The MOA was signed by all the parties and duly attested by Director Luna C. Piezas.

The principal terms of the MOA are as follows:

> "(a) The Secured Creditor Banks will foreclose their real estate and chattel mortgages;
>
> (b) The Secured Creditor Banks will consolidate and retain title to the foreclosed properties in their respective names and contribute the same to a 'Pool of Assets' under the control and administration of a liquidation Committee composed of eleven (11) members, representing the Secured Creditor Banks, and the Six Thousand Three Hundred Forty One (6,341) former employees of Stanford who authorized the MOA;
>
> (c) The MOA Liquidation Committee will sell all the foreclosed properties and distribute the proceeds among the Secured Creditor Banks and the Six Thousand Three Hundred Forty One (6,341) employees. The share of the remaining Seven Hundred Eighty Three (783) employees shall be placed in escrow for their benefit until they claim their share;
>
> (d) The sharing formula for the distribution of the sales proceeds principally took into account the principal claims of the claimants; and
>
> (e) All suits inconsistent with the MOA shall be withdrawn. (Petition, p. 30)

The eleven (11) members of the MOA Liquidation Committee are the following:

> "(a) Philippine Commercial International Bank;
>
> (b) Far East Bank and Trust Company;
>
> (c) Private Development Corporation of the Philippines;

(d) Equitable Banking Corporation;

(e) Union Bank of the Philippines;

(f) Philippine National Bank;

(g) Citytrust Banking Corporation;

(h) Celia B. Chua, Araceli A. Elardo and Marites P. Martinez, acting for themselves and as the duly appointed Attorneys-In-Fact of Two Thousand Three Hundred Forty Five (2,345) former Daily-Paid employees of Stanford;

(i) Ludivina L. Sabalza, Adeliza E. Cantillo, and Remigio P. Pestaño, acting for themselves and as the duly appointed Attorneys-In-Fact of Three Thousand Two Hundred Forty Four (3,244) former Daily-Paid employees of Stanford;

(j) Mario A. Mentil, Noel Villena, and Remigio F. Santos, acting for themselves and as the duly appointed Attorneys-In-Fact of Five Hundred Ninety Nine (599) former Monthly-Paid employees of Stanford; and

(k) Rodolfo Fernandez, for himself, Maximo E Daquil, George T. Bartolome and Ernesto L. Concepcion, acting for themselves and as the duly appointed Attorneys-In-Fact of Three Hundred (300) former confidential and Non-Unionized employees of Stanford." (Petition, pp. 30-31)

Pursuant to the MOA, the secured creditor banks foreclosed their mortgages, consolidated title over the real properties and contributed the same to the "Pool of Assets." The MOA Liquidation Committee then proceeded with the sale of the foreclosed properties.

It is to be noted that the group of employees whose attorneys-in-fact are Ludivina L. Sabalza, Adeliza E. Cantillo and Remigio P. Pestaño were represented in the negotiations leading to the execution of the MOA by new counsel, the Bacungan Larcia Bacungan Law Office. Respondent Atty. Vicente Ocampo's legal services were terminated by the attorneys-in-fact as early as October and November 1986 in view

of his refusal to represent the group in the negotiations with the other former Stanford employees and Stanford creditors towards an out-of-court settlement of their claims against Stanford. This termination was confirmed in a letter dated March 9, 1987 (Annex "K", Petition) which was received by Atty. Ocampo on March 11, 1987. The pertinent portion of the termination letter reads:

> "It is with deep regret that we, the regular daily-paid rank-and-file employees of Stanford Microsystems, Inc. (SMI), accept your decision not to represent us in our negotiations, with various creditors of SMI, including former fellow employees, towards an out-of-court settlement of our claims against the company. . . . We, therefore, have no recourse but to engage the services of another counsel in connection with the case now pending before the Ministry of Labor, the Securities and Exchange Commission and other courts or tribunals including the negotiations for an out-of-court settlement of our claims." (Petition, p. 44)

On October 2, 1987, the SEC en banc issued an order (Annex "E", Petition) appointing the same eleven (11) members of the MOA Liquidation Committee as the permanent SEC Liquidator of Stanford pursuant to Presidential Decree No. 902-A, as amended.

Atty. Ocampo claiming to be still the counsel for the group represented by Ludivina L. Sabalza, Adeliza E. Cantillo and Remigio P. Pestaño and other former Stanford employees filed a "class suit" for the reconsideration of the October 2, 1987 order.

In the hearing en banc held on December 17, 1987, the SEC directed the Stanford Liquidation Committee and Atty. Ocampo to submit the number and names of the former Stanford employees represented by them.

On January 22, 1988, the Stanford Liquidation Committee, filed a compliance with the directive (Annex "F", Petition) together with the following documents:

> "(a) Copies of all the Special Powers of Attorney executed by the Six Thousand Three Hundred Forty One (6,341) former

employees of Stanford [Eighty Nine Percent (89%) of the total employees] in favor of their Attorneys-In-Fact who signed the MOA;

(b) List of the names of all the Six Thousand Three Hundred Forty One (6,341) former employees of Stanford who executed Special Powers of Attorney, which list was prepared by Carlos J. Valdes & Co. on the basis of the special powers of attorney executed (Annex "F-1", but refer to Annex "C-1" of Annex "Q");

(c) Letters-certifications dated 21 January 1988 and 27 January 1988 of Carlos J. Valdes & Co. that based on their verification, Six Thousand Three Hundred Forty One (6,341) former Stanford employees actually executed Special Powers of Attorney in favor of the workers' representatives in the MOA Liquidation Committee and the Stanford Liquidation Committee (Annexes "F-2" and "F-2-A")." (Petition, p. 32)

On the other hand, Atty. Ocampo failed to comply with the directive.

On October 12, 1988, the SEC en banc denied Atty. Ocampo's motion for reconsideration of the October 2, 1987 order (Annex "E", Petition) and various other motions. It issued an Omnibus Order (Annex "H") approving the MOA and confirming the appointment of the members of the MOA Liquidation Committee as members of the Stanford Liquidation Committee. In the same order, the SEC clarified that Atty. Ocampo represents only twenty five (25) former Stanford employees who are now the private respondents in the instant petition.

As regards the money claims filed by the former employees of Stanford, the following events meanwhile transpired:

On June 30, 1988, the Stanford Liquidation Committee filed a Manifestation (Annex "L", Petition) with the labor arbiters, including Labor Arbiter Cruz, before whom the labor cases filed against Stanford were pending, advising said labor arbiters of the October 2, 1987 SEC order appointing the Stanford Liquidation Committee as the permanent liquidator of Stanford and of the execution of the MOA

among the secured creditor banks and six thousand three hundred forty one (6,341) former employees of Stanford.

On September 19, 1988, the petitioners, including the complainants in the consolidated labor cases except the twenty five (26) private respondents represented by Atty. Ocampo, filed a Joint Motion to Stay Proceedings (Annex "M", Petition) praying that the Labor Arbiters stay proceedings in the labor cases pending before them. On the other hand, Atty. Ocampo on behalf of the twenty five (25) private respondents filed an Urgent Petition for Injunction with Prayer for Issuance of a Temporary Restraining Order in the consolidated labor cases pending before respondent Labor Arbiter Cruz.

In response to these motions, the Labor Arbiters except respondent Labor Arbiter Cruz issued orders staying proceedings in the cases pending before them. (Annexes, "N", "N-1" and "N-2", Petition).

For his part, respondent Labor Arbiter Cruz issued an order dated September 2, 1988 (Annex "O", Petition) the dispositive portion of which reads:

> "WHEREFORE, pursuant to the provisions of Article 218 (e) of the Labor Code, as amended, in relation to Rule VIV, Section 1, paragraph 2, of the Revised Rules of the National Labor Relations Commission, in order to preserve the rights of the parties during the pendency of the cases, the intervenor Liquidation Committee of Stanford Microsystems, Inc., its Chairman, Vice Chairman, members, agents and/or representatives should be, as they are hereby:
>
> > (1) RESTRAINED from implementing the Memorandum of Agreement dated March 13, 1987 marked as Annex "A" and attached to the record, or from delivering/paying the Six Million Pesos (P6,000,000.00) to the alleged employees/workers representatives, Ludivina Sabalza, Celia Chua, Mario Mentil, and Maximo Daquil, for distribution and payment to the employees and workers concerned in the defunct SMI; and

(2) DIRECTED to deposit the amount of SIX MILLION PESOS (P6,000,000.00) with the Cashier of the NLRC Main Office at the Phoenix Building, Intramuros, Manila, immediately upon receipt of this Order, subject to further disposition of the undersigned Labor Arbiter."

In view of this restraining order, the petitioners, on October 6, 1988, filed with the National Labor Relations Commission (NLRC) a petition for prohibition/injunction with preliminary injunction and/or temporary restraining order (NLRC Injunction Case No. 1793; Annex "Q", Petition). Attached to the petition was the manifestation of the attorneys-in-fact for the 3,097 former Stanford employees who were not parties to the consolidated labor cases pending before respondent Labor Arbiter Cruz asserting the lack of jurisdiction of Labor Arbiter Cruz.

On this same day, October 6, 1988, the NLRC en banc issued the first questioned resolution (Annex "R", Petition) the pertinent portion of which reads:

"INJUNCTION CASE NO. 1793. Enjoining respondent Labor Arbiter Dominador M. Cruz, private respondents, their attorneys, representatives, agents and any other person acting for and in their behalf from implementing the questioned Order dated September 20, 1988, in NLRC NCR Case No. NS-3-124-85 Case No. 8-753-86, entitled SMI Labor Union-FFW, LUDIVINA SABALZA, et al. Fernando Gumabon, et al. Complainants vs. Stanford Microsystems, Inc. Respondent, Liquidation Committee of Stanford Microsystems, Inc., Intervenor, NLRC NCR Case No. 11-4543-86, entitled Ludivina Sabalza, et al., Fernando R. Gumabon, et al., Complainants vs. Stanford Microsystems, Inc., Respondent, Liquidation Committee of Stanford Microsystems, Inc., Intervenor, which restrained herein SEC Appointed Liquidation Committee of Stanford Microsystems, Inc., from implementing the Memorandum of Agreement dated March 13, 1987 in the matter of liquidating the property of the said company and distributing the amount of P6,000,000.00 to the former employees of the same company pursuant to the provisions of the Agreement and, directing the said amount to be deposited to the Cashier of

> the Commission, said Order being a patent nullity; and 2) to deny, for lack of merit, the petition for Writ of Prohibition to stay further proceedings in the five (5) cited labor cases involving the former employees of the company pending before the respondent Labor Arbiter."

On October 21, 1988, Atty. Ocampo, on behalf of his twenty five (25) clients filed a "Motion For Partial Reconsideration of Resolution of the Respondent NLRC dated October 6, 1988, etc." (Annex "S", Petition)

On November 3, 1988, the NLRC issued the second questioned resolution (Annex "T", Petition) the relevant portion of which reads:

> "INJUNCTION CASE NO. 1793. However, Petitioner Liquidation Committee of Stanford Microsystems, Inc. its attorneys, representatives, agents and any other person acting for and in its behalf is ordered to hold in abeyance and/or defer the payment of the P6,000,000.00 to the former employees of the said company after the Commission rules on the said Partial Motion for Reconsideration."

On November 8, 1988, the petitioners filed a joint opposition motion for reconsideration (Annex "V", Petition) of the two (2) NLRC resolutions.

On November 28, 1988, Atty. Ocampo filed an "Amended Motion for Partial Reconsideration of Resolution dated October 6, 1988 with Memorandum of Agreement." (Annex "X", Petition)

On December 21, 1988, petitioner Stanford Liquidation Committee filed an "Urgent Motion for Early Resolution with Opposition to Atty. Vicente T. Ocampo's Amended Motion for Partial Reconsideration of Resolution dated October 6, 1988."

Atty. Ocampo, in turn filed a "Motion to Cite For Contempt and Urgent Motion To Stop Delivery of Deducted Attorney's Fees To Any Lawyers and To Deposit The Same With the NLRC." (Annex "Z", Petition).

On January 3, 1989, the NLRC issued the third questioned resolution (Annex "A A", Petition), to wit:

> "INJUNCTION CASE NO. 1793. After deliberation, the Commission sitting en banc, RESOLVED: 1) to require the petitioner SEC Liquidation Committee of Stanford Microsystems, Inc., its Chairman Helen Osias; Co-petitioners Mario A. Mentil; Noel Villena, Remegio (sic) F. Santos, Rodolfo Fernandez; Maximo F. Daquil, George T. Bartolome, Ernesto C. Concepcion, Celia B. Chua, Araceli A. Elardo, Marites P. Martinez, Ludivina L. Sabalza, Adelina E. Cantillo and Remegio (sic) F. Pestaño, as well as their respective counsel of record, to answer the respondents' Motion to Cite For Contempt and Urgent Motion To Stop Delivery of Deducted Attorney's Fees To Any Lawyer And To Deposit The Same With The NLRC and to show cause why they should not be cited in contempt by this Commission within five (5) days from receipt hereof; 2) to direct, as it hereby directs, the said petitioners to strictly comply with the Resolution of this Commission dated November 3, 1988 and, 3) to direct said petitioner SEC Appointed Liquidation Committee and its agents or any person acting in its behalf to deposit to this Committee within five (5) days from receipt of this Resolution, the deducted attorneys fees representing 10% of the amount due and/or to be paid to the former employees of Stanford Microsystems, Inc." (Rollo, p. 54).

On January 18 and 24, 1989, the petitioners filed their respective motions for reconsideration (Annex "BB", "BB-1", and "BB-3", Petition) of the aforementioned NLRC resolution. Also on February 10, 1989, petitioner Stanford Liquidation Committee filed a Second Urgent Motion for Early Resolution (Annex "CC", Petition) of the motion and amended motion for partial reconsideration filed by Atty. Ocampo and the motion for reconsideration filed by petitioner Stanford Liquidation Committee.

On July 11, 1989, petitioner Stanford Liquidation Committee filed a motion to lift restraining order and/or third urgent motion for early resolution (Annex "DD", Petition).

These motions notwithstanding, the NLRC had not acted upon them nor had it resolved the injunction case despite the parties' submission of their respective memoranda prompting the petitioners to file the instant petition.

At the time the three questioned NLRC resolutions were issued, the MOA Liquidation Committee was already in the process of distributing money claims to the former employees of Stanford. The petitioners state:

x x x

> "8. As of June 1989, the MOA Liquidation Committee has realized the amount of approximately Forty One Million Four Hundred Twenty Eight Thousand Five Hundred Seventy One and 42/100 Pesos (P41,428,571.42) from net sales proceeds of the properties in the 'Pool of Assets' out of which Fourteen Million Five Hundred Thousand Pesos (P14,500,000.00) should have already been distributed to all the employees of Stanford, whether or not signatories of the MOA.
>
> x x x
>
> "11. Out of the Fourteen Million Five Hundred Thousand Pesos (P14,500,000.00) which is available and approved for distribution to the former Stanford employees, only Five Million Two Hundred Seventy Two Thousand One Hundred Eighty Six and 17/100 Pesos (P5,272,186.17) has been distributed in the first distribution.
>
> "12. The amounts of Seven Hundred Twenty Seven Thousand Eight Hundred Thirteen and 83/100 Pesos (P727,813.83) (balance of first distribution), and Eight Million Five Hundred Thousand Pesos (P8,500,000.00) (amount for second distribution), for a total of Nine Million Two Hundred Twenty Seven Thousand Eight Hundred Thirteen and 83/100 Pesos (P9,227,813.83) remain undistributed to all the Stanford employees due to respondent NLRC's restraining order issued on 03 November 1988 or more than Ten (10) months ago.

"13. There is extreme urgency in allowing the distribution of the foregoing amount to the former Stanford employees considering that:

(a) The former Stanford employees, especially the Six Thousand Three Hundred Forty One (6,341) employees who signed the MOA in an amicable settlement of their claims, are unjustly prevented from getting the amounts due them under the MOA, having awaited such distribution since 1985 when Stanford closed;

(b) A great number of said employees are jobless and/or underemployed with insufficient incomes; and

(c) The highly probable danger of an outbreak of violent unrest due to the unjust and unconscionable delay in distribution brought about by the machinations of Atty. Ocampo.

14. Hence, the instant Petition for Certiorari and Prohibition With Prayer for Preliminary Injunction and/or Temporary Restraining Order under Rule 65 of the Rules of Court." (Petition, pp. 25-27)

In a resolution dated June 25, 1990 we gave due course to the instant petition.

The petitioners aver that the NLRC acted with grave abuse of discretion amounting to lack of jurisdiction and/or without or in excess of its jurisdiction in issuing the three (3) questioned resolutions considering that:

I

THE SECURITIES AND EXCHANGE COMMISSION HAS ORIGINAL AND EXCLUSIVE JURISDICTION OVER THE LIQUIDATION OF STANFORD MICROSYSTEMS, INC., INCLUDING THE PROCEDURES FOR SETTLING THE MONEY CLAIMS OF FORMER WORKERS AND EMPLOYEES.

x x x

II

THE MEMORANDUM OF AGREEMENT DATED 13 MARCH 1987 IS VALID, FAIR AND REASONABLE AND IS IN ACCORD WITH LAW, MORALS, PUBLIC POLICY AND ESTABLISHED JURISPRUDENCE.

x x x

III

REPUBLIC ACT NO. 6715 ONLY TOOK EFFECT ON 21 MARCH 1989 AND HAS NO RETROACTIVE APPLICATION TO THE INSTANT CASE, SPECIALLY WHERE SUCH APPLICATION WILL ADVERSELY AFFECT VESTED RIGHTS OF REPUBLIC ACT NO. 6715.

x x x

IV

INDUBITABLY, ATTY. VICENTE T. OCAMPO DOES NOT HAVE THE INTEREST OF LABOR AT HEART AS HE HAS CONSISTENTLY AND PERSISTENTLY ATTACKED, DELAYED AND IMPEDED THE LIQUIDATION OF STANFORD MICROSYSTEMS, INC. AND THE DISTRIBUTION OF THE 'LIQUIDATION' PROCEEDS THEREOF TO THE FORMER EMPLOYEES OF STANFORD MICROSYSTEMS, INC. (Petition, pp. 66, 68-69)

x x x

Jurisdiction over liquidation proceedings of insolvent corporations is vested in the Securities and Exchange Commission (SEC) pursuant to Presidential Decree No. 902-A, as amended. On the other hand, jurisdiction over money claims of employees against their employers is vested in the Labor Arbiter whose decision may be appealed to the

National Labor Relations Commission (NLRC) pursuant to Article 217 of the Labor Code.

Following these allocations of jurisdiction, the Solicitor General states that the jurisdiction problems between the NLRC and the SEC can be reconciled with neither one depriving the other of its jurisdiction. Thus, the Solicitor General opines that this can be achieved by simply allowing the Labor Arbiter and the NLRC to continue with their adjudication of the employees' money claims, subject to the condition that any award that may obtain against Stanford must be filed with the Liquidation Committee as one of the established claims against the debtor-company." (Rollo, Vol. II, p. 1630)

The petitioners, however, maintain that the SEC jurisdiction over the liquidation of Stanford should include the money claims, now pending before respondent Labor Arbiter Dominador Cruz because they refer to claims to be submitted in the course of the liquidation proceedings.

An insolvency proceeding is similar to the settlement of a decedent's estate in that it is a proceeding in rem and is binding against the whole world. Therefore, all persons which have interest in the subject matter involved, whether or not they are given notice are equally bound. Thus, a liquidation of similar import or other equivalent general liquidation must also necessarily be a proceeding in rem so that all other interested persons whether known to the parties or not may be bound by such proceedings." (Philippine Savings Bank vs. Lantin, 124 SCRA 476 [1983]; Emphasis supplied)

The rule is that a declaration of bankruptcy or a judicial liquidation must be present before preferences over various money claims may be enforced. Since a liquidation proceeding is a proceeding in rem, all claims of creditors whether preferred or non-preferred, the identification of the preferred ones and the totality of the employer's asset should be brought into the picture. There can then be an authoritative, fair and binding adjudication. (See Development Bank of the Philippines vs. Santos, 171 SCRA 138 [1989])

The money claims of workers pose a special problem of jurisdiction when liquidation proceedings are on-going because of the highly preferred nature given by law to said claims.

In these cases, however, the problem poses no particular difficulty because the workers themselves have voluntarily opted to participate in the liquidation proceedings. Their representatives in the MOA Liquidation Committee participated in the discussions and proceedings which led to the orders to distribute payments to the various claimants. The workers themselves oppose the orders of the NLRC which have denied them to speedy receipt of funds they urgently need. It is a grave abuse of discretion on the part of NLRC to raise a technical question of its own jurisdiction when the workers over whom it is raised reject the assertion of that jurisdiction. The NLRC has allowed only 25 out of 7,124 employees and a former counsel trying to claim alleged unpaid fees to delay the immediate payment of the worker's claims.

Consequently, the Solicitor General's submission that the money claims of Stanford's former employees pending with respondent Labor Arbiter Dominador M. Cruz should be allowed to continue and that the money awards be later presented to the Stanford Liquidation Committee is not the correct solution. It would only spawn needless controversy, delays, and confusion. Significantly, the money claims were presented after Stanford filed a petition for suspension of payments and appointment of a rehabilitation receiver with the SEC. In other words, the money claims were filed when Stanford was already experiencing financial difficulties. Apparently, the employees filed the cases to enforce money claims which they might not collect in view of Stanford's financial crisis and impending closure. Under these circumstances, and bearing in mind the welfare of the workers and their voluntary choices as to how their claims may be equitably settled to their satisfaction, we rule that such money claims were correctly submitted in the course of the liquidation proceedings at the SEC.

The petitioners themselves (the former employees who were complainants in the money claims cases pending with the different labor arbiters including those with respondent Labor Arbiter Cruz except for the twenty-five private respondents represented by Atty.

Ocampo) filed the motion to stay proceedings in the money claim cases with DOLE on the ground that "the proceedings in the instant labor cases which refer to the claims of the Stanford employees against Stanford should be stayed and the subject claims be submitted in the course of the liquidation proceedings under the jurisdiction of the SEC."

(Petition, p. 77)

Significantly, the petitioners point out that all the other labor arbiters except for the respondent Labor Arbiter granted the motion to stay proceedings in the money claims pending before them. Respondent Labor Arbiter Cruz was assigned to handle five (5) consolidated money claims affecting 3,244 former Stanford employees. With this group, were former employees represented by Ludivina L. Sabalza, Adeliza E. Cantillo and Remigio P. Pestaño who initially hired the services of Atty. Ocampo. However, because of the questioned NLRC resolution, all the other workers, or around 3,097 former employees who were never covered by the jurisdiction of respondent Labor Arbiter Cruz have also been adversely affected.

This brings us to the other issue regarding the effect of the Memorandum of Agreement dated March 13, 1987 (MOA) executed by the seven (7) secured creditor banks of Stanford and the 6,341 former Stanford employees.

As earlier stated, at the time Stanford filed a petition for suspension of payments and appointment of rehabilitation receiver with SEC, Stanford had seven (7) secured creditor banks and approximately 7,124 employees. On March 13, 1987, the seven secured creditor banks of Stanford and 6,341 former employees executed a Memorandum of Agreement to speed up the orderly liquidation of Stanford. All the creditor banks and the said employees were represented by their respective counsel in the negotiations which were supervised by Regional Director Luna C. Piezas of the DOLE, National Capital Region. The SEC approved the MOA. In its en banc omnibus order dated October 12, 1988 (Annex "H") the SEC said:

> "The Memorandum of Agreement having been entered into voluntarily and freely by the parties after taking into

consideration all existing conditions appears fair and reasonable. This is the only available solution to labor's sharing in the proceeds it appearing that all properties of Stanford had been encumbered by creditor-banks.

x x x

The Memorandum of Agreement (MOA) was executed by the representatives of the secured creditor-banks and labor on March 13, 1987, prior to the order of dissolution of SMI by this Commission. The MOA was conceived to pursue extrajudicially money claims of the parties thereto to avoid lengthy litigations.

x x x

The purpose of the Commission's directive requiring submission of the special powers of attorney is precisely to, see for itself if the laborers are given maximum protection and security in the memorandum of agreement. A reading of its features shows that the agreement is fair and reasonable and to the best interest of labor considering that almost all the properties of SMI were mortgaged to and foreclosed by the secured-creditor banks. Yet under this agreement, the secured-creditor-banks are willing to share to labor 35% of whatever proceeds can be generated from the disposition of the foreclosed properties.

x x x

In opposing intervenors' manifestation opposing submission of alleged updated lists and special powers of attorney, the liquidation committee denies the allegation of fraud employed in securing the consent of six thousand three hundred forty (6,340) employees to represent them in the Memorandum of Agreement. Verily, it is incredible for so many employees to have consented to their misrepresentation; if at all, perhaps a few number can be misled in so doing.

> Anyway, as correctly pointed out by the liquidation committee, nobody complained to the Commission regarding such fraud and misrepresentation." (Annex "H", pp. 332-341)

It is precisely because of the execution of the MOA that the petitioners filed the motion to stay proceedings in the money claims pending before the labor arbiters.

Under the scheme of the MOA the following events transpired:

x x x

> "13. Petitioner Stanford Liquidation Committee regularly files report on its activities, as well as those of the MOA Liquidation Committee, with the SEC. For the distribution of the sales proceeds (realized out of the properties contributed to the Pool in accordance with the MOA) to the former Stanford employees, petitioner Stanford Liquidation Committee formulated the following guidelines:
>
> (a) The amounts available for distribution under the MOA shall be distributed to:
>
> > (i) All Six Thousand Three Hundred Forty One (6,341) former employees of Stanford who executed Special Powers of Attorney in favor of the employees' Attorneys-In-Fact who signed the MOA; and
> >
> > (ii) All former employees of Stanford willing to be bound by the MOA by signing the Affidavit of Acceptance/Affirmation [Annex "B" of the Trust Agreement (Annex "I")] upon receipt of his/her 'crossed' cashier's check.
>
> (b) The share of the other Seven Hundred Eighty Three (783) Stanford employees (who have not yet signed special powers of attorney) shall be held in escrow for their benefit until they claim the same.

(c) Distribution shall be pro rata on the basis of the General List of Employees and their claims, duly audited by Carlos J. Valdes & Co.

(d) Authorized deductions for attorney's fees and other expenses shall be deducted and delivered to the appropriate Attorneys-In-Fact.

(e) Distribution shall be via 'crossed' cashier's checks issued by Philippine Commercial International Bank, Far East Bank & Trust Company, Equitable Banking Corporation, Citytrust, and Philippine National Bank, payable directly to the individual Stanford employees themselves.

(f) The physical distribution of the aforementioned cashier's checks (which shall be on a uniform but staggered basis) shall be the responsibility of the respective Attorneys-In-Fact (Trustees). Accordingly, the respective Attorneys-In-Fact (Trustees) shall announce the venue/s and date/s of actual physical distribution, in coordination with the appropriate banks.

(g) Any two (2) of the following identification documents shall be required to be presented:

(i) Stanford ID

(ii) Present Employer's ID

(iii) Driver's License

(iv) SSS/GSIS ID (v) Passport

(vi) Current NBI Id/Certificate

(vii) Other acceptable IDs.

(h) A representative from Carlos J. Valdes & Co. will be present at each distribution center to witness the receipt of the

individual 'crossed' cashier's checks and the signing of the Affidavits/Affirmation, by each Stanford employee.

(i) Any Stanford employee who is not able to claim his/her cashier's check on his/her designated date may claim the same on the succeeding dates of distribution. Checks which remain unclaimed for three (3) months shall be returned and kept for safekeeping by the Stanford Liquidation Committee.

(j) The Attorneys-In-Fact (Trustees) shall submit regular written reports to the Stanford Liquidation Committee relating to the distribution.

(k) The Notice of Distribution will be published in the Bulletin Today and the People's Journal, and will be announced over radio and television (DZRH, DZME and DZXL).

(14) Further, the duly appointed Attorneys-In-Fact of the Six Thousand Three Hundred Forty One (6,341) former Stanford employees [Eighty Nine Percent (89%) of all Stanford employees], petitioners herein, who authorized the MOA, executed a Trust Agreement dated 12 October 1988 (Annex "I"), as Trustees for the distribution of the individual 'crossed' cashier's checks to the former Stanford employees.

15. In September 1988, petitioner Stanford Liquidation Committee approved an initial distribution of Six Million Pesos (P6,000,000.00) in sales proceeds via 'crossed' cashier's checks payable directly to the former Stanford employees. The share in the sales proceeds of each Stanford employees was based on computation audited by Carlos J. Valdez & Co." (Petition, pp. 36-39)

Considering these circumstances, we rule that NLRC committed grave abuse of discretion in refusing to stay the proceedings in the money claims pending before respondent Labor Arbiter Cruz and when it deferred the payment of P6,000,000.00 to the former Stanford employees.

We agree with the petitioners that the Memorandum of Agreement dated March 13, 1987 is valid, fair and reasonable, and is in accord with law, morals, public policy and established jurisprudence.

Article XIII of the Constitution (paragraph 3, section 3) provides for voluntary modes of settling labor disputes, to wit:

x x x

> "The State shall promote the principle of shared responsibility between workers and employers and the preferential use of voluntary modes in settling disputes, including conciliation and shall enforce their mutual compliance therewith to foster industrial peace."

This policy is echoed under Article 227 of the Labor Code which provides:

> "Compromise Agreement. — Any compromise settlement, including those involving labor standard laws, voluntarily agreed upon by the parties with the assistance of the Bureau or the regional office of the Department of Labor, shall be final and binding upon the parties. The National Labor Relations Commission or any court shall not assume jurisdiction over issues involved therein except in case of noncompliance thereof or if there is prima facie evidence that the settlement was obtained through fraud, misrepresentation, or coercion."

Recently, in Republic Act 6715, the promotion of the preferential use of voluntary modes of settling labor disputes was again reiterated.

In fact, as early as 1963, under the Industrial Peace Act, we have ruled that compromise agreements executed by workers or employees and their employer to settle their differences if done in good faith are valid and binding among the parties. (Dionela vs. Court of Industrial Relations, 8 SCRA 832 [1963]; Pampanga Sugar Development Co., Inc. vs. Court of Industrial Relations, 114 SCRA 725 [1982]).

Undoubtedly, the MOA was executed in good faith and the employees were duly represented during the negotiations which were supervised

by a Regional Director of the DOLE. More important, the rights of the employees were safeguarded and protected not only during the negotiations but also at the implementation of the compromise agreement.

However, may a minority of the employees which is equivalent to less than 1% of the total employees (25) represented by Atty. Ocampo prevent the enforcement of the Memorandum of Agreement executed by employees representing about 89% of the total number of employees (6,341 out of a total 7,124 employees; 783 not represented in the negotiations but their shares placed in escrow for their benefit under the MOA)?

The answer is in the negative. In the case of Dionela vs. Court of Industrial Relations supra, we ruled:

> "The main question for determination in this case is whether the compromise agreement pursuant to which the complaint in Case No. 598-ULP had, inter alia, been withdrawn and then dismissed is binding upon petitioners herein. The latter maintains that it is not, but the lower court held otherwise, upon the ground that 'it is an accepted rule under our laws that the will of the majority should prevail over the minority' citing Betting Ushers Union (PLUM) vs. Jai-alai, L-9330, June 29, 1957 and Jesalva, et al. vs. Bautista, L-11928 to L-11930, March 24, 1959 — and that the action taken by petitioners herein as minority members of the Union 'is contrary to the policy of the Magna Carta of Labor, which promotes the settlement of differences between management and labor by mutual agreement,' and that if said action were tolerated, 'no employer would ever enter into any compromise agreement for the minority members of the Union will always dishonor the terms of the agreement and demand for better terms.' The view thus taken by the lower court is correct. Indeed, otherwise, even collective bargaining agreements would cease to promote industrial peace and the purpose of Republic Act No. 875 would thus be defeated.

As regards the January 3, 1989 NLRC resolution which directed petitioner Stanford Liquidation Committee to deposit with the NLRC

the deducted attorney's fees representing 10% of the amount due and/or to be paid to the former employees of Stanford Microsystems, Inc. we agree with the petitioners that such directive was jurisdictionally defective and premature. Such directive is premature because the NLRC, in effect, prematurely and unduly disposed of, resolved and prejudged the contentious issues raised in the Stanford Employees' Injunction case, based on the bare assertions of Atty. Ocampo and his twenty five (25) clients, the private respondents herein. The Solicitor General, who agrees with the petitioners that the NLRC resolution is premature aptly observed:

> "Any attorney's fee that may be awarded in the aforesaid cases would be assessed from whatever money award is made in favor of the employees. In other words, the attorney's fee is not a Stanford obligation but a lien on the employees' money award. By requiring the Liquidation Committee to make deposit, the NLRC in effect would shift the obligation from the employees to Stanford." (Public respondent's Memorandum, p. 1638)

Obviously, the NLRC directive was for the benefit of respondent Atty. Vicente Ocampo who is claiming attorney's fees as counsel of the group of former Stanford employees headed by Ludivina L. Sabalza, Adeliza Cantillo and Remigio P. Pestaño. But as stated earlier in this decision, the group terminated the services of Atty. Ocampo when he refused to represent them in the negotiations with the creditors and other former employees of Stanford. This, notwithstanding, Atty. Ocampo insisted on acting as counsel of the group by filing pleadings on their behalf with SEC and NLRC. He opposed the appearance dated June 30, 1988 (Annex "NN', Petition) filed by the Bacungan Larcia Bacungan law offices in the case pending before the SEC and the respondents Labor Arbiter Cruz and NLRC, in substitution of Atty. Ocampo, which appearance bears the conformity of the group.

Eventually, however, the SEC found that Atty. Ocampo represented only thirty four (34) employees which is less than 1% of the total Stanford employees.

The record shows that Atty. Ocampo filed with the SEC a Notice of Attorney's Lien dated November 11, 1987, to wit:

> "The undersigned counsel, Atty. VICENTE T. OCAMPO LAW OFFICES, hereby file their Notice of Attorney's Lien in the above entitled case and its incidents on their claim for attorney's fees on contingent basis, in the amount equivalent to twenty five percent (25%) of the back (strike duration) pay or similar benefit, and ten percent (10%) of the cash conversion of the unused vacation and sick leave with pay and 13th month's pay for 1985, separation pay, and other money pay claims or benefits which may be due and payable to the workers and employees of SMI involved herein and recipients thereof, as a result of the filing and/or prosecution of such actions as are deemed necessary under the premises and/or judgments which may be rendered in their favor, pursuant to the contract of legal services by and between the said attorneys and the said workers and employees represented by the Caretaker Committee, composed of Ludivina L. Sabalza, Adeliza Cantillo, Remigio Pestaño, Merian Ocampo, and Leticia Tabora, and Fernando Gumabon. A xerox copy of said contract of legal services is hereby attached as Annex "A" hereof (Emphasis supplied)." (Petition, p. 129)

Since the contract for legal services was on a contingent basis, Atty. Ocampo as counsel can be paid only if he wins the case for the group. As it turned out, however, Atty. Ocampo's services were terminated by the group as early as October and November 1986 when he refused to represent the group in the negotiations with the other creditors of Stanford for an out of court settlement of their claims resulting in the execution of the Memorandum of Agreement. In an earlier case involving Atty. Ocampo, entitled Ocampo vs. Lerum (162 SCRA 498 [1988]), we ruled:

> "The record of the case clearly discloses that the private respondent Atty. Lerum was primarily responsible for negotiating for the PALEA the retroactive wage increases mentioned earlier, to the exclusion of petitioner Atty. Ocampo. PAL could validly deal with the Biangco Faction represented by Atty. Lerum because no court order had been issued restraining PAL from doing so. The record of the case also reveals that Atty. Ocampo tried his best to enjoin the negotiations initiated by

> Atty. Lerum by questioning the same before the Court of Industrial Relations and even this Court.
>
> On the basis of the foregoing observations, We cannot see how Atty. Ocampo could be entitled to any part of the said attorney's fees. The attorney's fees emanated from the retroactive wage increases negotiated by Atty. Lerum. Accordingly, and under the circumstances obtaining in this case, the said attorney's fees should belong to Atty. Lerum to the exclusion of Atty. Ocampo, We, therefore, find no grave abuse of discretion on the part of the public respondents in reaching this conclusion." (at p. 502)

Considering that Atty. Ocampo took no part in the negotiations leading to the execution of the Memorandum of Agreement, a compromise agreement among the creditors and former employees of Stanford to liquidate Stanford which we rule as valid, we find no plausible reason for Atty. Ocampo to interfere with its implementation by filing complaints and/or pleadings with the SEC, the Labor Arbiter and the NLRC in his effort to collect attorney's fees not due him. With the foregoing findings, we find no need to discuss the other arguments posed by the petitioners.

WHEREFORE, the instant petition is **GRANTED**. The questioned resolutions dated October 6, 1988, November 3, 1988 and January 3, 1989 of the National Labor Relations Commission are declared **NULL** and **VOID** and are hereby **SET ASIDE**. The Court Orders:

> 1) Respondent Labor Arbiter Dominador M. Cruz to desist from conducting further proceedings in Case No. 12-4882-86, Case No. 3-753-86; Case No. 2-6280-86; Case No. 11-4543-86 and Case No. 3-803-86;
>
> 2) Respondent National Labor Relations Commission and Labor Arbiter Dominador M. Cruz to desist from interfering in the implementation of the Memorandum of Agreement dated March 13, 1987 in the matter of the liquidation Committee under the jurisdiction of the Securities and Exchange Commission; and

3) Private respondents and Atty. Vicente T. Ocampo and associates, their representatives, agents and any other person assisting them or acting for them and on their behalf to desist from interfering with the implementation of the Memorandum of Agreement, the liquidation of the Stanford Microsystems, Inc., and the exercise by the Stanford Liquidation Committee duly appointed by the Securities and Exchange Commission of its functions. No costs.

SO ORDERED.

Fernan, *C.J.*, Bidin and Cortes, *JJ.*, concur.
Feliciano, *J.*, on leave.
