General of the Philippine National Police and to the Director General of the Philippine Drug Enforcement Agency for their information.

The Regional Trial Court is **DIRECTED** to turn over the seized sachet of methamphetamine hydrochloride to the Dangerous Drugs Board for destruction in accordance with law.

SO ORDERED.

Carpio (Chairperson), Brion, and *del Castillo, JJ.,* concur.

Mendoza, J., on official leave.

SPECIAL FIRST DIVISION

[G.R. No. 215764. July 13, 2016]

RICHARD K. TOM, *petitioner, vs.* **SAMUEL N. RODRIGUEZ,** *respondent.*

SYLLABUS

REMEDIAL LAW; PROVISIONAL REMEDIES; PRELIMINARY INJUNCTION; COURT RULING THAT A CORPORATION EXERCISES ITS POWERS AND TRANSACTS ITS BUSINESS THROUGH ITS BOARD OF DIRECTORS AND/OR OFFICERS AND AGENTS WHEN AUTHORIZED BY A BOARD RESOLUTION OR ITS BY-LAWS, UPHELD; CASE AT BAR.— In granting the injunctive writ [in case at bar], the Court upheld the established rule that a corporation exercises its powers through its board of directors and/or its duly authorized officers and agents, except in instances where the Corporation Code requires stockholders' approval for certain specific acts. x x x In his Motion for Reconsideration with Motion to Dissolve the Injunctive Writ, Rodriguez asserts that the Court's July 6, 2015 Decision has

been rendered moot and academic with the execution of the Memorandum of Agreement (MOA) dated May 25, 2015 x x x As the provisions of the MOA are in direct contravention of the [Court's] precepts [in granting the injunctive writ] earlier espoused in the July 6, 2015 Decision, its execution cannot in any way affect, change, or render the Court's previous disquisitions moot and academic. In fact, the MOA is, clearly and in all respects, contrary to law. Therefore, the writ of preliminary injunction must stand.

APPEARANCES OF COUNSEL

Aldevera Law Office for petitioner.
Etulle & Etulle Law Office for respondent.

R E S O L U T I O N

PERLAS-BERNABE, *J.*:

For the Court's resolution is the Motion for Reconsideration with Motion to Dissolve the Injunctive Writ[1] filed by respondent Samuel N. Rodriguez (Rodriguez) seeking the reconsideration of the Court's Decision[2] dated July 6, 2015 and the dissolution of the writ of preliminary injunction issued by the Court against him, his agents, and all persons acting under his authority to refrain and desist from further exercising any powers of management and control over Golden Dragon International Terminals, Inc. (GDITI).

In the Court's July 6, 2015 Decision, the Court found that the issuance of a temporary restraining order (TRO) and/or a writ of preliminary injunction was warranted to enjoin the Regional Trial Court of Nabunturan, Compostela Valley, Branch 3 (RTC-Nabunturan) from implementing its November 13, 2013[3] and

---

[1] Dated September 29, 2015. *Rollo*, pp. 268-274.

[2] *Id.* at 259-267. Penned by Associate Justice Estela M. Perlas-Bernabe with Chief Justice Maria Lourdes P.A. Sereno and Associate Justices Teresita J. Leonardo-de Castro, Lucas P. Bersamin, and Jose Portugal Perez concurring.

[3] *Id.* at 109-113. Penned by Judge Dorothy P. Montejo-Gonzaga.

December 11, 2013[4] Orders in the specific performance case docketed as Civil Case No. 1043, which, *inter alia*, placed the management and control of GDITI to Rodriguez.[5]

In granting the injunctive writ, the Court upheld the established rule that a corporation exercises its powers through its board of directors and/or its duly authorized officers and agents, except in instances where the Corporation Code requires stockholders' approval for certain specific acts.[6] To be sure, Section 23 of Batas Pambansa Bilang 68,[7] otherwise known as "The Corporation Code of the Philippines," states:

> SEC. 23. *The board of directors or trustees*. — Unless otherwise provided in this Code, **the corporate powers of all corporations formed under this Code shall be exercised, all business conducted and all property of such corporations controlled and held by the board of directors** or trustees to be elected from among the holders of stocks, or where there is no stock, from among the members of the corporation, who shall hold office for one (1) year until their successors are elected and qualified.
>
> Every director must own at least one (1) share of the capital stock of the corporation of which he is a director, which share shall stand in his name on the books of the corporation. Any director who ceases to be the owner of at least one (1) share of the capital stock of the corporation of which he is a director shall thereby cease to be a director. Trustees of non-stock corporations must be members thereof. A majority of the directors or trustees of all corporations organized under this Code must be residents of the Philippines. (Emphasis and underscoring supplied)

In his Motion for Reconsideration with Motion to Dissolve the Injunctive Writ, Rodriguez asserts that the Court's July 6, 2015 Decision has been rendered moot and academic with the execution of the Memorandum of Agreement[8] (MOA) dated

---

[4] *Id.* at 114-116.

[5] *Id.* at 265.

[6] *Id.* See also *Raniel v. Jochico*, 546 Phil. 54, 60 (2007).

[7] Approved on May 1, 1980.

[8] *Rollo*, pp. 277-278. Mancao was represented by Atty. Wealthyniel C. Yap; see *id.* at 278.

May 25, 2015 signed by himself, petitioner Richard K. Tom (Tom), and Cezar O. Mancao (Mancao), apparently one of the original plaintiffs[9] in Civil Case No. 1043 from which the present incident originated.[10] Pursuant to the MOA, Rodriguez, Tom, and Mancao have come to an agreement with respect to the operation, control, and management of the ports operated by GDITI, in that: *(a)* the port of General Santos City shall be managed by Rodriguez and/or his authorized representative; *(b)* the ports of Davao City and Panabo City shall be managed by Tom and/or his authorized representative; and *(c)* the ports of Manila, Batangas, and Bataan shall be managed by Mancao and/or his authorized representative.[11]

Rodriguez asseverates that with the execution of the MOA, the elements necessitating the issuance of an injunctive writ no longer exist. Moreover, he discloses that GDITI had already filed a Motion for Intervention[12] in Civil Case No. 1043, as such, its interests are already protected.[13]

The submissions have no merit.

To reiterate, the Court granted the writ of preliminary injunction on the ground that a corporation can only exercise its powers and transact its business through its board of directors and through its officers and agents when authorized by a board resolution or its by-laws.[14] As held in *AF Realty & Development, Inc. v. Dieselman Freight Services, Co.*:[15]

---

[9] The original plaintiff in Civil Case No. 1043 pending before the RTC-Nabunturan is referred to as "Cezar O. Mancao II" but in the present motion for reconsideration, Rodriguez claims that the "Cezar O. Mancao" who executed and signed the May 25, 2015 MOA is likewise one of the parties to the said civil case. (See *id.* at 63.)

[10] *Id.* at 269-270.

[11] *Id.* at 277.

[12] Dated June 8, 2015. *Id.* at 279-286.

[13] *Id.* at 271.

[14] *Riosa v. Tabaco La Suerte Corporation*, 720 Phil. 586, 599 (2013).

[15] 424 Phil. 446 (2002).

Section 23 of the Corporation Code expressly provides that the corporate powers of all corporations shall be exercised by the board of directors. Just as a natural person may authorize another to do certain acts in his behalf, so may the board of directors of a corporation validly delegate some of its functions to individual officers or agents appointed by it. Thus, contracts or acts of a corporation must be made either by the board of directors or by a corporate agent duly authorized by the board. Absent such valid delegation/authorization, the rule is that the declarations of an individual director relating to the affairs of the corporation, but not in the course of, or connected with, the performance of authorized duties of such director, are held not binding on the corporation.[16]

As the provisions of the MOA are in direct contravention of the foregoing precepts, which the Court had earlier espoused in the July 6, 2015 Decision, its execution cannot in any way affect, change, or render the Court's previous disquisitions moot and academic. In fact, the MOA is, clearly and in all respects, contrary to law. Therefore, the writ of preliminary injunction must stand.

Parenthetically, on October 29, 2015, Tom filed a Manifestation[17] informing the Court that he is no longer the President of GDITI. Nonetheless, on March 20, 2015, he was elected as Treasurer during the Annual/Regular Stockholders Meeting conducted for the purpose of electing the members of GDITI's Board of Directors.[18] As Tom's position in GDITI's Board of Directors neither affects nor alters the Court's stance in this pending incident, the Court merely resolves to note the same.

WHEREFORE, the Court resolves to **DENY WITH FINALITY** the Motion for Reconsideration with Motion to Dissolve the Injunctive Writ filed by respondent Samuel N. Rodriguez.

---

[16] *Id.* at 454.

[17] Dated October 26, 2015. *Rollo*, pp. 309-311.

[18] *Id.* at 309-310.

No further pleadings or motions shall be entertained. Let entry of judgment be made in due course.

SO ORDERED.

Sereno, C.J. (Chairperson), Leonardo-de Castro, Bersamin, and *Perez, JJ.,* concur.

SECOND DIVISION

[G.R. No. 205010. July 18, 2016]

PETRON GASUL LPG DEALERS ASSOCIATION AND TOTALGAZ LPG DEALERS ASSOCIATION, *petitioners, vs.* **ELENA LAO, IMELDA LAO, POMPIDOU GOLANGCO, JEREMY WILSON GOLANGCO, CARMEN CASTILLO, AND/OR OCCUPANTS OF BAGUIO GAS CORPORATION,** *respondents.*

SYLLABUS

1. REMEDIAL LAW; CRIMINAL PROCEDURE; SEARCH AND SEIZURE; SEARCH WARRANT (SW); DISCUSSED. — A search warrant (SW) is defined as a written order issued in the name of the People of the Philippines, signed by a judge, and directed to a peace officer commanding him to search for the personal property described therein and bring it to the court. In *Malaloan v. Court of Appeals,* the Court held that the requisites, procedure and purpose for SW issuance are totally different from those of a criminal action. It stressed that the application for and issuance of a SW is not a criminal action but a judicial process, more particularly, a special criminal process designed to respond to an incident in the main case, if one has been instituted, or in anticipation thereof. The power to issue SW is inherent in all courts, such that the power of