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The Court has considered the petition for review, the comments of the respondents, and the reply thereto, but has found no reversible error in the decision complained of, hence, it is constrained to deny the petition for lack of merit. Indeed, the award of the lot to the petitioner by the NHA is not a valid defense to the private respondents' action to eject him from the house which admittedly belongs to the private respondents. The only issue in an ejectment suit is the possession of the leased premises (the house) not the ownership of the lot, the award of which to the petitioner is still being contested by Laja in another action (*Alvir vs. Vera*, 130 SCRA 357; *Mediran vs. Villanueva*, 37 Phil. 752; *Bautista vs. Fernandez*, 38 SCRA 549; *Vda. de Sengbengco vs. Arellano*, 1 SCRA 711).

WHEREFORE, the petition for review is *DENIED* for lack of merit. Costs against the petitioner.

SO ORDERED.

Cruz (Chairman), Medialdea, and *Bellosillo, JJ.*, concur.

THIRD DIVISION

[G.R. No. 95778. July 17, 1992]

SKYWORLD CONDOMINIUM OWNERS ASSOCIATION, INC., *petitioners, vs.* **SECURITIES AND EXCHANGE COMMISSION and BAGUIO SKYWORLD CONDOMINIUM,** *respondents.*

SYLLABUS

1. COMMERCIAL LAW; CORPORATION LAW; PD 902-A; SECURITIES AND EXCHANGE COMMISSION (SEC);

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JURISDICTION.— Pres. Decree No. 902-A vests on the Securities and Exchange Commission the original and exclusive jurisdiction to hear and decide cases involving, among others, disputes between the corporation and the state regarding its legal right to exist (Section 5[b]) and the power to hear and decide on the suspension or revocation of a certificate of registration of a corporation (Section 6, par. 1 [1]).

2. **ID.; ID.; ID.; ID.; DELEGATION OF POWERS TO OTHER BODIES, ALLOWED; CASE AT BAR.—** The Securities and Exchange Commission can validly delegate the authority to exercise the specific powers assigned to it by law. The final paragraph of Section 6, Pres. Decree No. 902- A states: In the exercise of the foregoing authority and jurisdiction of the Commission, hearings shall be conducted by the Commission or by a Commissioner or by such other bodies, boards, committees and/or officer as may be created or designated by the Commission for the purpose. xxx". In the consolidated cases, the Commission empowered the Prosecution And Enforcement Department (PED) to conduct the hearing and to decide on the revocation of a certificate of registration. The task was assigned to Mr. Ruiz for and in behalf of the Commission. The provisions of Pres. Decree No. 902-A as amended do not prohibit the respondent Commission from designating an officer or a division to hear a case. The Court reiterates that in the absence in the rules of the Commission of a provision designating a particular officer or department that should try a particular action, the Commission can validly call upon any of its qualified departments to try a particular action, including the PED to hear and make a preliminary ruling on the case. This was what the Commission did to meet the demands of orderly and responsible administration of all the tasks assigned to it as a government agency.

3. **ID.; ID.; REVOCATION OF CERTIFICATE OF REGISTRATION; PRIVATE ENTITY NOT PRECLUDED FROM COMMENCEMENT THEREOF.—** In PED No. 88-0418, Baguio Skyworld Condominium Corporation (BSCC) pursued its case by itself and not as a mere relator suing through the help of the PED. A private entity is not prohibited from prosecuting its action for revocation of registration by itself. Otherwise, the petition of Skyworld Condominium Owners

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Association, Inc. (SCOAI) against the BSCC also seeking the revocation of the latter's registration would not have been taken cognizance of by the SEC on the ground that the case should have been prosecuted by the Commission upon the relation of SCOAI. Under the Old rules, the Commission *may*, *motu proprio*, commence such an action (Section 3(c), Rule XX. SEC Rules of Procedure [1977]; See also Section 2(a) and (b), Rule XX, SEC Revised Rules of Procedure [1989]). Commencement of a similar action by a private citizen or corporation is not precluded.

4. REMEDIAL LAW; ACTIONS; ESTOPPEL BY LACHES; PRINCIPLE APPLIED IN CASE AT BAR.— The Court agrees with the analysis of the respondent Commission that the petitioner was barred by estoppel by laches from repudiating the jurisdiction of the hearing officer to whom it has submitted itself and before whom it presented evidence by way of memorandum. The Court likewise confirms the analysis of the respondent Commission that petitioner SCOAI was barred by estoppel from repudiating the resulting adverse decision after it had voluntarily submitted to the jurisdiction of the hearing officer in settling the issue of revocation (*Tijam v. Sibonghanoy*, 23 SCRA 29 [1968] and other cases).

5. COMMERCIAL LAW; CORPORATION LAW; APPROVAL OF A RESOLUTION OF THE INVESTIGATING BODY BY THE COMMISSION WITHOUT THE KNOWLEDGE OF THE CORPORATION, NOT A DENIAL OF DUE PROCESS.— The Commission can not also be faulted for approving the PED resolution without the knowledge of the petitioner. The parties do not participate in the deliberation and decision making process. They are not supposed to be present when the SEC deliberates and votes on the action to be taken. Notice is given after the decision is promulgated but not before the Board sits down to act on cases already heard and awaiting resolution. It was the Commission for whom the PED acted in gathering data in the consolidated cases. The delegation made to the PED was done in accordance with law and the resulting recommendation was arrived at after notice and hearing. The subsequent approval by the Commission *en banc* was the ultimate exercise of judgment of the Commission. Contrary to the allegation of the petitioner, the approval by

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the Commission *en banc* was regular and valid for having been done in the exercise of its original jurisdiction on a case involving the right of each of the party corporations to exist as an entity (Section 5, Pres. Decree No. 902- A as amended). It was proper for the commission to have treated the appeal of the petitioner as a motion for reconsideration. In doing so, no right of the petitioner to due process was violated.

6. REMEDIAL LAW; APPEALS; FINDINGS OF FACT OF THE SECURITIES AND EXCHANGE COMMISSION, UPHELD ON APPEAL.— The Court finds no grave abuse of discretion committed by the Commission in deciding in that manner. The Commission properly made a thorough study of the facts presented by the opposing parties, and exhaustively explained its reasons for sustaining its decision to revoke the certificate of registration of the SCOAI. A reading of the order in SEC-AC No. 297 dated September 14, 1990 reveals that the findings are supported by substantial evidence and justified by the relevant laws and jurisprudence. The Court upholds the finding of the Commission that the indispensable requirement that all incorporators of a condominium corporation must be shareholders thereof was not satisfactorily complied with by the petitioner at the time a certificate of registration was applied for. (Section 5, Corporation Code of the Philippines [Batas Pambansa Blg. 68]; Section 10, Condominium Act [Rep. Act 4726]). To be a shareholder, one must necessarily be an owner of a condominium unit (*Sunset View Condominium Corporation v. Campos, Jr.*, 104 SCRA 295 [1981]). In the case at bar, it was found by the SEC that only one, Angel Bautista, was considered to be an owner of a unit in the Skyworld Condominium at the time of incorporation. Courts do not grant a judicial review much less a factual inquiry absent any showing of arbitrary action or manifest and grievous error on the part of administrative agencies regarding the determination of facts and interpretation of laws which they are entrusted to enforce a (*Maximo v. Court of Appeals*, 182 SCRA 420 [1990]) and other cases cited).

7. ID.; ACTIONS; *RES JUDICATA*; PERTINENT ISSUE IS ONE THAT IS MORE APPROPRIATELY DEALT WITH BY AN ADMINISTRATIVE AGENCY; EVEN IF COURT DID TOUCH ON RIGHT OF CORPORATION TO EXIST AND

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TO EXERCISE PREROGATIVE AS SUCH, COURT DECISION WOULD NOT BIND PARTIES AS TO PREVENT A RECOURSE BEFORE AN ADMINISTRATIVE AGENCY. — The contentions that the private respondent BSCC and the CBC were engaged in forum-shopping and that the prosecution of the SEC consolidated cases was barred by *res judicata* deserve scant consideration. Suffice it to state that the actions before the courts commonly involved prayers for restraint and/or injunction against SCOAI. The petitions did not seek an administrative inquiry on revocation of a certificate of registration. The pertinent issue in the case at bar is one that is more appropriately dealt with by an administrative agency such as the SEC. Hence, even if the courts did touch on the right of a corporation (SCOAI) to exist and to exercise prerogatives as such, the court decisions would not bind the parties as to prevent a recourse before the SEC.

APPEARANCES OF COUNSEL

Emilio G. Abrogena for petitioner.

Helenea F.M. Dauz for private respondent.

D E C I S I O N

GUTIERREZ, JR., *J.*:

This is a petition to review the decision of the Securities and Exchange Commission (SEC), *en banc*. The petition was reinstated after a reconsideration of two previous resolutions of this Court denying the same for non-compliance with the required payment of costs and clerk's commission, and after recalling the entry of judgment issued on February 6, 1992. We also decided to treat the petition as an exception to the rule that SEC decisions must first pass the intermediate appeal process.

Petitioner Skyworld Condominium Owners Association, Inc. (SCOAI) was the appellant in SEC-AC No. 297. Its appeal was treated by the Commission, *en banc* as a motion for reconsideration. The petitioner primarily assails the allegedly

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unauthorized action of Special Prosecutor Norberto Ruiz of the Prosecution and Enforcement Department of the SEC to decide the consolidated petitions for revocation of certificate of registration.

Petitioner SCOAI claims to be a legitimate condominium corporation in relation to the Skyworld Condominium located at Session Road corner Calderon St., Baguio City and covered by Transfer Certificate of Title (TCT) No. 33451 of the Registry of Deeds of Baguio City.

SCOAI was organized and granted a certificate of registration on March 21, 1985 by the SEC. It claims to be the condominium corporation recognized by the Inter-Realty Development Corporation (hereinafter referred to as Inter-Realty), the original owner of the land covered by TCT No. 33451 and the condominium project. It also claims to have been recognized by the China Banking Corporation (CBC), the subsequent owner of the condominium project because the latter consented to the organization of the SCOAI.

The antecedents facts of the case are as follows:

On September 12, 1975, Inter Realty obtained a loan from the CBC as security for which it mortgaged three (3) parcels of land, which were later consolidated into one title, TCT No. 33451, and the improvements thereon. On July 21, 1987, the initial indebtedness was increased to ₱7,000,000.00.

For Inter-Realty's failure to pay the debt, the CBC foreclosed the condominium project. The foreclosure sale was held on April 11, 1983 after compliance with the notice requirements. The project was sold to CBC which was the highest bidder.

On April 6, 1984, Inter-Realty and CBC executed a Memorandum of Agreement providing for an extended period for redemption of the condominium project, until all the condominium units shall have been sold and the proceeds turned over to the CBC and applied to the loan accounts of Inter-Realty (*Rollo,* pp. 38-42).

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Meanwhile, on the same date, April 6, 1984, Inter-Realty made a written authorization in favor of Angel Bautista, a real estate dealer, to buy or sell the condominium units to buyers (*Rollo*, pp. 43-44). The authority was for a period of one year or until April 1985 in order to facilitate the disposition of the units and the payment of indebtedness with the CBC.

In May, 1985, CBC was notified by petitioner SCOAI through Angel Bautista, who was the latter's president, of the organization and official incorporation of the SCOAI.

When Inter-Realty failed to redeem the foreclosed properties by October 1985, CBC consolidated its ownership over the land (now covered by TCT No. 38837) and 78% of the condominium's residential units and common areas.

On December 16, 1985, the CBC as new owner of the foreclosed properties and with the aim of recovering the unpaid debt of Inter-Realty, authorized Angel Bautista to sell the unsold condominium units. This authority was, however, revoked by CBC on April 17, 1986 after discovering that Bautista violated his fiduciary obligations as agent.

Two petitions were filed against the petitioner SCOAI, one of them contesting the existence of the petitioner as an entity, and the other, for a writ of preliminary injunction praying that the petitioner be stopped from exercising the prerogatives of a condominium corporation. The first petition was filed on August 8, 1986 by CBC before the SEC docketed as SEC No. 3035. The second one was filed on October 9, 1986 before the Regional Trial Court of Baguio, Branch V (Civil Case No. 915-R) by the respondent Baguio Skyworld Condominium Corporation (BSCC) which was organized at the instance of CBC and registered with the SEC on September 19, 1986.

On October 3, 1986, a petition was filed by CBC against Angel Bautista before the Regional Trial Court of Baguio City (Branch III, Civil Case No. 908-R) for a writ of preliminary injunction to enjoin Mr. Bautista from further representing himself as agent of the new owner-developer, the CBC, which already

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revoked his authority to sell. The trial court granted a writ of preliminary injunction which was later made permanent by the Court of Appeals.

On November 14, 1986, the case filed by the BSCC was dismissed by the trial court. On February 3, 1988, the case filed by the CBC was dismissed by the SEC.

On June 20, 1988, BSCC filed a complaint before the SEC's Prosecution and Enforcement Department (PED) to revoke the certificate of registration of petitioner on the ground of fraudulent procurement of the certificate. The case was docketed as PED No. 88-0418 (*Rollo*, p. 73, et. seq.).

On January 13, 1989, petitioner SCOAI in turn sued to revoke the certificate of registration of the BSCC before the SEC's Securities Investigation and Clearing Department (SICD). The case was docketed as SEC No. 3493.

Acting upon the complaint of the BSCC in PED No. 88-0418, the PED, through Senior SE Specialist Norberto Ruiz filed a petition docketed as SEC No. 3601 dated June 30, 1989 with the BSCC as a relator, for the revocation of the registration of the herein petitioner. (See *Rollo*, pp. 95-107). The said petition was approved by PED Director Elnora Adviento as recommended by the Chief of the Prosecution Division, Villamin P. Lam.

On July 5, 1989, the SICD endorsed SEC No. 3493 (the one filed by SCOAI) to the PED so that a new docket number, PED No. 89-572-A was assigned to that case.

The two cases for revocation of registration of the SCOAI (PED No. 88-0418) and the BSCC (PED No. 89-572-A) were consolidated on July 25, 1989.

A hearing was conducted on September 11, 1989 by the PED with Mr. Norberto Ruiz as the hearing officer. The counsels of the two parties were present.

On December 12, 1989, the PED issued a resolution ordering the revocation of the certificate of registration of the SCOAI. The resolution was prepared by Mr. Norberto Ruiz after studying

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the substantial evidence he received and the arguments of the parties in the memoranda submitted by the parties to him. On the same date, the resolution was presented by PED Director Elnora Adviento before the Commission, *en banc* which approved the same.

As reflected in the Minutes of the Executive Session of the Commission Sitting En Banc, December 12, 1989, 3:50 p.m.:

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"x x x Based on the foregoing documentary evidence submitted to them, she (Director Elnora Adviento) *recommended* that the Certificate of Registration of Skyworld Condominium Owners Association, Inc. be revoked and cancelled in view of the findings that it procured its certificate of registration through fraud/ misrepresentation and there is no evidence to show that Skyworld Condominium Owners Association have managed the Skyworld Condominium.

"The Commission en banc resolved to approve the resolution, as recommended." (*Rollo*, pp. 110-111; italics supplied)

A motion for reconsideration was filed before the PED but was denied.

On March 6, 1990, the petitioner filed a notice of appeal before the Commission, *en banc*. The appeal was docketed as SEC-AC No. 297. The Commission treated it as a motion for reconsideration because the approved resolution was deemed to be the decision of the Commission, *en banc* on the issue of revocation. The motion was denied for lack of merit. Hence, this petition in which the following assigned errors are raised:

I

THE RESPONDENT COMMISSION ERRED WHEN IT ALLOWED SPECIAL PROSECUTOR NORBERTO RUIZ IN DECIDING (sic) THE CASE AFTER FILING THE PETITION WITH THE SICD WITHOUT HEARING.

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II

THE RESPONDENT COMMISSION ERRED WHEN IT APPROVED THE RESOLUTION OF NORBERTO B. RUIZ DATED DECEMBER 12, 1989 IN AN EXECUTIVE SESSION IN THE AFTERNOON OF THE SAME DAY WITHOUT APPEAL.

III

THE RESPONDENT COMMISSION ERRED WHEN IT DECLARED THAT PROSECUTOR NORBERTO B. RUIZ HAS AUTHORITY TO DECIDE THE REVOCATION CASE AFTER HE HAS FILED A PETITION WITH SICD TO REVOKE THE CERTIFICATE OF REGISTRATION OF PETITIONER.

IV

THE RESPONDENT COMMISSION ERRED WHEN IT TREATED THE APPEAL AS MOTION FOR RECONSIDERATION.

V

THE RESPONDENT COMMISSION ERRED WHEN IT DISMISSED THE APPEAL. (*Rollo,* p. 14)

The assigned errors can more conveniently be restated into the following: 1) whether or not the respondent Commission validly approved the alleged unauthorized resolution or decision made by Mr. Norberto B. Ruiz on the revocation case; and 2) whether or not the appeal, SEC-AC No. 297 was correctly treated as a motion for reconsideration and, thereafter, dismissed.

The petitioner essentially questions the authority of Mr. Ruiz to decide. It was Mr. Ruiz who was assigned the case of PED No. 88-0418 for investigation and prosecution. Accordingly, Mr. Ruiz filed a petition (SEC No. 3601) before the Securities Investigation and Clearance Department (SICD) of the SEC. It is argued that Mr. Ruiz acted as prosecutor and judge over the case, hence, he issued the resolution without authority and with grave abuse of discretion. He allegedly went beyond the duties required of a member of the PED which are limited to investigation and prosecution of civil and criminal cases as well as other actions involving violation of laws, rules and regulations enforced

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by the SEC. The petitioner adds that the presentation for approval of the resolution of Mr. Ruiz to the Commission, *en banc* was irregular, null and void for being done without the knowledge of the petitioner. Thus, the petitioner was allegedly deprived of the benefit of an appeal from the resolution to the Commission, *en banc*.

The contentions are without merit. Pres. Decree No. 902-A vests on the Commission the original and exclusive jurisdiction to hear and decide cases involving, among others, disputes between the corporation and the state regarding its legal right to exist, and the power to hear and decide on the suspension or revocation of a certificate of registration of a corporation.

Section 5, Pres. Decree No. 902-A provides:

"SEC. 5. In addition to the regulatory and adjudicative functions of the Securities and Exchange Commission over corporations, partnerships and other forms of associations registered with it as expressly granted under existing laws and decrees, it shall have original and exclusive jurisdiction to hear and decide cases *involving*:

xxx xxx xxx

"b. Controversies arising out of intra-corporate or partnership relations, between and among stockholders, members or associates; between any or all of them and the corporation, partnership or association of which they are stockholders, members or associates, respectively; and *between such corporation, partnership or association and the State insofar as it concerns their individual franchise or right to exist as such entity*; x x x ." (italic supplied)

More specifically, Pres. Decree No. 902-A grants to the Commission in paragraph l(1), Section 6 of the power:

"SEC. 6.

xxx xxx xxx

1) To suspend or revoke, after proper notice and hearing, the franchise or certificate of registration of corporations, partnerships or associations, upon any of the grounds, provided by law, including the following:

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1) Fraud in procuring its certificate of registration";

xxx xxx xxx

The Commission can validly delegate the authority to exercise the specific powers assigned to it by law. The final paragraph of Section 6, Pres. Decree No. 902-A states:

"In the exercise of the foregoing authority and jurisdiction of the Commission, hearings shall be conducted by the Commission or by a Commissioner or by such other bodies, boards, committees and/or officers as may be created or designated by the Commission for the purpose. x x x"

In the consolidated cases, the Commission empowered the PED to conduct the hearing and to decide on the revocation of a certificate of registration. The task was assigned to Mr. Ruiz for and in behalf of the Commission.

It is true that Mr. Ruiz signed a petition with the BSCC as a relator prior to the consolidation of the two cases. However, that petition was apparently disregarded. Mr. Ruiz was validly authorized to handle the two cases simultaneously filed by the private parties themselves against each other. It must be recalled that in PED No. 88-0418, BSCC pursued its case by itself and not as a mere relator suing through the help of the PED. A private entity is not prohibited from prosecuting its action for revocation of registration by itself. Otherwise, the petition of SCOAI against the BSCC also seeking the revocation of the latter's registration would not have been taken cognizance of by the SEC on the ground that the case should have been prosecuted by the Commission upon the relation of SCOAI. Under the old rules, the Commission *may*, *motu proprio*, commence such an action (Section 3(c), Rule XX, SEC Rules of Procedure [1977]; See also Section 2(a) and (b), Rule XX, SEC Revised Rules of Procedure [1989]). Commencement of a similar action by a private citizen or corporation is not precluded.

In judging the merits of the case at the instance of the Commission, Mr. Ruiz acted only as a trier of the facts presented to him and not as a prosecutor at the same time. The resolution

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arrived at was adopted by the Commission, *en banc* as its own decision, upon its approval.

The Court agrees with the analysis of the respondent Commission that the petitioner was barred by estoppel by laches from repudiating the jurisdiction of the hearing officer to whom it has submitted itself and before whom it presented evidence by way of memorandum.

The petitioner alleges further that Mr. Ruiz went beyond the limited powers to investigate and to prosecute granted to the PED by Pres. Decree No. 902-A as amended by Pres. Decree No. 1758 (1981).

The pertinent provision, Section 6 of Pres. Decree No. 1758 states:

"SEC. 6. The Prosecution and Enforcement Department shall have, subject to the Commission's control and supervision, the exclusive authority to investigate, on complaint or motu proprio, any act of omission of the Board of Directors/Trustees of corporations, or of partnerships, or of other associations, or of their stockholders, officers or partners, including any fraudulent devices, schemes or representations, in violation of any law or rules and regulations administered and enforced by the Commission; to file and prosecute in accordance with law and rules and regulations issued by the Commission and in appropriate cases, the corresponding criminal or civil case before the Commission or the proper court or body upon prima facie finding of violation of any laws or rules and regulations administered and enforced by the Commission; *and to perform such other powers and functions as may be provided by law or duty delegated to it by the Commission*."

xxx xxx xxx

(Emphasis supplied)

The action of Mr. Ruiz was still within the ambit of the investigative authority given to him by the Commission under its delegated power to revoke, after proper notice and hearing, a certificate of registration of any corporation on the ground of fraud in procuring the certificate of registration (Section 6, l[1], Pres. Decree No. 902-A as amended).

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At the time the consolidated cases were filed and tried, the SEC Rules of Procedure (effective July 12, 1977) did not contain any provision specifically designating the body or officer who should hear and decide suits for suspension or revocation of franchise or certificates of registration. No amendments were yet infused into the rules to keep up with the changes introduced by Pres. Decree No. 1758. The Commission had to rely on a particular office to hear the case on September 11, 1989.

The Revised SEC Rules of Procedure (1989) that designates the body (SICD) before which, actions for suspension or revocation of franchise or certificate of registration of a corporation should be filed took effect only of October 29, 1989 (See Section 2[c], Rule XX). To require the specified body to take over the adjudication after the case was ready for decision was improper and impractical.

We take this occasion to reiterate our ruling on the validity of the delegation of the power to hold a hearing. In *American Tobacco Company v. Director of Patents*, 67 SCRA 287 (1975), where the authority of the Director of Patents to assign hearing officers to receive evidence was questioned, we ruled:

"Thus it is well-settled that while the power resides solely in the administrative agency vested by law, this does not preclude a delegation of the power to hold a hearing on the basis of which the decision of the administrative agency will be made.

"The rule that requires an administrative officer to exercise his own judgment and discretion does not preclude him from utilizing, as a matter of practical administrative procedure, the aid of subordinates to investigate and report to him the facts, on the basis of which the officer makes his decisions. *It is sufficient that the judgment and discretion finally exercised are those of the officer authorized by law*.

xxx xxx xxx

"In the case at bar, *while the hearing officer may make preliminary rulings* on the myriad of questions raised at the hearings of these cases, *the ultimate decision on the merits of all the issues and questions*

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involved is left to the Director of Patents." (Italics supplied, at pp. 295-296)

The provisions of Pres. Decree No. 902-A as amended do not prohibit the respondent Commission from designating an officer or a division to hear a case. The Court reiterates that in the absence in the then rules of the Commission of a provision designating a particular officer or department that should try a particular action, the Commission can validly call upon any of its qualified departments to try a particular action, including the PED to hear and make a preliminary ruling on the case. This was what the Commission did to meet the demands of orderly and responsible administration of all the tasks assigned to it as a government agency.

"The reduction of existing delays in regulating agencies requires the elimination of needless work at top levels. Unnecessary and unimportant details often occupy far too much of the time and energy of the heads of these agencies and prevent full and expeditious consideration of the more important issues. The remedy is a far wider range of delegations to subordinate officers. The subdelegation of power has been justified by 'sound principles of organization' which demand that `those at the top be able to concentrate their attention upon the larger and more important questions of policy and practice; and their time be freed, so far as possible, from the consideration of the smaller and far less important matters of detail'." (*American Tobacco Co. v. Director of Patents, supra*. at page 293-294).

The Commission can not also be faulted for approving the PED resolution without the knowledge of the petitioner.

The parties do not participate in the deliberation and decision making process. They are not supposed to be present when the SEC deliberates and votes on the action to be taken. Notice is given after the decision is promulgated but not before the Board sits down to act on cases already heard and awaiting resolution.

In the present case, it was the Commission for whom the PED acted in gathering data in the consolidated cases. The delegation made to the PED was done in accordance with law

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and the resulting recommendation was arrived at after notice and hearing. The subsequent approval by the Commission, *en banc* was the ultimate exercise of judgment of the Commission. Contrary to the allegation of the petitioner, the approval by the Commission, *en banc* was regular and valid for having been done in the exercise of its original jurisdiction on a case involving the right of each of the party corporations to exist as an entity (Section 5, Pres. Decree No. 902-A as amended).

In view of these, it was also proper for the commission to have treated the appeal of the petitioner as a motion for reconsideration. In doing so, no right of the petitioner to due process was violated.

The Court finds no grave abuse of discretion committed by the Commission in deciding in that manner. The Commission properly made a thorough study of the facts presented by the opposing parties, and exhaustively explained its reasons for sustaining its decision to revoke the certificate of registration of the SCOAI. A reading of the order in SEC-AC No. 297 dated September 14, 1990 reveals that its findings are supported by substantial evidence and justified by the relevant laws and jurisprudence.

The Court, thus, upholds the finding of the Commission that the indispensable requirement that all incorporators of a condominium corporation must be shareholders thereof was not satisfactorily complied with by the petitioner at the time a certificate of registration was applied for. (Section 5, Corporation Code of the Philippines [Batas Pambansa Blg. 68]; Section 10, Condominium Act [Rep. Act 4726]. To be a shareholder, one must necessarily be an owner of a condominium unit. (*Sunset View Condominium Corporation v. Campos, Jr.*, 104 SCRA 295 [1981]) In the case at bar, it was found by the SEC that only one, Angel Bautista, was considered to be an owner of a unit in the Skyworld Condominium at the time of incorporation. (*Rollo,* p. 32).

The Master Deed with Declaration of Restrictions in its Section 8 provides that a condominium corporation should be

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organized by a developer "pursuant to the provisions of the Condominium Act and of the Corporation Code as amended for the purpose of holding files to all common areas and managing the project" (See *Rollo*, p. 158). The Court likewise confirms the analysis of the respondent Commission that petitioner SCOAI was barred by estoppel from repudiating the resulting adverse decision after it had voluntarily submitted to the jurisdiction of the hearing officer in settling the issue of revocation. (*Tijam v. Sibonghanoy*, 23 SCRA 29 [1968]; *Bañaga v. Commission on the Settlement of Land Problems*, 181 SCRA 599 [1990]; *Sapugay v. Court of Appeals*, 183 SCRA 464 [1990]; 166 SCRA 657 [1988]; *Maersk-Tabacalera Shipping Agency (Filipinas), Inc. v. Court of Appeals*, 187 SCRA 646 [1990]; *Marquez v. Secretary of Labor*, 171 SCRA 337 [1989]).

The contentions that the private respondent BSCC and the CBC were engaged in forum-shopping and that the prosecution of the SEC consolidated cases was barred by *res judicata* deserve scant consideration. Suffice it to state that the actions before the courts commonly involved prayers for restraint and/or injunction against SCOAI. The petitions did not seek an administrative inquiry on revocation of a certificate of registration. The pertinent issue in the case at bar is one that is more appropriately dealt with by an administrative agency such as the SEC. Hence, even if the courts did touch on the right of a corporation (SCOAI) to exist and to exercise prerogatives as such, the court decisions would not bind the parties as to prevent a recourse before the SEC.

The Court finds this petition to be part of a dilatory attempt to stall the execution of the order revoking and cancelling the certificate of registration of the Skyworld Condominium Owners Association, Inc. That petitioner seeks a re-examination of the facts is evident from its arguments. It is unfortunate for it that courts do not grant a judicial review much less a factual inquiry absent any showing of arbitrary action or manifest and grievous error on the part of administrative agencies regarding the determination of facts and interpretation of laws which they are entrusted to enforce (*Blue Bar Coconut Philippines v.*

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Tantuico, Jr., 163 SCRA 716 [1988]; *Beautifont, Inc. v. Court of Appeals*, 157 SCRA 481 [1988]; *Maximo v. Court of Appeals*, 182 SCRA 420 [1990]).

We have further held that:

"The legal presumption is that official duty has been duly performed (Section 5, m, Rule 131, Rules of Court); and it is 'particularly strong as regards administrative agencies xxx vested with powers said to be quasi-judicial in nature, in connection with the enforcement laws affecting particular fields of activity, the proper regulation and/or promotion of which requires a technical or special training, aside from a good knowledge and grasp of the overall conditions, relevant to said field obtaining in the nation' [*Pangasinan Transportation v. Public Utility Commission*, 70 Phil. 221]." (*Beautifont, Inc. v. Court of Appeals*, at p. 493).

The Court sustains the decision of the respondent Commission dated December 12, 1989 and the Order dated September 14, 1990 denying the motion for reconsideration since no jurisdictional flaw has been found to justify a reversal.

WHEREFORE, the petition is hereby *DISMISSED* for lack of grave abuse of discretion committed by the public respondent. The Order revoking and cancelling the certificate of registration of petitioner corporation is *AFFIRMED*.

SO ORDERED.

Feliciano, Bidin, Davide, Jr., and *Romero, JJ.*, concur.