

## POLI

A non-chartered, BSP-owned corporation is a GOCC subject to COA audit jurisdiction and Memorandum Order No. 20.— *Tetangco, Jr. v. COA* (2019)

## COM

In subrogation, the insurer merely steps into the shoes of the insured and is bound by the same prescriptive period as the original cause of action.— *Filcon Ready Mixed, Inc. v. UCPB General Insurance Co., Inc.* (2020)

## CIV

There is substantial compliance with Article 808 of the Civil Code when the testator's awareness and intent are clearly established, and there is no sign of fraud or coercion.— *Guia v. Cosico, Jr.* (2021)

## LABOR

A registered labor contractor with substantial capital and control over work performance is the employer of the deployed workers, not the principal.— *Martinez v. Magnolia Poultry Processing Plant* (2021)

## CRIM

Grave threats require both a serious threat and intent to intimidate; vague, uncommunicated remarks create reasonable doubt.— *Garma y Miguel v. People* (2022)

## REM

COA has no power to review or alter final and executory judgments of courts or tribunals; to do so violates immutability of judgments.— *Taisei Shimizu Joint Venture v. COA* (2020)

## 1

The Philippine Convention Corporation was created under Presidential Decree 419 to manage the PICC. It is registered with the SEC, and the BSP is its sole stockholder. In 2013, PCC granted allowances to its senior officers, which the Commission on Audit disallowed, citing Memorandum Order 20, which directed the suspension of new or increased benefits for senior officers of GOCCs to rationalize government compensation. PCC argued that the Order does not apply to it since it is a private corporation governed by the Corporation Code and is outside the jurisdiction of the Commission in Audit. **Is PCC correct?**

*Suggested answer:* No. PCC is not correct.

In *Tetangco, Jr. vs. Commission on Audit*, the Supreme Court ruled that a corporation like PCC, organized under the Corporation Code but wholly owned by the BSP, is a GOCC, subject to the Commission's audit jurisdiction. The Commission's authority covers all GOCCs, with or without original charters. The Court also held that Memorandum Order 20 applies to all GOCCs, chartered or non-chartered, to ensure uniformity and fiscal discipline in government compensation. Thus, PCC is not correct.

## 2

On November 16, 2007, a cement mixer owned by SolidMix Corporation and left unattended by its driver, Marlo Vergara, rolled backward on an uphill road in Quezon City. It hit a parked Mitsubishi Adventure, which then struck a Honda Civic owned by Miguel Garcia. Garcia's car was insured by Reliance Insurance Corporation, which paid ₱190,000 for its repair. On February 1, 2012, Reliance filed a complaint for damages against SolidMix and Vergara, asserting its right of subrogation. SolidMix moved to dismiss, arguing that the claim had already prescribed. **Has Reliance Insurance's action prescribed?**

*Suggested answer:* Yes. Reliance Insurance's action has prescribed.

In *Filcon Ready Mixed v. UCPB General Insurance*, the Supreme Court ruled that an insurer's subrogation right is subject to the same prescriptive period applicable to the insured's cause of action. Since the claim was based on quasi-delict, the applicable period under the Civil Code is four years, counted from the date of the accident on November 16, 2007. Reliance filed its complaint only on February 1, 2012, beyond the four-year limit. Therefore, the action had already prescribed.

## 3

Celia Robles was a cripple who never went to school or learn to read or write. At 64, she executed a notarial will. Her lawyer read and explained it to her in the presence of two witnesses and a notary. Celia confirmed she understood and approved its contents. When Celia died, her half-siblings challenged the will for violating Article 808 of the Civil Code, which requires two readings for blind testators, and case law extending the same rule to illiterate testators. **Was Celia's will validly executed?**

*Suggested answer:* Yes. Celia's will was validly executed in substantial compliance with Article 808 of the Civil Code.

In *Guia v. Cosico, Jr.*, the Supreme Court ruled that substantial compliance with Article 808 is enough when the testator's understanding and intent are clearly shown. Here, Celia's lawyer read and explained the will to her in the presence of the witnesses and notary. She confirmed her understanding and approved its contents. Even if the will was not read aloud twice, the purpose of the law was fulfilled, as it is shown that Celia was fully aware of her testamentary act, and there was no sign of fraud or coercion.

## 4

Karen and others were deployed by Worx Solutions to Maglona's poultry plant. When Maglona shut down, they sued both firms for illegal dismissal, claiming they were Maglona's regular employees since they performed essential tasks like dressing, packaging, sanitation, and transport. They also attended its trainings. Maglona denied any employment relationship, while Worx asserted it was registered with the Department of Labor and Employment as a labor contractor with ₱20 million in capital, its own staff and assets, and control over the workers, as it paid their wages, assigned their schedules, and monitored their performance. **Were the workers regular employees of Maglona?**

*Suggested answer:* No. The workers were not regular employees of Maglona. They were employees of Worx.

In *Martinez vs. Romac*, the Supreme Court held that a labor contractor is presumed legitimate if it is duly registered, has an independent business, substantial capital and assets. Moreover, an employer-employee relationship exists between the contractor and the deployed workers if the former exercises control over the performance of the latter's work. Here, Worx was a duly registered labor contractor with substantial capital and assets, and it exercised control over the workers assigned to Maglona by assigning their schedules and monitoring their performance. Maglona's role in training the workers did not amount to control over work methods. Thus, Worx is the employer of the workers and no employer-employee relationship existed between them and Maglona.

## 5

While chasing a group of illegal fishers near his family's fishpond, Carlito stopped and asked a bystander, Mario, if Barangay Captain Ernesto was nearby. When told he wasn't, Carlito allegedly muttered, "patayin natin 'yan minsan." Days later, Mario reported the incident to Ernesto, who claimed to feel threatened due to a prior land dispute with Carlito. No further encounters occurred. Carlito was charged with grave threats, with Mario as the sole witness. **Should Carlito be held guilty?**

*Suggested answer:* No. Carlito should not be held guilty.

In *Garma v. People*, the Supreme Court ruled that to convict a person of grave threats, both the actus reus or a serious threat to commit a crime, and mens rea or the intent to intimidate or instill fear, must be clearly established. Vague, spontaneous remarks, especially those not directed at the alleged victim and lacking follow-through, are insufficient. In Carlito's case, the statement was uttered casually, not communicated to Ernesto, and was supported only by a single, uncorroborated witness. As in *Garma*, this creates reasonable doubt. Thus, no criminal liability attaches.

## 6

Skybuild-Kenshin Joint Venture was contracted by the Department of Transportation to complete the San Miguel Bay Terminal Project. Due to unpaid billings and additional work, it filed a claim before the Construction Industry Arbitration Commission (CIAC) and was awarded ₱200 million. Both parties accepted the award and neither appealed. Before payment, the Department referred the matter to the Commission on Audit, which reduced the award to ₱90 million. Asserting its primary jurisdiction over money claims against government agencies, the Commission reviewed the evidence and found that Skybuild's other claims were not in accord with law and the rules. **Was the Commission on Audit's decision correct?**

*Suggested answer:* No. The Commission's decision was not correct.

In *Taisei Shimizu Joint Venture v. Commission on Audit*, the Supreme Court ruled that while the Commission on Audit has audit jurisdiction over public funds, it has no appellate review power over the decisions of any other court or tribunal. Moreover it cannot alter final and executory judgments or awards of such tribunals. Otherwise, the doctrine of immutability of judgments will be violated. Here, the Commission gravely abused its discretion in reducing CIAC's final and executory award.