

## **Nene Pimentel Lauds SC's Smokey Mountain Ruling - MabuhayRadio**

Written by Nene Pimentel Press Office

Saturday, 19 March 2011 10:00 - Last Updated Saturday, 19 March 2011 10:30

---

Former Senate Minority Leader Aquilino "Nene" Q. Pimentel, Jr. hailed a Supreme Court (SC) order dismissing the complaint filed by R-II Builders against Home Guaranty Corporation (HGC) over the controversial Smokey Mountain project.

Former Senator Pimentel pointed out that the 28-page decision of the SC's 1st Division empowered HGC to meet its obligations to creditors which funded the project like the Government Service Insurance System (GSIS), Overseas Workers Welfare Administration (OWWA) and Social Security System (SSS).

"This is a triumph of justice because it was GSIS, OWWA and SSS that bankrolled the P4-billion project after its contractor failed to fully fund the same as originally stipulated in its joint venture agreement with the National Housing Authority (NHA)," said Pimentel.

"Thus, it is only right that HGC, as loan guarantor, is allowed to sell properties under the Smokey Mountain Asset Pool (SMAP) to pay off its creditors, which happened to be government-owned and-controlled corporations (GOCCs)."

## Nene Pimentel Lauds SC's Smokey Mountain Ruling - MabuhayRadio

Written by Nene Pimentel Press Office

Saturday, 19 March 2011 10:00 - Last Updated Saturday, 19 March 2011 10:30

---

"We are talking here of billions of pesos in taxpayers' money that should be returned to the GOCCs," he stressed.

The SC said that the CA erred in not ruling that Branch 22 of the Regional Trial Court of Manila (RTC) had no jurisdiction over the civil suit filed by R-II against HGC seeking to stop the sale of the properties.

The high court added that R-II's complaint should have been dismissed outright by Branch 24 of the Manila RTC instead of being transferred to Branch 22 because the two courts were special commercial courts that have no jurisdiction over civil cases like the one filed by R-II.

But Mr. Pimentel said that another sticky issue must be threshed out is how R-II was able to acquire 79 hectares of public land, which was later increased to 229 hectares, despite its failure to fund the project in full.

He also sought a review on payments already made to R-II for the project which involved the construction of 30 buildings to house 3,000 families at the former dumpsite.

## Nene Pimentel Lauds SC's Smokey Mountain Ruling - MabuhayRadio

Written by Nene Pimentel Press Office

Saturday, 19 March 2011 10:00 - Last Updated Saturday, 19 March 2011 10:30

---

Nene Pimentel noted a letter by HGC vice president Jimmy Sarona that HGC had already paid almost P2.93 billion to R-II despite the fact that the contractor only invested P270 million in the project.

"I am perplexed really how an investment of just P270 million netted R-II a payment of P2.93 billion, more so since based on reports R-II is still seeking P1.8 billion in so-called residual value from HGC," Mr. Pimentel said.

"To me, the P2.93 billion paid to R-II and the additional P1.8 billion it is seeking are not just questionable. They are outright scandalous."

R-II had claimed in its collection case against HGC that the residual value represents what the contractor should have earned had the Smokey Mountain project not been scuttled.

But Sarona had said that the project was stopped precisely because its contractor failed to fulfill its contractual obligation to fund it in full. # # #

## Nene Pimentel Lauds SC's Smokey Mountain Ruling - MabuhayRadio

Written by Nene Pimentel Press Office

Saturday, 19 March 2011 10:00 - Last Updated Saturday, 19 March 2011 10:30

---

[Joomla SEO powered by JoomSEF](#)