

FIRST DIVISION

[G.R. No. 196580, June 10, 2020]

BANGKO SENTRAL NG PILIPINAS AND ITS MONETARY BOARD, PETITIONERS, VS. BANCO FILIPINO SAVINGS AND MORTGAGE BANK, RESPONDENT.

DECISION

REYES, J. JR., J.:

This resolves the Petition for Review on *Certiorari*^[1] filed by Bangko Sentral ng Pilipinas and its Monetary Board (BSP-MB) under Rule 45 of the 1997 Rules of Court from the November 25, 2010 Decision^[2] and April 1, 2011 Resolution^[3] of the Court of Appeals (CA) in CA-G.R. SP No. 98734, respectively reversing and setting aside the Orders dated December 4, 2006^[4] and March 21, 2007^[5] of the Regional Trial Court (RTC) Branch 136 of Makati City in Civil Case Nos. 8108, 9675 and 10183.

On different dates, three separate civil actions were filed by respondent Banco Filipino Savings and Mortgage Bank (Banco Filipino) with the RTC of Malcasi City as follows:

1. Civil Case No. 8108 – filed on August 6, 1984 by Banco Filipino against The Monetary Board, The Central Bank of the Philippines and Jose B. Fernandez, Jr. seeking to annul Resolution No. 955 of the Monetary Board of the then Central Bank of the Philippines (Central Bank), which placed Banco Filipino under conservatorship.
2. Civil Case No. 9675 – filed on February 2, 1985 by Banco Filipino against the Monetary Board, the Central Bank of the Philippines and Jose Fernandez, Jr., Carlota P. Valenzuela, Arnulfo B. Aurellano and Ramon Y. Tiaoqui, seeking to annul and set aside Resolution No. 75 of the Monetary Board of the then Central Bank, which ordered the closure of Banco Filipino.
3. Civil Case No. 101 83 – filed on June 3, 1985 by Banco Filipino against the Monetary Board, the Central Bank of the Philippines and Jose B. Fernandez, Jr., Carlota P. Valenzuela, Arnulfo B. Aurellano and Ramon Tiaoqui, challenging the validity of the resolution dated March 22, 1985 of the Monetary Board of the then Central Bank, which ordered the liquidation of Banco Filipino.

In the meantime, on February 28, 1985, Banco Filipino filed a petition for *certiorari*

and *mandamus* before this Court, docketed as G.R. No 70054, which also sought, among other things, the annulment of Resolution No. 75 of the Monetary Board of the Central Bank.

In a Resolution dated August 29, 1985 in G.R. No. 70054, this Court ordered the consolidation of the aforesaid cases as Civil Case Nos. 8108, 9675 and 10183 with the RTC of Makati City, Branch 136. The consolidated civil cases had, as defendants, the following: The Monetary Board of the Central Bank of the Philippines, Jose B. Fernandez, Jr., Carlota P. Valenzuela, Arnulfo B. Aurellano and Ramon V. Tiaoqui.

On May 29, 1995, Banco Filipino filed with the RTC a Motion to Admit Amended/Supplemental Complaint in Civil Case Nos. 8108, 9675 and 10183. In the attached 134-page Amended/Supplemental Complaint, Banco Filipino claimed actual damages of at least P18.8 billion. It also substituted the Central Bank-Board of Liquidators (CB-BOL) for the then Central Bank and its Monetary Board.

On December 7, 1995, the RTC granted Banco Filipino's Motion to Admit Amended/Supplemental Complaint. Thus, by this time, the defendants were: The CB-BOL, Jose B. Fernandez, Jr., and Carlota P. Valenzuela, Arnulfo B. Aurellano and Ramon V. Tiaoqui.

On September 25, 2003, Banco Filipino again filed a Motion to Admit Attached Second Amended/Supplemental Complaint dated September 18, 2003 in the civil cases. It sought to implead petitioners BSP-MB as additional defendants in the consolidated civil cases.

In its Order dated January 27, 2004, the RTC granted the Motion to Admit Attached Second Amended/Supplemental Complaint dated September 18, 2003 over the objections of CB-BOL. Thus, the defendants in these consolidated cases are: the CB-BOL, Jose B. Fernandez, Jr., Carlota P. Valenzuela, Arnulfo B. Aurellano, Ramon V. Tiaoqui and petitioners BSP-MB.

On March 1, 2004, BSP-MB entered their special appearance by filing a Motion to Dismiss the Second Amended/Supplemental Complaint dated September 18, 2003 *Ex-Abundante Ad Cautelam*,^[6] on the ground, among others, of prescription of the claims, claims had been waived and lack of jurisdiction over their person for defective service of summons.

On October 1, 2004, the CB-BOL filed a petition for *certiorari* with the CA, docketed as CA-G.R. SP No. 86697, assailing the admission of the Second Amended/Supplemental Complaint by the RTC in its Orders dated January 27, 2004 and July 20, 2004. At the time of the issuance of the RTC's Orders, BSP-MB had not been summoned nor informed of the proceedings of the consolidated civil cases.

On October 5, 2004, BSP-MB filed a Supplemental Motion for Summary Dismissal Based on Forum-Shopping, docketed as Civil Case No. 04-0823, praying that the consolidated civil cases be dismissed. They averred that Banco Filipino committed willful act of forum-shopping when it filed a petition to revive the judgment of this Court in G.R. No. 70054.

On December 13, 2005, BSP-MB filed a Second Supplemental Motion for Summary Dismissal Based on Forum-Shopping with Urgent Motion to Resolve Motion to

Dismiss Second Amended/Supplemental Complaint. BSP-MB argued that a coordinate branch of the RTC of Makati City, Branch 56, had already dismissed Civil Case No. 04-1047 on the ground of *litis pendencia* since Civil Case No. 04-1047 and the civil cases before the trial court involved the same parties and the same cause of action. Consequently, the civil cases must also be summarily dismissed on the ground of forum-shopping and Banco Filipino's failure to comply with its undertaking in the certification against forum-shopping.

On January 27, 2006, the CA (17th Division) rendered a Decision in CA-G.R. SP No. 86697 dismissing the petition filed by the CB-BOL.

Acting on the BSP-MB's Motion to Dismiss Second Amended/Supplemental Complaint dated September 18, 2003 *Ex-Abundante Ad Cautelum*, Supplemental Motion for Summary Dismissal Based on Forum Shopping and Second Supplemental Motion for Summary Dismissal Based on Forum Shopping, the RTC issued an Order dated June 30, 2006, dismissing Banco Filipino's Second Amended Supplemental Complaint with prejudice as to BSP-MB on the grounds of prescription, estoppel and that the personalities of the then Central Bank and BSP are separate and distinct.

Banco Filipino filed a Motion for Reconsideration of the said June 30, 2006 Order but the said Motion was denied in an Order dated September 20, 2006.

Aggrieved, Banco Filipino filed a Notice of Appeal with the RTC, which was disapproved in the Order dated December 4, 2006, pertinent portion of which reads:

Section 1, Rule 41 of the Rules of Civil Procedure provides, *inter alia*, that no appeal may be taken from (a) an order denying a motion for reconsideration and (g) a judgment or final order for or against one or more of several parties or in separate claims, counter claims, cross-claims and third-party complaints, while the main case is pending.

Pursuant to the above-stated legal provision, this court does not allow/approve the instant appeal.

WHEREFORE, the Notice of Appeal is hereby disapproved for lack of merit.

Banco Filipino filed a Motion for Reconsideration, which was subsequently denied in the Order dated March 21, 2007.

Dissatisfied, Banco Filipino filed a Petition for *Certiorari* with the CA (Special 3rd Division) ascribing grave abuse of discretion on the part of the RTC when it denied Banco Filipino's Notice of Appeal against BSP-MB.

In a Decision dated November 25, 2010, the CA (Special 3rd Division) ruled in favor of Banco Filipino, the dispositive portion of which reads as follows:

WHEREFORE, premises considered, the instant petition is hereby **GRANTED** and the Orders dated 04 December 2006 and 21 March 2007 rendered by Branch 136 of the Regional Trial Court of Makati City in Civil Cases Nos. 8108, 9675 and 10183 are **REVERSED** and **SET ASIDE**.^[7]

The CA (Special 3rd Division) ruled that the order of dismissal of the case against BSP-MB is a final order and consequently, the proper subject of appeal. The CA also pointed out that another co-equal Court (CA, 17th Division) had already rendered a Decision^[8] dated January 27, 2006 in CA-G.R. SP. No. 86697 affirming the RTC Orders allowing the admission of Banco Filipino's Second Amended/Supplemental Complaint. In view of the doctrine of judicial stability or non-interference, the CA (Special 3rd Division) cannot issue a ruling which would directly affect the propriety of the admission of said Second Amended/Supplemental Complaint. Hence, it is not proper for the CA (Special 3rd Division) to sustain the RTC's order dismissing Banco Filipino's Notice of Appeal.

BSP-MB moved to reconsider^[9] but the same was denied by the CA (Special 3rd Division) in a Resolution dated April 1, 2011.

Dissatisfied, BSP-MB filed the instant Petition with this Court, arguing that the CA (Special 3rd Division) gravely erred in issuing its assailed Decision and Resolution, and acted contrary to prevailing law and established jurisprudence, considering that:

I.

THE TRIAL COURT DID NOT COMMIT GRAVE ABUSE OF DISCRETION AMOUNTING TO LACK OR EXCESS OF JURISDICTION IN DENYING THE NOTICE OF APPEAL FILED BY RESPONDENT BANCO FILIPINO. THE FILING OF THE NOTICE OF APPEAL BY RESPONDENT BANCO FILIPINO IS AN IMPROPER MODE OF APPEAL UNDER THE RULES OF COURT.

A. UNDER THE EXPRESS PROVISIONS OF SECTION 1(F), RULE 41 OF THE RULES OF COURT, NO APPEAL MAY BE TAKEN FROM THE DISMISSAL OF THE SECOND AMENDED/ SUPPLEMENTAL COMPLAINT, CONSIDERING THAT THE CIVIL CASES REMAIN PENDING BEFORE THE TRIAL COURT AGAINST SEVERAL OTHER DEFENDANTS.

B. EVEN ASSUMING THAT AN APPEAL MAY BE HAD FROM THE DISMISSAL OF THE SECOND AMENDED/SUPPLEMENTAL COMPLAINT, THE SAME MAY BE PERFECTED ONLY BY A RECORD ON APPEAL, AND NOT A NOTICE OF APPEAL AS ERRONEOUSLY DONE BY RESPONDENT BANCO FILIPINO, PURSUANT TO THE RULING OF THE HONORABLE COURT IN GOVERNMENT SERVICE INSURANCE SYSTEM VS. PHILIPPINE VILLAGE HOTEL, 438 SCRA 567 (2004)

II.

THE COURT OF APPEALS GRAVELY ERRED IN APPLYING THE DOCTRINE OF NON-INTERFERENCE IN THE INSTANT CASE, SINCE THE ORDER DATED 30 JUNE 2006 DISMISSING THE SECOND AMENDED/SUPPLEMENTAL COMPLAINT DID NOT VIOLATE THE SAID DOCTRINE. THERE IS NO CONFLICT BETWEEN THE ORDER DATED 30 JUNE 2006 OF THE TRIAL COURT AND THE RULINGS IN THE DECISION DATED 27 JANUARY 2006 OF THE COURT OF APPEALS IN CA-G.R. SP NO. 86697 AND THE RESOLUTION DATED 08 DECEMBER 2008 OF THE HONORABLE COURT IN G.R. NO. 173399 AFFIRMING THE LATTER.

III.

THE COURT OF APPEALS GRAVELY ERRED IN NOT DISMISSING THE RESPONDENT'S PETITION OUTRIGHT IN VIEW OF RESPONDENT BANCO FILIPINO'S LACK OF LEGAL CAPACITY TO FILE THE RESPONDENT'S PETITION, CONSIDERING THAT THE INDIVIDUALS WHO CAUSED THE FILING OF THE RESPONDENT'S PETITION AND VERIFIED THE SAME FAILED TO PRESENT THE REQUISITE AUTHORITY TO DO SO FROM RESPONDENT BANCO FILIPINO'S BOARD OF DIRECTORS.^[10]

The petition is meritorious.

The CA (Special 3rd Division) erred in ascribing grave abuse of discretion on the part of the RTC when it disapproved Banco Filipino's Notice of Appeal. The filing of a Notice of Appeal was clearly an improper remedy to question the dismissal of an action against one of the parties while the main case is still pending.^[11] Section 1, Rule 41 of the 1997 Rules of Court provides:

RULE 41

Appeal from the Regional Trial Courts

SECTION 1. *Subject of Appeal.* — An appeal may be taken from a judgment or final order that completely disposes of the case, or of a particular matter therein when declared by these Rules to be appealable.

While the foregoing rule states that an appeal may be taken only from a final order that completely disposes of the case, it does not stop there. The rule likewise provides for several exceptions, such that no appeal may be taken on the following instances, to wit:

- (a) an order denying a motion for new trial or reconsideration;
- (b) an order denying a petition for relief or any similar motion seeking relief from judgment;