

FIRST DIVISION

[G.R. No. 208543, February 11, 2019]

GOODLAND COMPANY, INC., PETITIONER, V. BANCO DE ORO-UNIBANK, INC., AND GOODGOLD REALTY AND DEVELOPMENT CORPORATION, RESPONDENTS.

D E C I S I O N

DEL CASTILLO, J.:

"[P]ursuant to the policy of judicial stability, a division of the appellate court should not interfere with the decision of the other divisions of the court, otherwise confusion will ensue and may seriously hinder the administration of justice."^[1]

Before the Court is a Petition for Review on *Certiorari*^[2] filed under Rule 45 of the Rules of Court assailing the February 22, 2013 Decision^[3] and the July 30, 2013 Resolution^[4] of the Court of Appeals (CA) in CA-G.R. SP No. 119327.

Factual Antecedents

Petitioner Goodland Company, Inc. (Goodland), a duly registered domestic corporation, is the registered owner of a property in Makati City, covered by Transfer Certificate of Title (TCT) No. S-97436 (451440).^[5]

Sometime in 1999, Gilbert Guy (Guy), on behalf of petitioner Goodland, Richgold Realty Corporation (Richgold), Smartnet Philippines, Inc. (Smartnet), and respondent Goodgold Realty Development Corporation (Goodgold), secured loans and credit facilities from Equitable PCI Bank, Inc. (EPCI).^[6] The debtor corporations, however, failed to pay the monthly interest on the loan obligation.^[7] Thus, they offered to pay their loan through a *dacion en pago*.^[8] Accordingly, on July 30, 2004, EPCI wrote a letter agreement confirming that the property in Makati City, covered by TCT No. 218470, registered under the name of respondent Goodgold, shall be applied as full payment of the loan obligation of the debtor corporations at a *dacion* price of P245 million.^[9] A Deed of Cession of Property in Payment of Debt (*Dacion En Pago*) was thereafter executed.^[10] However, despite the execution of the *Dacion En Pago*, EPCI was not able to cause the transfer of the title under its name due to the alleged fraudulent refusal of respondent Goodgold to turn over the transfer documents.^[11]

Meanwhile, on May 25, 2007, EPCI merged with respondent Banco De Oro Universal Bank to form Banco De Oro Unibank, Inc. (BDO).^[12]

On January 16, 2009, respondent BDO filed before the Regional Trial Court (RTC) of Mandaluyong City, Branch 213, a Complaint for a Sum of Money with Application for Preliminary Attachment,^[13] docketed as Civil Case No. MC09-3902, against Guy,

petitioner Goodland, and the other debtor corporations. Respondent BDO alleged that petitioner Goodland and the other debtor corporations, through Guy, obtained loans from EPCI; that they are guilty of fraud in the performance of their obligation to EPCI, now respondent BDO; that Guy, who was the controlling stockholder of the debtor corporations, conspired with the debtor corporations to cause the commencement of negotiations with EPCI regarding the *dacion* of the property owned by respondent Goodgold only for the purpose of fraudulently delaying and ultimately evading the settlement or collection of their loan obligations; that because of their misrepresentation, the maturity dates of their loan obligations were extended; that despite the execution of the *Dacion En Pago*, they refused to submit the required transfer documents; that as of August 31, 2008, they were liable to pay the total amount of P409,927,978.78;^[14] that there was no sufficient security for the loan obligations; and that respondent BDO was willing to post a bond in the amount to be fixed by the court.^[15]

The Ruling of the Regional Trial Court

On February 2, 2009, the RTC issued an Order^[16] granting respondent BDO's application for a writ of preliminary attachment, and accordingly, caused the attachment of the following properties:

| [Certificate of] Title: | Regist[ry] of Deeds: | Issued to: |
|----------------------------|-------------------------|--------------------------|
| TCT No. S-97436 (451440) | Makati City | Goodland |
| TCT No. 316187 | Quezon City | Guy |
| TCT No. 335664 | Quezon City | Guy |
| (RT-463) | Quezon City | Goodgold |
| TCT No. 335665 | Quezon City | Goodgold |
| (RT-464) | Makati City | Goodgold |
| TCT No. 43837 | Mandaluyong | Goodgold ^[17] |
| TCT No. 43838 | City | |
| TCT No. 218470 | | |
| CCT No. 1794 | | |

As expected, petitioner Goodland and Richgold filed an Urgent Omnibus Motion [a] to lift attachment and/or partial discharge of attachment and [b] to stop implementation thereof on account of excessive attachment.^[18] Guy, on the other hand, filed a Motion to Lift/Discharge Attachment and to stop further implementation thereof;^[19] while respondent Goodgold filed an *Ad Cautelam* Motion to Discharge Attachment.^[20]

On March 3, 2010, the RTC issued an Order^[21] discharging the properties of Guy and petitioner Goodland with respect to TCT No. S-97436 (451440) on the ground that the properties of respondent Goodgold covered by TCT Nos. 43837, 43838, and 218470 were sufficient to cover the claims of respondent BDO.

Respondents Goodgold and BDO both moved for reconsideration.

On October 4, 2010, the RTC issued an Order^[22] denying respondent BDO's motion but partly granting respondent Goodgold's motion in so far as it ordered the

discharge of TCT No. 43838 and the reinstatement of the attachment of petitioner Goodland's property covered by TCT No. S-97436 (451440).

Respondent BDO elevated the matter to the CA *via* a Petition for *Certiorari*, docketed as CA-G.R. SP No. 117223.

Petitioner Goodland, on the other hand, moved for reconsideration.

On January 24, 2011, the RTC issued an Order^[23] denying petitioner Goodland's motion. Thus, on April 25, 2011, petitioner Goodland also filed before the CA a Petition for *Certiorari* under Rule 65 of the Rules of Court, docketed as CA-G.R. SP No. 119327.

CA-G.R. SP No. 117223

On June 6, 2011, the CA, in CA-G.R. SP No. 117223, rendered a Decision^[24] granting the Petition for *Certiorari* of respondent BDO. The CA, finding that the legal requisites for the attachment of Guy's properties were duly proven, reinstated the attachment on the said properties. However, as to the properties of respondent Goodgold, the CA ruled that there was no sufficient basis to include the same in the writ, except for the property covered by TCT No. 218470 subject of the *Dacion En Pago* but only to the extent of P69,821,702.77.

Guy moved for reconsideration while respondent Goodgold moved to correct the clerical error in the dispositive portion of the June 6, 2011 Decision as the property covered by TCT No. S-97436 (451440) was not registered under the name of Guy but under the name of petitioner Goodland.

On November 29, 2012, the CA issued a Resolution^[25] denying Guy's motion for lack of merit. In order to rectify the error, the CA corrected the dispositive portion of its June 6, 2011 Decision to read as follows:

WHEREFORE, premises considered, the petition is GRANTED and the assailed Orders dated March 3, 2010 and October 4, 2010 are hereby REVERSED and SET ASIDE and We ORDER the court a quo to REINSTATE the attachment on the property of **respondent Goodland covered by TCT No. S-97436 (451440)**, and the properties of respondent Gilbert Guy covered by TCT Nos. 316187, 335664 and 335665, as well as, retain the attachment on the property covered by TCT No. 218470 but only to the extent of P69,821,702.77.

However, the court a quo is hereby directed to cause the complete discharge of the properties covered by TCT Nos. 43837, 43838 and CCT No. 1794.

SO ORDERED. (Emphasis supplied)

Guy appealed the case to this Court but the same was unavailing.^[26] Thus, an Entry of Judgment was issued on July 31, 2013.^[27]

Ruling of the Court of Appeals

On February 22, 2013, the CA, in CA-G.R. SP No. 119327, dismissed petitioner Goodland's Petition for *Certiorari* in view of the June 6, 2011 Decision in the CA-G.R.

SP No. 117223. The CA found that there was an identity of parties and issues between the two petitions for *certiorari*, and thus, a judgment in one would result in *res judicata* in the other.

Petitioner Goodland moved for reconsideration but the CA denied the same in its July 30, 2013 Resolution.

Hence, petitioner Goodland filed the instant Petition for Review on *Certiorari* interposing the following assignment of errors:

(1) THE WRIT OF PRELIMINARY ATTACHMENT ON PETITIONER [GOODLAND'S] PROPERTY IS NULL AND VOID BECAUSE OF THE FAILURE TO SHOW FRAUDULENT INTENT ON THE PART OF DEFENDANTS AND THAT THE REINSTATEMENT OF THE ATTACHMENT VIOLATES THE RULE AGAINST EXCESSIVE ATTACHMENT AS THE REMAINING ATTACHED PROPERTY (TCT 43837) OF CO-DEFENDANT GOODGOLD IS MORE THAN SUFFICIENT TO SATISFY [RESPONDENT] BDO'S CLAIM IN THE EVENT OF AN ADVERSE JUDGMENT.

(2) THE HONORABLE PUBLIC RESPONDENT GRAVELY ABUSED ITS DISCRETION AMOUNTING TO LACK OR EXCESS OF JURISDICTION WHEN IT WHIMSICALLY ORDERED THE REINSTATEMENT OF THE ATTACHMENT OF PETITIONER [GOODLAND'S] PROPERTY COVERED BY TCT NO. 97436 (451440) ON THE BASIS OF THE PERCEPTION THAT THE DISCHARGE OF THE SAME MIGHT BE PRESUMED AS HAVING ABSOLVED PETITIONER [GOODLAND] OF ANY LIABILITY.

(3) THE COURT A QUO ERRED IN FAILING TO CONSIDER THAT THE RULES ON PRELIMINARY ATTACHMENT MUST BE STRICTLY CONSTRUED IN FAVOR OF HEREIN PETITIONER [GOODLAND], AS DEFENDANT IN THE CASE BELOW, AND AGAINST X X X RESPONDENT BDO.^[28]

Petitioner Goodland's Arguments

Petitioner Goodland contends that the writ of preliminary attachment on its property was null and void as respondent BDO failed to show any evidence of fraud or bad faith on the part of petitioner Goodland in contracting its obligations arising from the promissory notes, surety agreements, and the *Dacion En Pago*.^[29] In addition, the justification of the RTC in reinstating the attachment on petitioner Goodland's property was not in accordance with the rules as it was based on mere presumption and speculation.^[30] Petitioner Goodland further claims that the attachment was excessive as the property covered by TCT No. 218470 ceded to respondent BDO by virtue of the *Dacion En Pago* as well as the remaining attachment on TCT No. 43837 were sufficient to cover the amount sought to be collected by respondent BDO.^[31]

Respondent BDO's Arguments

Respondent BDO, on the other hand, argues that the instant Petition should be summarily dismissed due to the failure of petitioner Goodland to assign as an error in the instant Petition the dismissal of its Petition for *Certiorari* by the CA.^[32] Respondent BDO posits the such failure rendered the dismissal by the CA final and conclusive; and thus, there is no reason for the Court to resolve the other issues raised by petitioner Goodland.^[33] Respondent BDO likewise points out that under

the principle of *res judicata*, the issue on the propriety of the reinstatement of the attachment of the property of petitioner Goodland may no longer be disturbed in view of the finality of the June 6, 2011 Decision in CA-G.R. SP No. 117223, which already upheld the validity and propriety of the attachment made on petitioner Goodland's property.^[34] In any case, even if there is no *res judicata* respondent BDO maintains that the instant Petition should still be dismissed for lack of merit as the writ of attachment was validly issued. Respondent BDO insists that Guy, together with his conduit corporations, which includes petitioner Goodland, committed fraud in the performance of their obligations to respondent BDO by making it appear that Guy still had controlling interest in respondent Goodgold and by employing schemes to conceal its liabilities from respondent BDO.^[35] Also, contrary to the claim of petitioner Goodland, the attachment on its property was not excessive as the *Dacion En Pago* did not extinguish its obligation to respondent BDO.^[36] Respondent BDO likewise highlights the fact that on July 8, 2014, the RTC of Mandaluyong City, Branch 211, already rendered a Summary Judgment^[37] finding, among others, petitioner Goodland liable to respondent BDO in the amount of P65,946,079.54 with legal interest from date of filing of the Complaint.^[38] In the said Summary Judgment, the RTC likewise ruled that the liability of the debtor corporations was joint and not solidary, and that only Guy was held to be solidarily liable.^[39]

Respondent Goodgold's Arguments

Echoing the arguments of respondent BDO, respondent Goodgold argues that the instant Petition is dismissible on the ground of *res judicata* as the June 6, 2011 Decision in CA-G.R. SP No. 117223 already made a final definitive ruling on the matter.^[40] Moreover, even on the merits, respondent Goodgold asserts that the Petition is likewise dismissible as the attachment on the property was not excessive and that there was evidence of fraud on the part of Guy, petitioner Goodland, and Richgold.^[41]

The Court's Ruling

The Petition lacks merit.

Failure to include the dismissal of the Petition for Certiorari as an assigned error may be excused in order for the Court to arrive at a just and complete resolution of the case.

Apparent in the pleadings filed by petitioner Goodland is its failure to include as an assigned error the CA's dismissal of its Petition. Instead, petitioner Goodland raised errors allegedly committed by the RTC in issuing the writ of attachment, some of which were not even raised as an issue before the CA. And despite the opportunity, petitioner Goodland did not offer any argument to dispute the contention of respondents BDO and Goodgold that the Petition for *Certiorari* was properly dismissed on the grounds of *litis pendentia* and/or *res judicata*. This blatant failure