

# FIRST DIVISION

[ G.R. No. 234401, December 05, 2019 ]

## CONNIE L. SERVO, PETITIONER VS. PHILIPPINE DEPOSIT INSURANCE CORPORATION, RESPONDENT.

### DECISION

#### LAZARO-JAVIER, J.:

This Petition for Review on *Certiorari* assails the Resolution dated September 22, 2017, of the Court of Appeals in CA-G.R. SP No. 152398 dismissing petitioner Connie L. Servo's action for certiorari on ground of lack of jurisdiction

#### Antecedents

By Affidavit dated August 22, 2014, petitioner filed a claim for deposit insurance with respondent Philippine Deposit Insurance Corporation (PDIC). She essentially alleged that sometimes in October 2011, she lent Teresita Guterrez Five Hundred Thousand Pesos (P500,000.00) for the repair of the latter's bus units. On January 19, 2012, petitioner met with Guterrez at the Rural Bank of San Jose Del Monte to receive the latter's loan payment. For this purpose, petitioner opened a time deposit account with the bank under Special Savings Deposit (SSD) Account No. 001 03-00904-1. Per her agreement with Gutierrez, the latter's name was used as the account holder since she was a preferred bank client.<sup>[1]</sup>

A few years later, however, the bank was closed down. Consequently, petitioner filed with PDIC her claim for deposit insurance, together with certain documents.

She claimed to have verbally informed Eliza Dela Peña, one of the bank tellers, that the Five Hundred Thousand Pesos (P500,00.00) deposited in SSD Account No. 001 03-00904-1 was held in trust for her by Gutierrez. She also categorically stated that she was the exclusive owner of SSD Account No. 001 03-00904-1.<sup>[2]</sup>

By letter dated August 27, 2014, PDIC, through its Claims Deposit Department, denied petitioner's claim for deposit insurance, citing as ground the absence of any bank records/ documents indicating that petitioner, not Gutierrez, owned the account.

On October 30, 2014, petitioner filed a Request for Reconsideration (RFR). Under letter<sup>[3]</sup> dated July 16, 2015, PDIC denied petitioner's RFR, this time citing as ground petitioner's alleged failure to submit documents showing that the "break-up and transfer of Legitimate Deposit to the transferee is for a Valid Consideration." PDIC emphasized that petitioner was not even a relative within the second degree of consanguinity or affinity of Gutierrez.

Petitioner consequently filed the action below, imputing grave abuse of discretion on PDIC for denying her claim for deposit insurance, albeit she submitted the necessary documents in support of her claim. Assuming the documents were incomplete, she was not given the chance to submit additional documents nor called to a clarificatory meeting, as provided in Sections 4(b) and 4(c) of Regulatory Issuance No. 2011-03,

On the other hand, PDIC riposted that the Regional Trial Court (RTC) has no jurisdiction over the subject matter of the petition as the same fell exclusively within its quasi-judicial jurisdiction. It emphasized that there was no grave abuse of discretion amounting to lack or excess of jurisdiction when after evaluation and analysis of available bank documents, it arrived at the conclusion that petitioner was not entitled to deposit insurance. <sup>[4]</sup>

### **The Trial Court's Ruling**

By Decision<sup>[5]</sup> dated July 27, 2017, the trial court sustained PDIC's argument and dismissed the case on ground of lack of jurisdiction, *viz*:

**WHEREFORE**, in view of the foregoing circumstances, judgment is rendered in favor of Philippine Deposit Insurance Corporation. For lack of jurisdiction, the instant case is ordered **DISMISSED** without prejudice. Fittingly, the court holds its hands tightly in not passing upon the other issue.

**SO ORDERED.**<sup>[6]</sup> (Emphasis in the original)

The trial court recognized that since PDIC is a quasi-judicial agency which performed the assailed quasi-judicial action, the case should have been brought up to the Court of Appeals.<sup>[7]</sup>

The trial court cited Section 5(g) of Republic Act (RA) 3591 (PDIC Charter), as amended by RA 10846, providing that actions of PDIC shall be final and executory, and may only be re trained or set aside by the Court of Appeals through a petition for certiorari.<sup>[8]</sup>

### **Proceedings before the Court of Appeals**

In her subsequent special civil action for *certiorari* before the Court of Appeals, petitioner argued that PDIC was not among the quasi-judicial bodies enumerated under Section 1, Rule 43 of the Rules of Court whose decisions and rulings are appealable via a petition for review with the Court of Appeals. Also, the mere fact that PDIC performs quasi-judicial functions does not make it co-equal with the RTCs. Too, considering that the rulings of the Department of Finance are appealable to the Court of Tax Appeals, the latter having the same rank as the Court of Appeals, it cannot be said that the rulings of PDIC, an instrumentality operating under the Department of Finance, are appealable to the Court of Appeals alone.<sup>[9]</sup> She also implored the Court of Appeals to treat her petition as a petition for certiorari against PDIC's denial of her claim in the interest of substantial justice. <sup>[10]</sup> .

### **The Court of Appeals' Ruling**

By Resolution<sup>[11]</sup> dated September 22, 2017, the Court of Appeals dismissed the petition for lack of jurisdiction. It ruled that the jurisdictional issue involved, being a pure legal question, should have been filed with this Court pursuant to Rule 45 of the Revised Rules of Court.<sup>[12]</sup>

### **The Present Petition**

Petitioner now prays that the aforesaid resolution be reversed and set aside, and the main case be remanded to the proper court for resolution on the merits.

### **Issue**

Did the Court of Appeals err in dismissing the petition for certiorari on ground of lack of jurisdiction?

### **Ruling**

Under Section 9 of Batas Pambansa Bilang 129 (BP 129), the Court of Appeals has jurisdiction over petitions for *certiorari*, viz :

**Section 9. Jurisdiction.-** The Court of Appeals shall exercise:

1. **Original jurisdiction to issue writs of mandamus, prohibition, certiorari, habeas corpus, and quo warranto,** and auxiliary writs or processes, whether or not in aid of its appellate jurisdiction;
2. Exclusive original jurisdiction over actions for annulment of judgements of Regional Trial Courts; and
3. Exclusive appellate jurisdiction over all final judgements, resolutions, orders or awards of Regional Trial Courts and quasi- judicial agencies, instrumentalities, boards or commission, including the Securities and Exchange Commission, the Social Security Commission, the Employees Compensation Commission and the Civil Service Commission, Except those falling within the appellate jurisdiction of the Supreme Court in accordance with the Constitution, the Labor Code of the Philippines under Presidential Decree No. 442, as amended, the provisions of this Act, and of subparagraph (1) of the third paragraph and subparagraph 4 of the fourth paragraph of Section 17 of the Judiciary Act of 1948.

The Court of Appeals shall have the power to try cases and conduct hearings, receive evidence and perform any and all acts necessary to resolve factual issues raised in cases falling within its original and appellate jurisdiction, including the power to grant and conduct new trials or Appeals must be continuous and must be completed within three (3) months, unless extended by the Chief Justice. (*as amended by R.A. No. 7902*) (emphasis supplied)

Verily, the Court of Appeals here erred when it dismissed petitioner's special civil action for certiorari on ground that since the case involves a pure question of law, the same falls within this Court's exclusive jurisdiction.

For one, Section 9 of BP 129 vests concurrent jurisdiction in the regional trial courts, the Court of Appeals, and the Supreme Court over special civil actions and auxiliary writs and processes. The law does not distinguish whether the issues involved are pure fact al or legal issues or mixed issues of fact and law for the purpose of determining which of the courts should take cognizance of the case.

For another, the jurisdiction of the Court of Appeals to issue extraordinary writs, such as a petition for certiorari vis-a- vis the hierarchy of courts, was eloquently enunciated in **Gios - Samar, Inc., etc. v. Department of Transportation and Communications, et al.**,<sup>[13]</sup> viz:

In 1981, this Court's original jurisdiction over extraordinary writs became concurrent with the CA, pursuant to Batas Pambansa Bilang 129 (BP 129) or the Judiciary Reorganization Act of 1980. BP 129 repealed RA No. 296 and granted the CA with "[o]riginal jurisdiction to issue writs of mandamus, prohibition, certiorari, habeas corpus, and *quo warranto*, and auxiliary writs or processes, whether or not in aid of its appellate jurisdiction." x x x

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This so-called "policy" was reaffirmed two years later in *People v. Cuaresma*, which involved a petition for certiorari challenging the quashal by the City Fiscal of an Information for defamation on the ground of prescription. In dismissing the petition, this Court reminded litigants to refrain from directly filing petitions for extraordinary writs before the Court, unless there were special and important reasons therefor. We then introduced the concept of "hierarchy of courts," to wit:

x x x This Court's original jurisdiction to issue writs of certiorari (as well as prohibition, mandamus, quo warranto, habeas corpus and injunction) is not exclusive. It is shared by this Court with Regional Trial Courts (formerly Courts of First Instance), which may issue the writ, enforceable in any part of their respective regions. It is also shared by this Court, and by the Regional Trial Court, with the Court of Appeals (formerly, Intermediate Appellate Court), although prior to the effectivity of Batas Pambansa Bilang 129 on August 14, 1981, the latter's competence to issue the extraordinary writs was restricted to those "in aid of its appellate jurisdiction." This concurrence of jurisdiction is not, however, to be taken as according to parties seeking any of the writs an absolute, unrestrained freedom of choice of the court to which application therefore will be directed. There is after all a hierarchy of courts. That hierarchy is determinative of the venue of appeals, and should also