

SECOND DIVISION

[G.R. No. 188792, January 10, 2011]

**SPOUSES GEORGE R. TAN AND SUSAN L. TAN, PETITIONERS, VS.
BANCO DE ORO UNIBANK, INC., RESPONDENT.**

[G.R. NOS. 190677-78]

**GEORGE R. TAN AND SUSAN L. TAN, PETITIONERS, VS. BANCO
DE ORO UNIVERSAL BANK, RESPONDENT.**

[G.R. NOS. 190699-700]

**BANCO DE ORO UNIBANK, INC., PETITIONER, VS. GEORGE R.
TAN AND SUSAN L. TAN, RESPONDENTS.**

R E S O L U T I O N

NACHURA, J.:

These consolidated petitions assail the Court of Appeals (CA) September 18, 2009 Decision^[1] and December 16, 2009 Resolution^[2] in CA-G.R. SP No. 98307 and CA-G.R. SP No. 101421; and its March 12, 2009 Decision^[3] and July 15, 2009 Resolution^[4] in CA-G.R. SP No. 102799.

In CA-G.R. SP No. 98307 and CA-G.R. SP No. 101421, the appellate court dissolved the writ of preliminary injunction issued by the Regional Trial Court (RTC) of Quezon City, Branch 81, in Civil Case No. Q-07-59545, restraining the foreclosure of the real estate mortgage constituted by Spouses George R. Tan and Susan L. Tan (hereafter referred to as Spouses Tan) in favor of Banco De Oro Unibank, Inc. (BDO). The CA concluded that the issuance of the writ was unfounded and unsubstantiated. In CA-G.R. SP No. 102799, the CA found that the bond set by the RTC was grossly insufficient to cover all the damages which BDO might sustain by reason of the injunction if the court should finally decide that Spouses Tan were not entitled to the writ. It thus remanded the case to the RTC for the determination of the proper injunction bond which should not be less than P32 Million.

After the filing of the Reply to BDO's Comment in G.R. No. 188792 and while awaiting BDO's Comment on the petition in G.R. Nos. 190677-78 and Spouses Tan's Comment on the petition in G.R. Nos. 190699-700, BDO moved for extension of time to file the appropriate pleading in view of the settlement of the consolidated cases.^[5]

On December 16, 2010, Spouses Tan and BDO filed a Joint Manifestation and Motion to Dismiss,^[6] alleging that they have come to an agreement for the amicable resolution of their respective claims to avoid the inconvenience of litigation.

Attached to the motion are the Compromise Agreement executed by the parties and a copy of the RTC decision approving the agreement. The Compromise Agreement reads:

COMPROMISE AGREEMENT

This Agreement, which shall supplement *Memorandum of Agreement* dated 27 May 2010, is made and executed this _____ day of _____ 2010, by and between:

SPOUSES GEORGE R. TAN AND SUSAN L. TAN, Filipinos, of legal age, residing at 42 Ifugao St., La Vista Subd., Brgy. Pansol, Quezon City, hereinafter referred to as "Spouses Tan";

- and -

BANCO DE ORO UNIBANK, INC., a banking corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with office address at 10/F BDO Corporate Center South Tower, Makati Avenue corner H.V. Dela Costa St., Makati City, represented herein by its Senior Vice President, Melanie S. Belen, and Vice President, Emily D. Samoy, as evidenced by the Special Power of Attorney indicating their authority, a copy of which is attached hereto as Annex "A," hereinafter referred to as the "Bank";

(herein after referred to singly as a "Party," and collectively as "Parties").

WITNESSETH: That

Spouses Tan obtained various loans and other credit accommodations from the Bank in the total principal amount of Fifty Nine Million Nine Hundred Eighty Four Thousand Six Hundred Twenty Four and 19/100 Pesos (P59,984,624.19). As security for the loans and other credit accommodations, Spouses Tan executed a *Real Estate Mortgage* and *Amended Real Estate Mortgage* on 15 January 2004 and 02 February 2004, respectively, covering a parcel of land located at 42 Ifugao Street, La Vista Subdivision, Quezon City, covered by Transfer Certificate of Title ("TCT") No. 13600, registered in the name of George Sin Gee Tan married to Susan Lim Tan (the "Property").

Sometime in 2006, Spouses Tan defaulted in the payment of their loan obligations. Hence, the Bank initiated foreclosure proceedings on the foregoing *Real Estate Mortgage*. At the auction sale on 03 December 2009, the Bank emerged as highest bidder and was issued *Certificate of Sale* dated 04 December 2009.

Spouses Tan filed a complaint for annulment of mortgage with the

Regional Trial Court of Quezon City, docketed as Civil Case No. Q-07-59545 (the "Case"), pending before Branch 81 (the "Court").

In order to put an end to the protracted litigation, the Bank has accepted the proposal of Spouses Tan and entered into and executed *Memorandum of Agreement* dated 27 May 2010 (the "MOA").

Further to the MOA, and as a supplement thereto, and pursuant to the Court's *Order* given in open court on 07 July 2010, the parties have agreed to execute this Agreement.

NOW, THEREFORE, for and in consideration of the foregoing premises, the parties hereby agree to the following terms and conditions:

1. The Bank shall allow Spouses Tan to redeem the Property for a total redemption price of SIXTY MILLION PESOS (P60,000,000.00), subject to the following terms:
 - a. THIRTY MILLION PESOS (P30,000,000.00), payable in five (5) years beginning June 2010, or until June 2015 (the "Term"). Spouses Tan shall pay Two Hundred Fifty Thousand Pesos (P250,000.00) a month, for sixty (60) months, with a balloon payment in the amount of Fifteen Million Pesos (P15,000,000.00) at the end of the Term.
 - b. For and in consideration of the amount of THIRTY MILLION PESOS (P30,000,000.00), Spouses Tan shall cede, transfer and convey to and in favor of the Bank, all its rights, possession, title and interests in a parcel of land in Roxas City covered by TCT No. T-16024, registered in the name of Spouses Tan (the "Roxas Property").
2. On December 2010, or upon expiration of the redemption period, Spouses Tan shall allow the Bank to consolidate title over the Property.
3. Upon consolidation of title in the Bank's name, the Bank and Spouses Tan shall execute a Contract to Sell covering the Property in accordance with the terms under Section 1.
4. Upon full payment of the amount under Section 1 (a), and the cession, transfer and conveyance to the Bank of the Roxas Property pursuant to Section 1 (b), the parties agree that Spouses Tan's personal loan obligations with the Bank, including Spouses Tan's personal loan obligations with then Equitable PCI Bank, shall be deemed fully settled.
5. After execution and signing, the parties shall file this Agreement with the Court for approval.