

THIRD DIVISION

[A.M. No. MTJ-08-1706 (Formerly OCA IPI No. 08-1984-MTJ), April 16, 2009]

MUTYA B. VICTORIO, COMPLAINANT, VS. JUDGE MAXWELL S. ROSETE, PRESIDING JUDGE, MUNICIPAL TRIAL COURT IN CITIES, BRANCH 2, SANTIAGO CITY, RESPONDENT.

R E S O L U T I O N

CHICO-NAZARIO, J.:

The instant administrative complaint^[1] was filed before this Court by Mutya B. Victorio (Victorio) charging Judge Maxwell S. Rosete (Judge Rosete) of the Municipal Trial Court in Cities (MTCC), Branch 2, Santiago City, with Conduct Unbecoming a Judge, in relation to Civil Cases No. 11-551 and No. 556-557, entitled, *Mutya Victorio v. Leonardo Chua, et al.*

The antecedent facts giving rise to the instant administrative case, as judicially determined in *Chua v. Victorio*,^[2] are recounted below:

Sometime in September of 1994, [Victorio] (through her attorney-in-fact) made a rental survey of other commercial establishments along Panganiban Street. On the basis of the survey, a 25% rental increase was demanded from [Leonardo Chua and Heirs of Yong Tian].

[Leonardo Chua and Heirs of Yong Tian] refused to pay the increased rentals which compelled [Victorio] to file unlawful detainer cases against both lessees, docketed as Civil Cases Nos. II-370 and II-371. However, both complaints were dismissed by the Municipal Trial Court in Cities (MTCC), Branch II, Santiago City. The dismissal was affirmed by the Regional Trial Court (RTC), but reversed by the Court of Appeals, which ordered [Leonardo Chua and Heirs of Yong Tian] to vacate the leased premises.

The decision of the Court of Appeals became final and executory, and, upon motion filed by [Victorio], the MTCC issued writs of execution ordering the ejectment of [Leonardo Chua and Heirs of Yong Tian] from respondent's property.

[Leonardo Chua and Heirs of Yong Tian] filed motions to quash the writs of execution, contending that there were supervening events which rendered the execution unjust or impossible. Specifically, [Leonardo Chua and Heirs of Yong Tian] claimed that they had acceded to the request for an increase in rentals, and had paid [Victorio] the amount demanded.

The MTCC found that [Leonardo Chua and Heirs of Yong Tian] had indeed

paid to [Victorio] the increased monthly rental even before the Court of Appeals decision attained finality. In fact, [Leonardo Chua and Heirs of Yong Tian] offered to pay the increased rentals as early as January 1996, while the cases were still pending with the RTC. The increased monthly rentals were accepted by [Victorio] without reservation, and monthly payment of the rentals at the increased rate continued throughout the pendency of the suits. Accordingly, the MTCC quashed the writs of execution that it earlier issued.

[Victorio] assailed the quashal of the writ of execution directly to the Supreme Court via a petition for review on *certiorari*. This petition was dismissed by the Supreme Court on procedural grounds. [Leonardo Chua and Heirs of Yong Tian] thus remained in possession of [Victorio's] properties.

Subsequently, on October 10, 1998, [Victorio] wrote a letter to [Leonardo Chua and Heirs of Yong Tian] informing them of her intention to increase the monthly rentals effective November 1, 1998, from P6,551.25 per unit to a sum more than double that, namely, P15,000.00 per unit. [Leonardo Chua and Heirs of Yong Tian] refused to pay this amount, contending that it was beyond the allowable rental increase embodied in the compromise agreement.

[Victorio] thus instituted Civil Cases Nos. [II-556 and 557] seeking the ejectment of [Leonardo Chua and Heirs of Yong Tian]. In a joint decision dated May 10, 1999, the MTCC, Branch II, Santiago City dismissed these complaints for lack of merit. On appeal [in Civil Cases Nos. 21-2761 and 21-2762], the RTC initially reversed the MTCC, but later reversed its earlier decision. On March 9, 2000, the RTC issued an order affirming the MTCC's dismissal of the complaints.

[Victorio] filed a petition for review with the Court of Appeals, which was docketed as CA-G.R. SP No. [59482]. On May 31, 2001, the Court of Appeals reversed the March 9, 2000 Order of the RTC affirming the MTCC's dismissal of the complaints. The Court of Appeals ruled that the compromise agreement, which set a definite period of four years for the lease contract, had been abrogated by [Leonardo Chua and Heirs of Yong Tian's] refusal to pay the increased rentals in 1994. Accordingly, in 1994, the juridical relation between the parties severed. When [Victorio] accepted payment of the increased monthly amount, an entirely new contract of lease was entered into between the parties. Since payment of rent was made on a monthly basis, and pursuant to Article 1687 of the Civil Code, the period of this lease contract was monthly. Upon expiration of every month, the lessor could increase the rents and demand that the lessee vacate the premises upon noncompliance with increased terms. In exercise of equity, however, the Court of Appeals granted [Leonardo Chua and Heirs of Yong Tian] an extension of one year from finality of the decision within which to vacate the premises. A motion for reconsideration [was filed but the same was denied] on 11 March 2003.

Aggrieved by the decision of the Court of Appeals in CA-G.R. SP No. 59482, Leonardo Chua and Heirs of Yong Tian filed a Petition for Review on *Certiorari* before this Court, docketed as G.R. No. 157568, bearing the complete title *Leonardo Chua and Heirs of Yong Tian v. Mutya B. Victorio*.

The Court rendered a Decision^[4] in *Chua v. Victorio* on 18 May 2004, with the following *fallo*:

Wherefore, in view of the foregoing, the instant petition for review is DENIED. The decision of the Court of Appeals dated May 31, 2001 in CA-G.R. SP No. 59482, is AFFIRMED with the MODIFICATION that [Leonardo Chua and Heirs of Yong Tian] are ordered to vacate the leased premises one month after the finality of this decision. Petitioner Leonardo Chua is also ORDERED to pay [Victorio] the sum of P15,000.00 a month as reasonable compensation for the use of the premises from November 1, 1998 until he finally vacates the premises. Petitioners, Heirs of Yong Tian, are ORDERED to pay [Victorio] the monthly sum of P15,000.00 per unit, or P30,000.00 per month from November 1, 1998 until they finally vacate the premises.

Costs against [Leonardo Chua and Heirs of Yong Tian].^[5]

The aforementioned Decision in *Chua v. Victorio* became final and executory on 6 August 2004, per Entry of Judgment^[6] issued by this Court.

A Motion for Execution was filed on 28 December 2004 by Victorio before the MTCC in Civil Cases No. 11-551 and No. 556-557, but Judge Rosete denied the same.

On 25 January 2005, Victorio filed another Motion^[7] for the Issuance of a Writ of Execution before the MTCC, but her Motion was again denied by Judge Rosete in a Resolution^[8] dated 28 March 2006, which decreed:

PREMISES CONSIDERED, the court resolves and so holds that [Victorio] may no longer be entitled to a writ of execution. Accordingly, the motion for issuance of a writ of execution should be as it is hereby DENIED.^[9]

Victorio appealed the 28 March 2006 Resolution of the MTCC, but the appeal was withdrawn^[10] upon verbal instruction of Victorio's Attorney-in-Fact. Thereafter, Judge Rosete issued an Order on 3 August 2006, which declared that the case was considered "Finally Closed and Terminated."^[11]

On 13 November 2006, Victorio file a third Motion^[12] for Execution to have Leonardo Chua and Heirs of Yong Tian vacate the leased premises. However, in a Resolution dated 6 December 2006, Judge Rosete only granted the issuance of a partial Writ of Execution for the enforcement of the rental obligations of Leonardo Chua and Heirs of Yong Tian. The dispositive portion of said Resolution reads:

WHEREFORE, in the light pf the foregoing, and finding [Victorio's] motion dated November 13, 2006 partially meritorious, let a writ of execution issue but only for the payment of rental arrearages by the [Leonardo Chua and Heirs of Yong Tian].^[13]

Consequently, Victorio filed on 28 March 2007 the present administrative complaint^[14] against Judge Rosete for Conduct Unbecoming a Judge. Victorio pointed out that Judge Rosete, in his Resolutions dated 28 March 2006 and 6 December 2006, in Civil Cases No. 11-551 and No. 556-557, refused to execute the judgment ordering Leonardo Chua and Heirs of Yong Tian to vacate the leased premises. Victorio argued that Judge Rosete erred in ruling that Victorio's continuous acceptance of rental payment from Leonardo Chua and Heirs of Yong Tian gave birth to new contracts of lease, since:

- a. All the receipts issued by [Victorio] to [Leonardo Chua and Heirs of Yong Tian] contained a reservation which reads "It is understood that the deposit and endorsement of the above check(s) will not prejudice the cases now in court, Municipal Trial Court Branch II," among others.
- b. It is clearly stated on page 7 of the Supreme Court Decision the dispositive portion of which read "No amount of subsequent payment by the lessees could automatically restore the parties to what they once were "and" the lessor's acceptance of the increased rentals did not have the effect of reviving the earlier contract of lease.

Victorio also informed the Court that on 14 December 2006, Leonardo Chua and Heirs of Yong Tian filed with the Regional Trial Court, Branch 35, Santiago City, a Petition for *Certiorari* and Prohibition with Prayer for Temporary Restraining Order (TRO) and/or Preliminary Injunction, against Victorio and Judge Rosete challenging the issuance of the partial Writ of Execution in Civil Cases No. 11-551 and No. 556-557. The RTC issued a TRO and the Petition therein is now submitted for resolution.

In his Comment^[15] on Victorio's administrative complaint against him, Judge Rosete explained that he considered the collection and acceptance by Victorio's representative from Leonardo Chua and Heirs of Yong Tian of advance monthly rentals as having created a new lease contract between said parties. For this reason, Victorio may no longer press for the ejectment of Leonardo Chua and Heirs of Yong Tian from the leased premises. Leonardo Chua and Heirs of Yong Tian, however, remained bound and obligated to pay Victorio whatever balance they may have had on the monthly rentals as decreed by this Court in its Decision of 18 May 2004 in *Chua v. Victorio*. So Judge Rosete averred that it was not true that he denied the execution of the judgment in *Chua v. Victorio*, for he issued a Writ of Execution on 8 December 2006 for the same, particularly with regard to the payment by Leonardo Chua and Heirs of Yong Tian of their rental obligations.

On 3 March 2008, the Office of the Court Administrator (OCA) submitted its Report, ^[16] recommending that -

We respectfully submit for the consideration of the Honorable Court our recommendation:

1. That the instant administrative complaint be RE-DOCKETED as a regular administrative matter;

2. That respondent Judge Maxwell S. Rosete be found GUILTY of Gross Ignorance of the Law and accordingly be meted with a penalty of FINE in the amount of P40,000.00 to be deducted from his accrued leave credits;
3. That the Fiscal Management Office be DIRECTED to compute the monetary value of Judge Rosete's leave credits to be applied in satisfaction of the penalty to be imposed.^[17]

On 2 June 2008, the Court required^[18] the parties to manifest within 10 days from notice if they were willing to submit the matter for resolution based on the pleadings filed. Both parties failed to file any manifestation despite notice sent to and received by them. Resultantly, the Court deemed the parties to have waived their right to submit such manifestations and considered the case submitted for decision based on the pleadings filed.

The Court agrees in the recommendation of the OCA except for the penalty imposed.

As the OCA found, Judge Rosete is indeed guilty of gross ignorance of the law for issuing the Resolutions dated 28 March 2006 and 8 December 2006, denying Victorio's motions for the issuance of a writ of execution in Civil Cases No. 11-551 and No. 556-557. There is no dispute that judgment in said cases, appealed to this Court in *Chua v. Victorio*, has already become final and executory, an entry of judgment having been made in *Chua v. Victorio* on 6 August 2004. With a final and executory decision, rendered by no less than this Court, execution should issue as a matter of right on motion by Victorio, in accordance with Section 1, Rule 39 of the 1997 Rules of Procedure, which provides:

Section 1. *Execution upon judgments or final orders.* - Execution shall issue as a matter of right, on motion, upon a judgment or order that disposes of the action or proceeding upon the expiration of the period to appeal therefrom if no appeal has been duly perfected.

Judge Rosete's excuses for his refusal to enforce the Decision dated 18 May 2004 of this Court in *Chua v. Victorio*, which categorically ordered Leonardo Chua and Heirs of Yong Tian to vacate the leased premises, are unsatisfactory for the following reasons:

First, the 18 May 2004 Decision of this Court in *Chua v. Victorio* was already final and executory, having been recorded in the Book of Entries of Judgment on 6 August 2004. Hence, Judge Rosete's insistence to the contrary constituted a contumacious disregard of a final and executory judgment of this Court.

Second, Judge Rosete's exposition - that he deemed the collection and acceptance of advance monthly rentals by Victorio's representative from Leonardo Chua and Heirs of Yong Tian as acts that had created new lease contracts between said parties and prevented the ejectment of the lessees from the leased premises - unacceptable.

The Court, in *Chua v. Victorio*, clearly ordered (1) Leonardo Chua and Heirs of Yong Tian to vacate the leased premises one month after the finality of the said Decision;