

## THIRD DIVISION

[ G.R. No. 183387, September 29, 2009 ]

**SIMEON M. VALDEZ, PETITIONER, VS. FINANCIERA MANILA, INC., RESPONDENT.**

### DECISION

**PERALTA, J.:**

This is a petition for review under Rule 45 of the Rules of Court.

Petitioner Simeon M. Valdez comes to this Court seeking to nullify the Decision<sup>[1]</sup> dated March 18, 2008 of the Court of Appeals (CA) in CA-G.R. SP No. 100316 which partly affirmed the Orders dated February 26, 2007 and June 18, 2007 of the Regional Trial Court (RTC) of Quezon City, Branch 227 in Civil Case No. Q-98-35546.

The antecedent facts can be summarized as follows:

Petitioner and his wife, Lydia D. Valdez, among others,<sup>[2]</sup> filed a Complaint for a sum of money with prayer for preliminary attachment on September 18, 1998 against respondent Financiera Manila, Inc. and five of its corporate officers,<sup>[3]</sup> at Branch 227, RTC of Quezon City,<sup>[4]</sup> seeking to recover damages for failure of respondent Financiera and the corporate officers to pay petitioner's money market investments on their maturity dates. A preliminary attachment<sup>[5]</sup> was issued by the RTC against respondent Financiera which resulted into the levying of the latter's Account Nos. A-04-000324 to A-000355 with Scholarship Plan Philippines, Inc. (SPPI), including its parcels of land covered by Transfer Certificate of Title (TCT) Nos. T-36316 and T-36317 of the Register of Deeds of Tagaytay City and TCT Nos. T-235055 and T-235056 of the Register of Deeds of Manila.<sup>[6]</sup> Thereafter, the RTC rendered its Decision<sup>[7]</sup> finding respondent Financiera liable to plaintiffs in the said case for actual, moral, and exemplary damages, with attorney's fees. An appeal was then filed with the CA, which, in its Decision<sup>[8]</sup> dated November 14, 2002, affirmed the award of actual damages in the total amount of P4,069,439.90, with P3,920,313.24 going to petitioner Valdez and his spouse, P126,885.52, to Belen Guevara, P11,120.57 to Pauline R. Petelo and P11,120.57 to Teddy Aurelio; and remanded the case to the RTC for the determination of the award for moral and exemplary damages, as well as attorney's fees.

Subsequently, on December 18, 2002, Compromise Agreements were entered into among the parties in Civil Case No. Q-98-35546 before the RTC and between the Spouses Valdez and respondent Financiera in a case<sup>[9]</sup> pending before Branch 90, RTC of Quezon City. The said Compromise Agreements were approved by the courts concerned.<sup>[10]</sup> The Compromise Agreement<sup>[11]</sup> in Civil Case No. Q-98-35546 reads,

among others:

1. For valuable consideration paid by defendant FINANCIERA Manila, Inc. (hereinafter called FINANCIERA, for short) to the plaintiffs, receipt of which is hereby acknowledged by the plaintiffs to their entire satisfaction, the plaintiffs have dropped, dismissed and withdrawn, as they hereby drop, dismiss and withdraw, their complaint in the above-entitled case, in favor of all the defendants, and they hereby acknowledge that they have no more claims, demands, complaint, or causes of action of any kind whatsoever against said defendants, their successors-in-interest and assigns, arising from or connected with any of the transaction or transactions that gave rise to plaintiffs' complaint, or anything else whatsoever.

2. With the dropping, dismissal and withdrawal of plaintiffs' complaint, plaintiffs have agreed, as they hereby agree to the lifting, cancellation and dissolution of the Writ of Preliminary Attachment issued by this Honorable Court dated October 13, 1998 by virtue of which plaintiffs had levied on/garnished/ attached FINANCIERA's certain real and personal properties.

2.1 The notices of levy which the plaintiffs had caused to be annotated on the following real properties of FINANCIERA by virtue of said Writ shall be, as same hereby, lifted and cancelled, to wit:

a) A parcel of land in Manila City, covered by TCT No. 235055 of the Register of Deeds of Manila City;

b) A parcel of land in Manila City, covered by TCT No. 235056 of the Register of Deeds of Manila City;

c) A parcel of land in Tagaytay City, covered by TCT No. T-36316 of the Register of Deeds of Tagaytay City; and

d) A parcel of land in Tagaytay City, covered by TCT No. T-36317 of the Register of Deeds of Tagaytay City.

2.2 The notices of garnishment which the plaintiffs had caused to be annotated/registered, likewise by virtue of said Writ, on the thirty (30) investment accounts of FINANCIERA with the SCHOLARSHIP PLAN PHILIPPINES, INC. (SPPI) under Account Nos. A-04-000-324 to A-04-000-330, Nos. A-04-000-332 to A-04-000-338 and Nos. A-04-000-340 to A-04-000-355, all of which had already matured with a total cash value of P3,160,000.00 are likewise canceled and lifted, to be disposed

of by FINANCIERA in the following manner:

a) The investment under Account No. A-04-000-355 with a cash value of P110,000.00 is hereby assigned and conveyed to FINANCIERA in favor of the plaintiffs to form part of the above-mentioned valuable consideration paid hereunder by FINANCIERA to the plaintiffs.

b) The rest of the investment accounts with a total cash value of P3,050,000.00 are hereby assigned and conveyed by FINANCIERA in favor of the spouses SIMEON VALDEZ and LYDIA VALDEZ, as part of the valuable consideration to be paid to them by FINANCIERA in another civil case, entitled "The spouses Simeon Valdez and Lydia Valdez, plaintiffs, versus Financiera Manila, Inc., defendant", docketed as Civil Case No. Q-00-40877 of the Regional Trial Court of Quezon City, Branch 90, which civil case the said spouses have likewise agreed to amicably settle with FINANCIERA simultaneously with the execution of this Compromise Agreement.

3. Upon the execution of this Compromise Agreement, plaintiffs shall return and deliver to Financiera the originals of the following evidence of indebtedness subject matter of the complaint, consisting of Placement Advice Certificates and checks drawn on the Metropolitan Bank and Trust Company (Metrobank) previously issued by Fianciera to the plaintiffs, x x x

x x x x

4. This Compromise Agreement shall be a full and final settlement of all the claims and counterclaims filed by or against the parties in this case, or any of them, and specifically it shall be a full and complete satisfaction of the judgment rendered by this Honorable Court in favor of the plaintiffs as modified by the Court of Appeals in CA-G.R. CV No. 68286.

5. Plaintiffs hereby agree and bind themselves to sign, execute and deliver any and all other deeds, papers and documents, and to do and perform any and all other acts and things, that may be necessary or required to fully implement this Compromise Agreement, particularly the discharge and release of the levy/garnishment/attachment on defendant's aforesaid investments with the Bonifacio Land Corporation and the payment to the defendant by the latter of the cash value of said investments.

Respondent Financiera delivered to the plaintiffs therein Certificates of Payments and Passbooks covering its SPPI Investments under Account Nos. A-04-000324 to A-

04-000330, A-04-000332 to A-04-000346, A-04-000347 to A-04-000354 and A-04-000355. On February 11, 2003, Hon. Reynaldo B. Daway of Branch 90 issued a Writ of Execution in Civil Case No. Q-00-40877 directing the transfer of the 29 SPPI Investments mentioned in the Compromise Agreement to the Spouses Valdez. The writ was served on SPPI on February 17, 2003, the same day the Spouses Valdez presented to SPPI the above Certificates and Passbooks.<sup>[12]</sup> On May 28, 2003, the SPPI Investments under Account Nos. A-04-000324 to A-04-000330, A-04-000332 to A-04-000338, and A-04-000340 to A-04-000354 were transferred in favor of petitioner Valdez and spouse, in accordance with the writ.<sup>[13]</sup>

A consolidation<sup>[14]</sup> of Civil Cases No. Q-98-35546 and Q-00-40877 was eventually made and assigned to the RTC of Quezon City, Branch 227. The plaintiffs in those cases filed a motion for the rescission of the Compromise Agreement in Civil Case No. Q-98-35546 on the ground that no payment was expected from respondent Financiera. The motion was denied by the court in an Order<sup>[15]</sup> dated January 12, 2005, including the subsequent motion for the issuance of a writ of execution against respondent Financiera's SPPI Investments of P3,160,000.00, which Order attained finality.<sup>[16]</sup>

Respondent Financiera filed an Urgent Motion for Execution<sup>[17]</sup> dated November 13, 2006 of the Compromise Agreement in Civil Case No. Q-98-35546, on the argument that, having conveyed and transferred its SPPI Investments to the plaintiffs concerned, the notices of levy annotated on TCT Nos. T-36316 and T-36317 could now be canceled. Petitioner Valdez, on the other hand, filed a motion for the execution of the Decision dated May 22, 2000 of RTC, Branch 227 as modified by the CA because he and the other plaintiffs had not received the cash value of the assigned SPPI Investments, particularly Account No. A-04-000355. The RTC of Quezon City, Branch 227 denied respondent Financiera's urgent motion and granted petitioner Valdez's motion for execution in the assailed Order dated February 26, 2007, ruling that it was the duty and obligation of Financiera to see to it that plaintiffs were fully paid their claim.<sup>[18]</sup> Consequently, the same court directed the issuance of a writ of execution for the enforcement of the final and executory decision as affirmed with modification by the CA. The writ was for the payment of the sum of P4,069,439.90 to the plaintiffs as actual damages.<sup>[19]</sup>

Thereafter, respondent Financiera filed its Motion for Reconsideration,<sup>[20]</sup> which was eventually denied,<sup>[21]</sup> prompting it to file a petition for *certiorari*<sup>[22]</sup> with the CA on the ground that the RTC had committed grave abuse of discretion amounting to lack of or excess of jurisdiction in issuing the Orders dated February 26, 2007 and June 18, 2007.

The CA, in its Decision<sup>[23]</sup> dated March 18, 2008, ruled that the RTC gravely abused its discretion in varying the terms and conditions of the Compromise Agreement by ruling that it was the duty and obligation of respondent Financiera to see to it that plaintiffs were fully paid their claim, the same not having been expressly undertaken by petitioner under the Compromise Agreement. The dispositive portion of the Decision reads:

WHEREFORE, the instant petition is PARTLY GRANTED. The assailed Orders dated February 26, 2007 and June 18, 2007 of Branch 227, RTC of QC in Civil Case No. Q-98-35546 are SET ASIDE, only with respect to Sps. Valdez's interest. The court *a quo* is hereby ordered to issue a writ of execution directing the Register of Deeds of Tagaytay City to lift and/or cancel the notices of levy on attachment annotated on TCT Nos. T-36316 and T-36317 with respect only to the P3,920,313.24 interest of the Sps. Valdez.

SO ORDERED.

In a Resolution<sup>[24]</sup> dated June 6, 2009, the CA denied the motion for reconsideration<sup>[25]</sup> of petitioner Valdez; hence, the latter now resorts to the present petition and ascribes to the CA the following errors:

4.1 THE COURT OF APPEALS HAS NO JURISDICTION OVER THE PETITION FOR CERTIORARI FILED BY RESPONDENT.

4.2 THE QUESTIONED DECISION IS UTTERLY ILLOGICAL AND INCONCLUSIVE (sic) DONE IN VIOLATION OF SEC. 14, ART. VIII OF THE CONSTITUTION, AND SEC. 1, RULE 36 OF THE RULES OF COURT.

4.3 RESPONDENT'S ASSIGNMENT OF ITS SPPI INVESTMENT FAILED TO EXTINGUISH ITS OBLIGATION TO PAY PETITIONER UNDER OUR LAW AND JURISPRUDENCE.

4.4 THE COURT OF APPEALS HAS NO JURISDICTION TO LIFT THE ATTACHMENTS WHILE PETITIONER'S CLAIMS REMAIN UNPAID.

4.5 THE GROUNDS RELIED UPON BY PETITIONER FOR THE ALLOWANCE OF THIS PETITION INVOLVE PURELY QUESTIONS OF LAW.

In questioning the jurisdiction of the CA over the petition for *certiorari* filed by respondent Financiera, petitioner Valdez claims the following: (a) as jurisprudence<sup>[26]</sup> dictates, the proper remedy of the same respondent should have been to file an appeal, because it was the motion for execution of judgment that was denied; (b) the petition for *certiorari* was filed out of time, because respondent Financiera received the RTC Order of June 18, 2007 denying the latter's motion for reconsideration on June 29, 2007, but instead of filing a notice of appeal within the reglementary period lasting until July 14, 2007, respondent Financiera belatedly filed a petition for *certiorari* on August 28, 2007 when the questioned RTC Orders had already attained finality; (c) the final RTC Orders should not have been modified because, as ruled by this Court in a number of cases,<sup>[27]</sup> the said Orders are immutable and unalterable and may no longer be modified in any respect, even if the modification was meant to correct erroneous conclusions of fact and law, and whether it was made by the court that rendered it or by the highest court of the land; and (d) the subject matter of the petition for *certiorari* should not have been expanded, since the only subject matter elevated by respondent Financiera was that of SPPI Investment Account No. A-04-000-355 with a cash value of P110,000.00,