

FIRST DIVISION

[G.R. No. 157287, February 12, 2008]

WT CONSTRUCTION, INC., Petitioner, vs. HON. ULRIC R. CAÑETE, Presiding Judge, RTC, Mandaue City, Branch 55, and the ESTATE OF ALBERTO CABAUG, thru its Administratrix, JULIANA VDA. DE CABAUG, Respondents.

DECISION

AZCUNA, J.:

This is a petition for review^[1] of the Decision and Resolution of the Court of Appeals (CA), dated July 25, 2002 and February 12, 2003, respectively, in CA-G.R. SP No. 65592 entitled "*WT Construction, Inc. vs. Hon. Ulric R. Cañete, in his capacity as Presiding Judge of the Regional Trial Court of Mandaue City, Branch 55, et al.*"

The facts are as follows:^[2]

Juliana vda. De Cabahug filed a case for the settlement of the estate of her deceased husband, Alberto Cabahug,^[3] before the Regional Trial Court (RTC) of Mandaue City, Branch 55, presided by public respondent, Judge Ulric R. Cañete.

On January 10, 1992, Ciriaco Cabahug, the administrator of the estate and heir of Alberto, was granted the authority to sell one of the properties of the estate to defray the expenses for the payment of taxes due from the estate. The property to be sold was the parcel of land subject of the petition, Lot 1, FLS-322-D, situated in Looc, Mandaue City, covered by Tax Declaration No. 00272 with an estimated area of 17,382 square meters.

Ciriaco entered into an Agreement for Sale of Land with Downpayment with petitioner for P8,691,000 on September 23, 1996. In accordance with the agreement, petitioner made a down payment of fifty percent (50%) of the purchase price or P4,431,600 [should be P4,345,500]. The balance of the purchase price was to be paid "immediately after the land is free from all occupants/obstructions." The contract likewise stipulated the following:

5. That the seller shall undertake the clearing of the land herein sold of its present occupants and/or eject the squatters therein within a period of one (1) year reckoned from the receipt of the advance payment, provided however, that if the buyer will be the one to handle the clearing or ejectment of occupants, all the expenses incurred thereto shall be charged to and be deducted from the remaining balance payable.
6. Upon receipt of the 50% advance payment of the purchase price, the buyer shall be authorized to enter the property, utilize the same

and introduce improvements thereon....

Subsequently, petitioner took steps in clearing the property of its occupants by filing a complaint for ejectment in 1998 with the Municipal Trial Court in Cities, Branch 3, Mandaue City.

It was later discovered that Ciriaco did not inform his co-heirs of the sale. He appropriated the amount paid by petitioner, so public respondent issued an Order on August 19, 1997, relieving Ciriaco of his functions as administrator and directing him to render an accounting of all the properties and assets of the estate.

Consequently, Administrator Linda Cabahug-Antigue, along with her co-heirs, demanded from petitioner the payment of the balance of the purchase price. Referring to the provision of the agreement relating to the payment of the balance of the purchase price conditioned upon the removal of occupants and obstructions in the property, petitioner refused to pay the remaining balance.

On July 6, 2000, public respondent issued an Order,^[4] stating:

WHEREFORE, premises considered, WT Construction is ordered to manifest in court within five (5) days from receipt of this order whether it wants the Contract of Sale rescinded.

If no manifestation is filed within said period, WT Construction is further ordered to pay the estate of Alberto Cabahug the amount of P4,259,400.00 less expenses incurred in the ejectment case within a period of fifteen (15) days, otherwise, failure to do so will prompt the court to issue a writ of execution as prayed for by movant-administratrix.

Petitioner filed a Motion for Reconsideration and/or Extension of Time to Manifest Option to Rescind on July 31, 2000. An Opposition to the motion was filed by private respondent on August 2, 2000.^[5]

The motion for reconsideration was denied, and a Writ of Execution^[6] to implement the above Order^[7] was issued by public respondent on October 5, 2000. The writ issued to Sheriff IV of RTC, Branch 55, Mandaue City, Veronico C. Ouano, stated the following:

WHEREFORE, you are hereby commanded that of the goods and chattels of WT CONSTRUCTION, not exempt from execution, you cause to be made the sum of P4,259,400.00, liable to pay the estate of Alberto Cabahug minus the expenses incurred by WT Construction in ejecting the occupants of the land.

But if sufficient personal properties could be found to satisfy this writ, then of the land and buildings of the defendants you cause to be made the said sums of money in the manner required of you by law.^[8]

On November 17, 2000, petitioner filed an Urgent Motion to Quash the Writ of Execution claiming that the issuance of the writ is premature for the following reasons: (1) the expenses to be deducted from the purchase price could not be ascertained as there are still squatters on the land who have yet to be evicted; (2)

the existence of an action for Quieting of Title, Injunction and Damages^[9] for ownership and possession of a portion of the property in question or 4,690 square meters; and (3) the balance of the purchase price would be significantly reduced if the claim of the plaintiffs in the aforesaid action will be granted.^[10]

During the pendency of the motion, the plaintiffs in the action for quieting of title, namely, Antonia Flores, Andrea Lumapas, Emilio Omobong and Constanca O. Tolo, filed a Motion for Leave to Intervene contending that they have a right to a portion or to 4,690 square meters of the subject lot. The group also moved for the quashing of the writ of execution.^[11]

On May 15, 2001, public respondent issued an Order denying petitioner's motion:

There being no merits to the urgent Motion to Quash the Writ of Execution, the same is denied.

SO ORDERED.^[12]

Petitioner's motion for reconsideration was likewise denied in an Order dated June 28, 2001.

Petitioner went to the CA on a petition for *certiorari* under Rule 65 but the CA dismissed the petition on July 25, 2002. The pertinent portions of the Decision of the CA read:

The resolution of the ejectment case came in the wake of apparently persistent efforts of the estate to collect the balance of the purchase price from the petitioner. The developments were chronicled in an Order of July 6, 2000 issued by respondent Judge Ulric O. Cañete. It appears that on October 15, 1999, he directed petitioner to pay P4,259,400 to the estate minus expenses incurred by it in ejecting the occupants of the land. The implementation of the Order was held in abeyance when the petitioner went on *certiorari* to the Court of Appeals. The Fifteenth Division of the Court dismissed the petition prompting the estate to pray for the immediate execution of the Order of October 15, 1999. But it also asked that the petitioner's Willy Te be required to manifest if he would prefer to have the sale rescinded and the amount advanced returned. Judge Cañete was thus constraint on July 6, 2000 to give the petitioner an opportunity within a certain period to manifest its willingness to rescind the agreement. He finally said:

"If no manifestation is filed within said period, WT Construction is further ordered to pay the estate of Alberto Cabahug the amount of P4,259,400.00 less expenses incurred in the ejectment case within a period of fifteen (15) days, otherwise, failure to do so will prompt the court to issue writ of execution as prayed for by movant-administratrix."

When the Order was issued, the petitioner had already obtained a decree of ejectment from the MTCC. A week before the writ of execution in the ejectment case was served on the occupants, the estate was able to obtain its own Order from Judge Cañete denying the motion for

reconsideration of the petitioner and ordering the latter, in view of the lapse of the grace period, to pay the stated amount less expenses. On October 5, 2000, the writ of execution was issued.

The determination of petitioner to resist payment of the balance was as dogged as ever. In November 2000, it filed a motion to quash the writ, citing the existence of a complaint filed by third parties for ownership and possession of a portion of the property in question and the failure of the estate to exclude another portion from the computation of the balance as allegedly stipulated in the sales agreement. In February 2001, some parties sought to intervene in the Special Proceedings 3562-R and asked, in so many words, that their interest in the purchase price to be paid to the estate be recognized and respected.

On May 15, 2001, the assailed Order was handed down denying the Motion to Quash Writ of Execution, followed by the Order of June 28, 2001 denying the Motion for Reconsideration. The petitioner arrayed several issues against these Orders, to wit:^[13]

- “1. Public respondent gravely abused his discretion in failing to state the facts and the law which served as the basis for his Order of June 28, 2001 denying herein petitioner’s urgent motion to quash writ of execution;
2. Public respondent gravely abused his discretion in not quashing the writ of execution for being prematurely issued;
3. Public respondent gravely abused his discretion in not quashing the writ of execution on the ground that the Order sought to be executed was conditional and incomplete; and
4. Public respondent gravely abused his discretion in not quashing the writ of execution on the ground that a change in the situation of the parties had occurred.”

We rule against the petitioner.

The disposition of the first argument turns on an understanding of the kind of issuances that must contain the relevant facts and law that support them. The requirement appears in Section 4, Article 8 of the 1987 Constitution which says that “no decision shall be rendered by any court without expressing therein clearly and distinctly the facts and the law on which it is based,” and Section 1, Rule 36 of the 1997 Rules of Civil Procedure, that “a judgment or final order determining the merits of the case shall... (state) clearly and distinctly the facts and the law on which it is based. In fine, only decisions and final orders on the merits need to reflect the relevant facts and law. The second paragraph of the cited provision of the Constitution specifies two other issuances to which a different requirement applies. These are denials of petitions for review and motions for reconsiderations of decisions, for which it is enough that the legal basis is stated. The Constitution and the Rules of Court are silent as to all other issuances.