

THIRD DIVISION

[A.C. No. 4467, October 10, 1997]

**SPOUSES GIL A. DE LEON AND MERCEDES DE LEON,
PETITIONERS, VS. HON. JUDGE RODOLFO BONIFACIO, IN HIS
CAPACITY AS PRESIDING JUDGE OF RTC, BR. 159, CITY OF
PASIG; CITY SHERIFF OF PASIG OR HIS DEPUTY SHERIFF WHO
IS EXPECTED TO ENFORCE THE ORDERS HEREIN CHALLENGED;
AND SPOUSES JOSE A. DE LEON & EVANGELINE DE LEON,
RESPONDENTS.**

R E S O L U T I O N

ROMERO, J.:

Under consideration is a letter-complaint dated February 22, 1996, filed by complainant-spouses Gil and Mercedes de Leon charging Judge Rodolfo R. Bonifacio and Clerk of Court Atty. Lorifel L. Pahimna, both of RTC, Branch 159, Pasig City, with violations of the "Graft and Corrupt Practices Act" through manifest partiality, evident bad faith and/or inexcusable negligence together with Atty. Reynaldo Camongol, counsel for spouses Jose and Evangeline de Leon, relative to Civil Case No. 61978, entitled "Sps. Jose and Evangeline de Leon vs. Sps. Gil and Mercedes de Leon, et al."

The following are the antecedent facts which led to the filing of this administrative complaint. A piece of land located in Industrial Valley, Marikina City was previously mortgaged by the late Marcelo de Leon, father of complainant Gil and Jose to the GSIS. Upon Marcelo's failure to comply with his obligations, the GSIS foreclosed the subject property and awarded to Jose de Leon the right to repurchase the same. But due to financial constraints, Jose de Leon could not repurchase the property.

Thereupon, Jose and Gil de Leon entered into a memorandum of agreement wherein it was stipulated that Jose de Leon would execute a special power of attorney authorizing Gil to repurchase the property from GSIS. Jose further agreed to execute a Deed of Absolute Sale with a right to repurchase the said property in favor of Gil de Leon to guarantee its redemption. Gil de Leon borrowed from the Traders Royal Bank P600,000.00 with the subject property as collateral and from the proceeds of the loan, Gil de Leon redeemed the foreclosed property from the GSIS. The GSIS, in turn, executed a Deed of Absolute Sale in favor of Jose de Leon.

Jose de Leon then informed Gil de Leon of his intention to repurchase the property within thirty days from release of title of said property by the GSIS. Gil de Leon allegedly refused to comply with the agreement despite repeated demands. As a consequence, spouses Jose and Evangeline de Leon filed a case^[1] against Spouses Gil and Mercedes de Leon for Specific Performance with the RTC, Branch 67, Pasig City which was dismissed by the court for lack of cause of action. The case was seasonably appealed by way of certiorari to the Court of Appeals but was likewise dismissed which dismissal became final and executory.

Another case^[2] for nullification of Deed of Sale, Transfer Certificate of Title, Use of Property as Collateral, and Damages with Preliminary Prohibitory Injunction and/or Restraining Order was filed by spouses Jose and Evangeline de Leon against complainant-spouses Gil and Mercedes de Leon which was raffled to respondent judge. Complainant-spouses filed their Answer with Counterclaims raising the issue of forum-shopping and prayed for the dismissal of the case. However, no order was issued by the court resolving the issue of forum shopping alleged in the answer.

Apparently, respondent judge still proceeded to hear the case and urged the parties to settle amicably. Plaintiff-spouses Jose and Evangeline de Leon and complainant-spouses Gil and Mercedes de Leon, reached a compromise agreement though Gil later claimed that he only agreed upon pressure exerted by the respondent judge.

Respondent judge approved the compromise agreement entered into by the parties on May 6, 1993 with the assistance of their counsel, the same not being contrary to law, morals, public policy, public order and good customs. Accordingly, a decision in consonance with the compromise agreement was simultaneously rendered on the same date.

Pursuant to the compromise agreement, the property in question shall be sold to a third person by Gil de Leon and his wife in the amount of 2.7 million pesos within thirty days from the execution thereof. From the supposed proceeds of the sale, 1 million pesos shall be given to plaintiff-spouses Jose and Evangeline de Leon and the remaining 1.7 million pesos shall be retained by Gil de Leon for him to pay the loan and cause the release of the property from the Traders Royal Bank. In addition, plaintiff-spouses Jose and Evangeline de Leon shall continue to stay on the property without any obligations on their part until the same is sold, and the expenses incurred in the disposition of the same shall be shouldered by complainant-defendant Gil de Leon. Each shall bear the litigation expenses in the prosecution of the case and renounce all claims against the other.

However, complainant-spouses Gil and Mercedes de Leon filed a motion on August 25, 1993 to evaluate and/or amend the compromise agreement for allegedly being unfair but the same was objected to by the plaintiff-spouses Jose and Evangeline de Leon on the ground that the compromise agreement had already become final and executory. Furthermore, the latter moved for the issuance of a writ of execution of the decision.

When respondent judge's order for complainant-spouses to comply with the compromise agreement was ignored, the former issued another order dated June 14, 1995 directing the latter to come to court for the purpose of affixing their signature on the Deed of Absolute Sale with assumption of mortgage; otherwise, the Clerk of Court would be designated to affix her signature for and in their behalf. Traders Royal Bank was also enjoined from proceeding with the extra judicial foreclosure and auction sale of the property in question until further order of the court.

Complainant spouses moved to reconsider the June 14, 1995 order and prayed for respondent judge to inhibit himself from further hearing the case. Nevertheless, they showed their willingness to abide by the compromise agreement provided the spot cash of 1.7 million pesos be paid directly to them. Respondent judge denied the

above motion for reconsideration.

When complainant-spouses refused to affix their signatures on the deed of absolute sale, respondent judge directed the Clerk of Court to affix her signature on the said deed of absolute sale for and in behalf of complainant-spouses Gil and Mercedes de Leon for the proper disposition of the decision of the case. Respondent judge, likewise, ordered the Traders Royal Bank to honor the Deed of Absolute Sale signed by the plaintiff-spouses Jose and Evangeline de Leon and the Clerk of Court for and in behalf of the complainant-spouses Gil and Mercedes de Leon and to effect the transfer of the property to the buyer upon payment, for the satisfaction of the decision dated May 6, 1993.

As a consequence, complainant-spouses Gil and Mercedes de Leon filed a petition for certiorari with the Court of Appeals which is still pending before said court praying for the setting aside of the orders dated June 14, 1995 and July 3, 1995 and annulment of the Deed of Absolute Sale executed by the plaintiff-spouses and Clerk of Court and to enjoin respondent judge from enforcing the said orders.

Complainant-spouses, in this present complaint, alleged that respondent judge authorized spouses Jose and Evangeline de Leon to sell the subject property by signing the Deed of Sale as sellers although they are not the owners. Corollarily, they alleged that Atty. Pahimna affixed her signature on the said Deed purportedly for and in their behalf without their authority and consent. Finally, they assailed the actuations of respondent judge for causing them undue injury and giving the plaintiff-spouses unwarranted preference by acting favorably on their Motions which were not even in the prescribed form as provided for in Sec. 4 in relation to Sec. 6, Rule 15, Rules of Court.

In his comment, respondent judge explained that since the case before him was a civil case and the parties were brothers, he tried to convince them to settle the case amicably as provided for by law. He suggested that the parties sell the property, pay the obligation with the bank and divide among themselves the balance.

Respondent judge maintained that subsequent to the promulgation of the decision or three months thereafter, complainant-spouses filed a motion to evaluate and/or amend the compromise agreement and informed the court of the progress of their efforts in selling the property in question. Likewise, subsequent pleadings were also filed without any question on the efficacy and execution of the compromise agreement. The essence of the compromise agreement was to sell the property in question as agreed upon by the parties. The authority given to the plaintiffs to sell the property within thirty days from its execution was merely incidental to the general and primary objective of disposing of the property since the plaintiff-spouses are citizens and residents of the United States. These circumstances proved to be inconsistent with the accusations of complainant-spouses Gil and Mercedes de Leon against him. Finally, respondent judge averred that he acted within the parameters of the compromise agreement and of the decision he rendered in the case.

In reply, complainant-spouses alleged that respondent judge blatantly ignored two substantial issues:

First, the issue of *res-judicata* in view of the finality of the judgment in Civil Case No. 61270 which involved the same parties and property subject matter in Civil Case