

THIRTEENTH DIVISION

[CA-G.R. SP No. 135292, November 10, 2014]

**CARMELITA BECIERA AND MACARIO S. SEPADA, PETITIONERS,
VS. HON. JOSE G. PANEDA, PRESIDING JUDGE OF REGIONAL
TRIAL COURT, BRANCH 220, QUEZON CITY AND REPUBLIC OF
THE PHILIPPINES, REPRESENTED BY THE DEPARTMENT OF
AGRARIAN REFORM, RESPONDENTS.**

DECISION

LIBREA-LEAGOGO, J.:

Before this Court is a Petition for *Certiorari*^[1] dated 21 April 2014 under Rule 65 of the Rules of Court assailing the Orders dated 14 June 2013^[2] and 15 November 2013^[3] issued by public respondent Judge Jose G. Paneda of the Regional Trial Court of Quezon City, Branch 220 in the case entitled "*Republic of the Philippines, represented by the Department of Agrarian Reform v. Kiotoy Multi-Purpose Cooperative, Macario S. Sepada, Gerardo A. Valmoria and Carmelita Beciera*," docketed as Civil Case No. Q-06-58494, which denied petitioners' Omnibus Motion and Motion for Reconsideration, respectively.

Per JRD verification,^[4] no comment was filed as per CMIS entry. Thus, the third paragraph of the Resolution^[5] dated 23 May 2014 is reiterated, and the Petition is submitted for decision.

FACTUAL ANTECEDENTS

A Complaint^[6] dated 20 June 2006 was filed by plaintiff Republic of the Philippines, represented by the Department of Agrarian Reform (DAR), against defendants Kiotoy Multi-Purpose Cooperative ("KMPC," for brevity), Macario S. Sepada ("Sepada," for brevity), Gerardo A. Valmoria⁺ ("Valmoria," for brevity), and Carmelita Beciera ("Beciera," for brevity) before the Regional Trial Court of Quezon City, and docketed as *Civil Case No. Q-06-58494*.

Plaintiff alleged, *inter alia*, that: DAR, through its lending conduit DBP, and defendants entered into a Loan Agreement whereby the former extended a loan of Php750,000.00 at 12% interest *per annum*, payable in five years with one year grace period; on 09 November 1992, defendants executed in favor of DBP, a promissory note in the amount of Php750,000.00 with interest at 12% per annum; defendants agreed that in case of non-payment of the note on demand or at maturity or upon the happening of any of the events of default, they agreed to pay, by way of liquidated damages, an additional amount equivalent to the basic interest rate on the principal sum, but in no case less than Php1,000.00 until fully paid, and attorney's fees of 10% of the total amount due, exclusive of costs and other judicial or extrajudicial expenses; defendants defaulted in their amortizations since 29

December 1997, thereby rendering the entire obligation due and demandable; as of 31 March 2006, defendants' total outstanding obligation amounted to Php4,394,975.00, representing the unpaid principal of Php750,000.00, interests of Php1,167,000.00, and penalty charges of Php2,477,975.00; despite repeated demands, defendants failed to pay; DAR was compelled to institute the present action and engage the services of counsel; and DBP executed a Deed of Assignment in favor of DAR.

Defendants failed to file an Answer.^[7]

A Decision dated 03 June 2010 was rendered by the trial court,^[8] the dispositive portion of which reads:

*"**WHEREFORE, PREMISES CONSIDERED, the defendants Macario S. Sepada, Gerardo A. Valmoria and Carmelita Beciera are hereby ordered to pay the plaintiff the amount of P750,000.00 plus interest of 12% per annum and penalty charges of 12% per annum from November 6, 1994 until the entire amount is paid.**"^[9]*

A Writ of Execution^[10] dated 09 May 2012 was issued.

Individual defendants filed an Omnibus Motion: A) To Secure a Copy of the Decision B) To Suspend the Implementation of the Writ of Execution insofar as Defendants Macario S. Sepada, Gerardo A. Valmoria and Carmelita Beciera are Concerned^[11] ("Omnibus Motion," for brevity) dated 07 August 2012, to which plaintiff filed an Opposition^[12] dated 05 November 2012.

The trial court issued the first assailed Order^[13] dated 14 June 2013 denying the Omnibus Motion, the dispositive portion of which reads:

*"**WHEREFORE, premises considered, defendants' Omnibus Motion A). To Secure a Copy of the Decision (and) B).To Suspend the Implementation of the Writ of Execution is hereby DENIED for lack of merit.***

SO ORDERED."^[14]

Individual defendants filed a Motion for Reconsideration^[15] dated 08 August 2013, which was denied in the second assailed Order^[16] dated 15 November 2013.

Hence, this Petition.

RULING

Petitioners raise the following grounds for allowance of their Petition, viz:

"1) PUBLIC RESPONDENT HAS COMMITTED A (sic) GRAVE ABUSE OF DISCRETION AMOUNTING TO LACK OR EXCESS OF JURISDICTION WHEN HE CONCLUDED THAT PETITIONERS ARE CONSIDERED TO HAVE RECEIVED A COPY OF HIS DECISION OR WHEN HE DENIED THE RIGHT OF THE PETITIONERS TO GET OR RECEIVE A COPY OF THE DECISION IN CIVIL CASE NO. Q-06-58494 DATED JUNE 3, 2010(,) THUS EFFECTIVELY BARRING THEM FROM FILING AN APPEAL.

2) PUBLIC RESPONDENT HAS COMMITTED A (sic) GRAVE ABUSE OF DISCRETION AMOUNTING TO LACK OR EXCESS OF JURISDICTION WHEN HE ORDERED THE PETITIONERS TO PAY THE FINANCIAL OBLIGATION OF KIOTOY MULTI-PURPOSE COOPERATIVE TO THE DEPARTMENT OF AGRARIAN REFORM WHEN THEY SIGNED THE LOAN AGREEMENT AND PROMISSORY NOTE IN THEIR CAPACITY AS OFFICERS OF THE COOPERATIVE."^[17]

Petitioners contend, *inter alia*, that: public respondent committed grave abuse of discretion when he considered petitioners to have received a copy of the Decision and/or denied their right to obtain a copy of the same, thus, effectively barring them from filing an appeal within the reglementary period; while they might have failed to file an answer, the right to appeal the Decision within the reglementary period is not forbidden; they have yet to see a copy of the Decision and they want to know why they were made liable to pay for the financial obligation of the cooperative; they signed the loan agreement and promissory note in their capacity as officers of the cooperative at that time; they could not remember signing any document that would make them liable for the financial obligation of the cooperative; the Decision was mailed to their addresses as indicated in the Complaint and summons; how could the decision be possibly delivered or served upon petitioner Beciera at her alleged address in Tagum City when the said place has a total land area of 19,580 hectares; the probable reason why respondent used Tagum as the address of petitioner Beciera is because in the acknowledgment of the Loan Agreement, she used a residence certificate issued by Tagum but it does not mean that she is a resident of that place since during that time it was easy to secure the same from Tagum; petitioner Sepada could not have possibly received the Decision since the office of KMPC was already closed when the said Decision was rendered; KMPC had already stopped its business operations and other economic activities since 1997, as shown by the barangay certification issued by the barangay captain; on 23 February 1997, petitioners Sepada, Beciera and Valmoria were no longer officers of KMPC, as they were replaced by another set of officers as shown in the Minutes; petitioners automatically stopped holding office when their successors were elected and duly qualified; Sec. 9 of Rule 13 of the Rules of Court says that judgments, final orders or resolutions shall be served either personally or by registered mail; when the Decision was rendered, KMPC was already closed and nobody would receive any communication addressed to it, and the sheriff asked the assistance of the barangay to enable him to meet petitioners; petitioners would be deprived of their property without due process of law if they would not be given a copy of the Decision; a stringent application of the rules would hinder rather than serve the demands of substantial justice; and public respondent committed grave abuse of discretion amounting to lack of jurisdiction when petitioners were made liable to pay for the debt obtained by KMPC.