

Title: Teresita Cordova and Jean Ong Cordova vs. Edward Ty

Facts:

Teresita Cordova and her daughter Jean Ong Cordova, the petitioners, are embroiled in a legal dispute with respondent Edward Ty concerning properties targeted for execution to satisfy a civil judgment. This case originated from eleven counts of Batas Pambansa Blg. (B.P.) 22 or the Bouncing Checks Law filed by Edward Ty against Teresita's husband Chi Tim Cordova and Robert Young. Chi Tim and Young were adjudged civilly liable for issuing bad checks to Ty from the account of their company, Wood Technology Corporation. The Metropolitan Trial Court (MeTC) of Manila issued a writ of execution to settle the monetary award through the auction of certain properties.

Petitioners sought to exclude two properties from the levy: a parcel of land in Quezon City (TCT No. 77973 property) claimed as Teresita's paraphernal property, and a condominium unit in Manila (CCT No. 4441 property) claimed as Jean's family home. The RTC initially ruled in favor of the petitioners, prohibiting the execution sale and declaring the levy on the subject properties null and void based on the argument that Chi Tim's B.P. 22 liability did not benefit the conjugal partnership, thus the properties should not be answerable for his personal debts. The CA, however, reversed this decision, reinstating the writ of execution, ruling that the properties, presumed conjugal, were not proven to be paraphernal or exempt as a family home.

Issues:

1. Can the subject properties be subjected to execution to satisfy Chi Tim's civil liabilities under the B.P. 22 judgment?
2. Were the petitioners able to prove that the properties should be exempt from execution as Teresita's paraphernal property and Jean's family home?

Court's Decision:

The Supreme Court granted the petition, reversed the CA's decision, and affirmed the RTC ruling, prohibiting the auction sale of the properties. The Court found the CA's determination that the properties were conjugal to be supported by the records. However, it also found that Ty did not provide sufficient proof that the loans obtained by Chi Tim from the issue of the bounced checks redounded to the benefit of the partnership, a necessary condition for conjugal properties to answer for personal debts of one spouse. Therefore, the Court ruled that in the absence of such proof, the subject properties may not be levied upon and executed to satisfy Chi Tim's civil liability from the B.P. 22 case.

Doctrine:

In cases where personal obligations of one spouse are sought to be charged against conjugal partnership properties, there must be adequate proof that said obligations redounded to the benefit of the partnership. The presumption of conjugal partnership under Article 160 of the Civil Code may only be rebutted with strong, clear, and convincing evidence. Moreover, a claim that a property is a family home must be adequately established with actual occupancy and other requisites, as enunciated under Article 153 of the Family Code.

Historical Background:

The case at hand reflects the evolving landscape of marital property relations in the Philippines, particularly since the enactment of the Family Code, which modified and superseded certain provisions of the Civil Code regarding conjugal partnerships. It demonstrates the application of Article 121 and Article 122 of the Family Code, stipulating the liability of conjugal partnerships for personal debts incurred by either spouse and the conditions when the conjugal partnership may be charged for such obligations. This case also reiterates established principles protecting the family home from being arbitrarily levied or executed upon and highlights the burden of proof lying with the party litigant seeking to charge the property. The Supreme Court's decision underscores the law's intent to safeguard family assets while ensuring obligations are met when conditions warrant it.