

Title: Bangko Sentral ng Pilipinas vs. Vicente Jose Campa, Jr., et al.

Facts:

The roots of the legal battle originated with Bankwise, a corporate entity, obtaining a Special Liquidity Facility (SLF) loan from the Bangko Sentral ng Pilipinas (BSP) in 2000. To secure the loan, Bankwise furnished mortgages on real estate properties, owned by third-party mortgagors, to the BSP.

The third-party mortgagors included:

- Eduardo Aliño with properties in Marinduque.
- Haru Gen Beach Resort and Hotel Corporation with properties in Catanduanes.
- Vicente Jose Campa, Jr., Miriam M. Campa, Maria Antonia C. Ortigas, Maria Teresa C. Arevalo, Maria Nieves C. Alvarez, Marian M. Campa, and Balbino Jose Campa with properties in Mandaluyong City.

When Bankwise defaulted, the BSP initiated extrajudicial foreclosure proceedings on the aforementioned mortgaged properties. As the highest bidder, BSP acquired the properties at public auctions and had the corresponding certificates of sale registered.

On April 18, 2006, Eduardo Aliño filed a complaint against BSP and Bankwise for specific performance, novation of contracts, and damages, including an application for a Temporary Restraining Order/preliminary injunction. He argued that he was reassured the properties would be returned and not subjected to foreclosure risks. He also claimed BSP had agreed to a *dacion en pago* arrangement for settling Bankwise's outstanding obligations. However, BSP foreclosed on the properties and declined to return them despite possessing collateral that could cover the obligations.

Haru Gen Beach Resort then sought to intervene in this litigation. They contended that the mortgage on their properties to BSP was void due to lack of consideration and authorization. This motion was denied by the trial court in 2003 due to irrelevance to the primary proceeding.

On January 3, 2007, Vicente Jose Campa, Jr., and his co-respondents filed a Motion for Leave to Intervene and to admit their Complaint-in-Intervention. They claimed their properties were mortgaged to the BSP on the assurance of no foreclosure risks. The trial court admitted their Complaint-in-Intervention.

The BSP opposed and challenged this order through a petition for certiorari on several

grounds, including the argument that the case constituted a derivative suit, and only stockholders had legal interest, thus interventions by non-stockholders like Haru Gen and other third-party mortgagors were unjustified. Both the RTC and Court of Appeals decisions favored the respondents.

Issues:

1. Whether the respondents met the requirements for intervention.
2. Whether the treatment of private respondents should differ from Haru Gen whose intervention was denied with finality.
3. Whether the actions of BSP constituted grave abuse of discretion in denying the intervention of third-party mortgagors.

Court's Decision:

The Supreme Court partly granted the petition. It determined the complaint was not a derivative suit, but a personal action for a property recovery filed by Aliño and others - unrelated to corporate actions of VR Holdings or Bankwise. BSP's contention that the intervention of respondents would delay consolidation of titles was set aside.

Since the primary action was not a derivative suit, it was concluded that it falls outside the jurisdiction of a Special Commercial Court. Consequently, the Court directed the complaint in Commercial Case No. 06-114866 be re-docketed as a civil case and re-raffled to all branches of the Regional Trial Court of Manila. The amount of docket fees was to be determined by the Clerk of Court, with appropriate refunds or payments to be made as necessary.

Doctrine:

This case did not establish new doctrine but clarified the application of accepted doctrines concerning derivative suits and jurisdiction of Special Commercial Courts versus Regional Trial Courts. It reinforced the principle that, for an action to qualify as a derivative suit, it must be for the corporation's and shareholders' benefit and the individual stockholder must be filing on behalf of the corporation concerned. Moreover, the jurisdiction of a dispute that involves private property and not corporate assets falls under the regular civil court rather than specialized commercial courts.

Class Notes:

- Derivative suits must demonstrate actual or threatened injury to the corporation, not just to individual stockholders.

- Complaints not qualifying as derivative suits may result in re-raffling to an RTC with appropriate jurisdiction, not outright dismissal, based on the doctrine in the recent case of *Gonzales v. GJH Land*.

**Historical Background:**

The case illustrates the complex interplay between corporate finance, real estate security, and third-party interests in the Philippines' financial industry, highlighting the legal challenges that occur when a corporation defaults on its loan obligations, affecting non-stockholder parties who provided collateral. The evolving jurisprudence on derivative suits and jurisdiction demonstrates the Philippine judiciary's efforts to align procedural rules and equity considerations.