

Title:

Atty. Pablo B. Francisco v. Melanio del Castillo, Sandra Bernales, and The Republic of the Philippines (G.R. No. XXXXXXXX)

Facts:

Atty. Pablo B. Francisco (petitioner), along with Melanio Del Castillo and Sandra Bernales (private respondents), served on the Board of Brookside Residents Association, Inc. (BRAI). On September 3, 2014, Francisco sought to inspect BRAI's financial books and records from 2008-2013, but was denied. Subsequently, Francisco filed a criminal case against Del Castillo and Bernales for allegedly violating Section 7(b) of Republic Act No. 9904 (Magna Carta for Homeowners and Homeowners Associations). An Information was filed with the Regional Trial Court (RTC) of Antipolo City, which issued a Warrant of Arrest. Private respondents, however, were granted provisional liberty upon posting bail.

They then filed an Omnibus Motion to Quash the Information, the Warrant of Arrest, and to Cancel the Arraignment, arguing that the Housing and Land Use Regulatory Board (HLURB), not the RTC, held jurisdiction over violations of R.A. No. 9904. The RTC denied their motion, leading them to file a Motion for Reconsideration, which was also denied. They then petitioned the Court of Appeals (CA), which eventually quashed the RTC orders—agreeing that the HLURB held jurisdiction over the matter. Francisco filed a Motion for Reconsideration, but CA denied this motion.

Francisco then petitioned the Supreme Court on certiorari, arguing that the RTC should have jurisdiction over the criminal case. Private respondents and the Office of the Solicitor General (OSG), however, supported the CA's ruling, asserting that the Information did not constitute a crime or offense, thus falling outside RTC jurisdiction.

Issues:

1. Whether the HLURB or the RTC has jurisdiction over the controversy.
2. Whether Section 23, in relation to Sections 7(b) and 22(c) of R.A. 9904, constitutes a penal provision.

Court's Decision:

The Supreme Court denied Francisco's petition and affirmed the CA's decision, holding that the controversy is indeed an intra-association dispute which falls under the exclusive jurisdiction of the HLURB as per Section 20(d) of R.A. No. 9904. The Court further clarified that the HLURB can impose administrative sanctions including fines, but violations of R.A.

No. 9904 do not amount to criminal offenses, unless accompanied by a violation of the Revised Penal Code or other pertinent laws, which was not the case here. The Court emphasized the distinction between intra-corporate disputes under the Corporation Code, which are within the jurisdiction of the RTC, and intra-association disputes under R.A. No. 9904, which fall within the HLURB's exclusive jurisdiction.

Doctrine:

The jurisdiction over intra-association disputes falls exclusively with the HLURB. Violations of the Magna Carta for Homeowners and Homeowners Associations (R.A. No. 9904) do not carry criminal penalties unless accompanied by violations of the Revised Penal Code or other pertinent laws. The HLURB is empowered to impose administrative fines, which are distinct from criminal penalties.

Class Notes:

- Intra-association disputes are exclusively under the jurisdiction of the HLURB as per R.A. No. 9904.
- HLURB's authority includes imposing administrative sanctions for violations of the Magna Carta for Homeowners, but these do not amount to criminal offenses.
- Administrative sanctions by the HLURB are not equivalent to the imposition of criminal penalties; the latter remains within the domain of the courts.

Historical Background:

The Court's interpretation of jurisdiction in this case is a product of a series of legislative measures and policy changes. Jurisdiction over homeowners associations was originally vested with the Securities and Exchange Commission (SEC), transferred to the Home Financing Commission (HFC)/HLURB by E.O. 535, and upheld this arrangement with the enactment of R.A. No. 9904. The decision in this case reinforces the policy that specialized administrative agencies like the HLURB are better equipped to resolve certain disputes due to their expertise in the field. This policy is bolstered further by R.A. No. 11201, which transformed the HLURB into the Human Settlements Adjudication Commission (HSAC), maintaining its mandate over homeowner's associations.