

### Title: Spouses Roberto and Beatriz Garcia vs. Spouses Arnel and Cricela Soriano

### Facts:

Spouses Arnel and Cricela Soriano initiated a lawsuit for Consolidation of Ownership of Real Property against Spouses Roberto and Beatriz Garcia in Tacloban City RTC on February 13, 2004. A compromise agreement was reached on October 29, 2005, giving the Garcias 6 months to a year to repurchase two parcels of land. Upon failure to do so, they were to turn over one parcel to the Sorianos and retain the other as a gesture from the Sorianos. This agreement was approved by the RTC on June 4, 2007.

The Garcias failed to meet their payment obligations, leading the Sorianos to seek execution of the judgment on September 9, 2008. The RTC initially extended the payment period to April 30, 2009. The Garcias' attempt to tender the payment was rebuffed by the Sorianos, who argued that the judgment was final and sought its execution. The RTC issued a writ of execution on July 28, 2009, which was upheld despite the Garcias' efforts to quash it, leading them to appeal to the CA.

### Issues:

1. Whether the Garcias chose the correct legal remedies.
2. Whether a new or modified compromise agreement validly superseded the original judgment.
3. Whether the RTC committed grave abuse of discretion in issuing the writ of execution.

### Court's Decision:

The Supreme Court upheld the CA's decision but on different grounds, focusing on the proper legal remedies and the validity of a modified compromise agreement post-final judgment. The Court found that the Garcias' successive motions and lack of proper action following the denial of their motions, alongside their failure to show a valid and mutually agreed upon modification to the original compromise agreement, did not warrant relief from their obligations. The Court also rejected an equity-based argument from the Garcias for making a belated payment.

### Doctrine:

The ruling reinforced the doctrine that a final judgment based on a compromise has the effect of *res judicata* and cannot be modified or altered unless a subsequent compromise, which is shown to be voluntary and clear, effectively novates the original judgment. It also clarified the procedural paths available following the denial of a motion to quash a writ of

execution, emphasizing the Omnibus Motion Rule's application to prevent piecemeal litigation.

### Class Notes:

- Final Judgments: Once final, a judgment is immutable and can only be altered under exceptional circumstances.
- Compromise Agreements: Can novate final judgments if entered into freely and with clear consent post-judgment.
- Omnibus Motion Rule: Requires that all available grounds for relief be raised at the first opportunity; failure to do so results in the waiver of those grounds.
- Execution of Judgments: A writ of execution is a matter of right once a judgment becomes final and executory.
- Consignation: Necessary when payment is refused; tender of payment alone is insufficient to discharge an obligation.

\*\*Relevant Legal Statutes or Provisions:\*\*

- Rules of Court, Rule 45: Governing petitions for review on certiorari.
- Civil Code, Art. 2040: Regulating compromises post-final judgment.

### Historical Background:

This case illustrates the nuanced application of Philippine civil procedure and contract law principles in disputes involving compromise agreements, especially when coupled with final judgments. It underscores the judiciary's role in balancing finality in litigation with fairness, particularly in executing judgments based on such compromises.