

****Title:**** Philippine Deposit Insurance Corporation vs. Judge Winlove M. Dumayas: A Case of Judicial Flip-Flopping and Gross Ignorance of the Law 17, 2020 (Case Brief / Digest)

****Facts:****

The case revolves around the Philippine Deposit Insurance Corporation (PDIC) and Francis R. Yuseco, Jr., as complainants, against Judge Winlove M. Dumayas, presiding judge of the Regional Trial Court (RTC) of Makati City, Branch 59. The complaints arose from the proceedings related to the liquidation of Unitrust Development Bank (UDB) initiated by PDIC, following the bank's prohibition from business operation by the Bangko Sentral ng Pilipinas (BSP) due to insolvency.

Yuseco, along with other stockholders, opposed the bank's liquidation through various legal motions, arguing mainly on the ground of procedural lapses and citing an outdated legal precedent under the old Central Bank Act. Across the progression from the trial court to the Supreme Court, the case witnessed a pattern of orders where Judge Dumayas initially allowed the liquidation and later reversed his own orders, eventually prohibiting PDIC from proceeding with the liquidation—the pivot of controversy in this administrative case.

After a series of procedural flip-flops and the issuance of conflicting orders by Judge Dumayas, the PDIC sought relief through a petition for certiorari at the Court of Appeals (CA), which eventually led to the annulment of Dumayas' orders and a directive for the resumption of liquidation in accordance with the PDIC's initial plan. Aggrieved parties made subsequent legal attempts, including filing for reconsideration and moving the case towards the Supreme Court. Nonetheless, these efforts were unfruitful.

PDIC then filed an administrative complaint against Judge Dumayas for gross ignorance of the law in the context of liquidation proceedings, whereas Yuseco filed a similar complaint charging the judge with gross ignorance of the law, gross incompetence, and grave abuse of authority.

****Issues:****

1. Whether Judge Dumayas exhibited gross ignorance of law and judicial procedure in his handling of the liquidation case of Unitrust Development Bank.
2. Whether the flip-flopping decisions of Judge Dumayas constitute administrative liability.
3. Whether the administrative complaints filed against Judge Dumayas for his conduct in the liquidation case of Unitrust Development Bank are meritorious.

****Court's Decision:****

The Supreme Court found Judge Dumayas guilty of gross ignorance of the law or procedure due to his inconsistent orders and misunderstanding of legal jurisdictions and precedents, particularly in relation to the powers vested in the Monetary Board concerning bank liquidations. Consequently, he was ordered to pay a fine of Forty Thousand Pesos (Php40,000.00), recognizing his prior dismissal from the service on different grounds. The Court underscored the certainty that judicial officers must possess comprehensive legal knowledge and decisiveness, thereby ruling against Judge Dumayas for his mishandling of the case.

****Doctrine:****

This decision reiterates the principle that a judge's failure to correctly interpret the law or appreciate evidence does not automatically render them administratively liable, except in instances where the errors are made with fraud, dishonesty, gross ignorance, bad faith, or deliberate intent to do injustice. Also emphasized is the exclusive jurisdiction of the Monetary Board in bank closure and liquidation cases, as prescribed by Republic Act No. 7653 (The New Central Bank Act).

****Class Notes:****

- ****Gross Ignorance of Law:**** A judge's lack of basic and elemental understanding of legal jurisdiction and procedural rules, leading to flip-flopping decisions, constitutes gross ignorance of the law.
- ****Administrative Liability in Judicial Errors:**** Judicial errors must be tainted with fraud, dishonesty, gross ignorance, bad faith, or deliberate intent to do an injustice to incite administrative sanctions.
- ****Jurisdiction in Bank Liquidation:**** The exclusive authority of the Monetary Board in determining bank closures and proceeding with a bank's liquidation, as underscored in Republic Act No. 7653, is a critical legal doctrine.

****Historical Background:****

This case exemplifies the judicial complexities surrounding the liquidation of banking institutions in the Philippines and the pivotal role of the Monetary Board and PDIC in such processes. It underscores the importance of judicial competence and integrity in upholding the law and ensuring fair and just administration of justice, especially in the context of the

financial system's stability and public interest.