

Title: Equatorial Realty Development, Inc. vs. Mayfair Theater, Inc.

Facts:

This complex legal battle began with the Supreme Court decision on November 21, 1996, in which the Deed of Absolute Sale between Equatorial Realty Development, Inc. (Equatorial) and Carmelo & Bauermann, Inc. was rescinded. Carmelo & Bauermann was ordered to return the purchase price to Equatorial, and in turn, Equatorial was directed to facilitate the return of the disputed lots' ownership to Carmelo & Bauermann. Furthermore, Carmelo & Bauermann was ordered to allow Mayfair Theater, Inc. (Mayfair) to purchase the lots for P11,300,000.00.

Despite several motions for reconsideration filed by Equatorial, the decision became final and executory on March 17, 1997. Subsequently, several legal maneuvers were executed, including Mayfair filing a motion for execution in the Regional Trial Court, which led to a writ of execution and various related court orders and actions, most notably the transfer of property titles to Mayfair upon payment of a debated amount considering a withhold tax deduction.

Equatorial filed a motion for reconsideration, arguing discrepancies between the Supreme Court's decision and the trial court's execution orders. However, this motion, along with subsequent appeals, including a petition for certiorari and prohibition filed with the Court of Appeals, were denied, causing further escalation to the Supreme Court.

Issues:

1. Whether the trial court's order of execution and subsequent actions adhered to or varied from the Supreme Court's final decision.
2. The propriety of the Court of Appeals' affirmation of trial court's orders and their compatibility with the Supreme Court's decree.
3. The implications of the withholding tax deduction from the transaction amount on the property transfer process.

Court's Decision:

The Supreme Court granted the petition partially, emphasizing the immutability of a final and executory judgment. It ruled that the trial court overstepped its bounds by altering essential portions of the Supreme Court decision, rendering those specific actions null and void. It was decided that Mayfair should not deduct withholding tax from the purchase price, as that responsibility falls on the seller, Carmelo & Bauermann. The case was

remanded to the trial court to carry out the execution strictly following the terms of the Supreme Court's original decision.

Doctrine:

The doctrine established in this case underscores the finality of a Supreme Court decision. When a judgment becomes final and executory, it is immutable and unalterable. Any amendment or alteration is null and void for lack of jurisdiction. Additionally, it reinforces that a writ of execution must conform precisely to the judgment it seeks to enforce.

Class Notes:

- ****Finality of Judgment****: Once a Supreme Court decision becomes final and executory, it is immutable and must be executed as decreed.
- ****Execution of Judgment****: A writ of execution cannot vary from or exceed the terms of the judgment it is enforcing.
- ****Responsibility for Withholding Tax****: In real estate transactions, the duty to withhold taxes is imposed on the seller, unless otherwise specified.

Historical Background:

This case reflects the intricate procedural postures that real estate transactions and their legal challenges can assume in the Philippine judicial system. Spanning multiple years, the legal battle between Equatorial, Mayfair, and Carmelo & Bauermann highlights issues of execution conformity to upper court rulings, the finality and immutability of Supreme Court decisions, and the complexities surrounding transactional taxes in property sales.