

### Title:

LZK Holdings and Development Corporation vs. Planters Development Bank

### Facts:

1. **Initial Loan and Mortgage**:

- On December 16, 1996, LZK Holdings secured a P40,000,000.00 loan from Planters Development Bank (Planters Bank), collateralized by a real estate mortgage over a 589-square meter lot in La Union, covered by Transfer Certificate of Title No. T-45337.

2. **Foreclosure and Auction**:

- Due to LZK Holdings' failure to repay the loan, Planters Bank extrajudicially foreclosed the mortgage, leading to a public auction on September 21, 1998, where Planters Bank emerged as the highest bidder. The certificate of sale was registered on March 16, 1999.

3. **Complaint and TRO**:

- LZK Holdings filed a complaint on April 5, 1999, in RTC-Makati to annul the foreclosure, mortgage, and promissory notes, seeking a temporary restraining order (TRO) to prevent Planters Bank from consolidating the title.

4. **RTC and CA Proceedings**:

- Planters Bank filed for a writ of possession ex parte on December 27, 1999, with the RTC-San Fernando.  
- RTC-Makati issued a TRO on March 13, 2000, and a writ of preliminary injunction on April 3, 2000 (finally issued on June 20, 2000), but Planters Bank succeeded in consolidating its ownership on April 24, 2000.

5. **Suspension of RTC-San Fernando Proceedings**:

- The RTC-San Fernando suspended consideration of Planters Bank's motion for a writ of possession in its Order dated May 11, 2000. Planters Bank's motion for reconsideration was denied on September 1, 2000.

6. **Nullification of Consolidated Title**:

- RTC-Makati declared Planters Bank's consolidated title null and void on June 2, 2000. This decision was upheld by the CA on February 26, 2004, and by the Supreme Court in G.R. No. 164563.

7. **Further Appeals**:

- Planters Bank appealed the RTC-San Fernando's suspension of its writ of possession

motion. The CA overturned the suspension. The Supreme Court in G.R. No. 167998 affirmed the CA's decision, entitling Planters Bank to the writ.

8. **Renewed Application**:

- Planters Bank renewed its request for the writ on April 2, 2008. Despite opposition, RTC-San Fernando granted the writ on April 8, 2008.

**Issues:**

1. **Entitlement to Writ of Possession**: Whether Planters Bank was entitled to a writ of possession after the nullification of its consolidated title.
2. **Due Process**: Whether the issuance of a writ of possession without a hearing violated LZX Holdings' due process rights.
3. **Amount of Surety Bond**: Whether the P2,000,000.00 bond posted conformed to the statutory requirements.

**Court's Decision:**

1. **Entitlement to Writ of Possession**:

- The Supreme Court emphasized that, under Act No. 3135 as amended, the writ of possession issues as a matter of ministerial duty upon filing the proper motion and bond. The court's duty is purely ministerial, and injunction or pending annulment actions do not preclude issuance.

- The principle of conclusiveness of judgment from G.R. No. 167998 bound the parties on Planters Bank's entitlement to the writ, barring LZX Holdings from relitigating this issue.

2. **Due Process**:

- The proceedings for writs of possession are ex parte and summary, conducted without notice to the adverse party. The Court found no due process violation because such proceedings are designed to be non-contentious and beneficiary-exclusive.

3. **Amount of Surety Bond**:

- The computation and sufficiency of the bond amount are factual issues within the trial court's competence. The Court accepted the RTC's determination that the P2,000,000.00 bond sufficiently met statutory requirements for possession.

**Doctrine:**

1. **Ministerial Duty to Issue Writ of Possession**:

- Courts have a ministerial duty to issue writs of possession per Section 7 of Act No. 3135,

unaffected by pending suits to annul mortgages or foreclosure sales.

2. **Conclusiveness of Judgment**:

- Final judgments on specific rights or facts bind parties in subsequent lawsuits involving identical parties and issues.

**Class Notes:**

1. **Key Elements**:

- **Section 7 of Act No. 3135**: Details duties of courts regarding writs of possession.
- **Res Judicata**: (1) Final judgment, (2) Competent jurisdiction, (3) Judgment on merits, (4) Identity of parties and causes of action.
- **Ex Parte Writs of Possession**: Non-litigious process; requires proper filing and bond posting, no requirement for notice or participation from the adverse party.

2. **Relevant Statutes**:

- **Act No. 3135**: Governs the regulation of property sale under special powers in real estate mortgages.
- **Res Judicata Doctrine**: Prevents re-litigation of issues already judicially determined.

**Historical Background:**

- The case situates itself within the Philippine legal framework concerning property foreclosure, the execution of writs of possession, and the importance of judicial finality and ministerial duties of courts. It emphasizes historical judicial approaches to foreclosure disputes and the non-litigative nature of writs of possession to ensure swift enforcement of property rights.