

****Title:****

Leones v. Corpuz and Fontanilla

****Facts:****

1. ****February 1994 - December 1996:**** Olivia D. Leones was appointed municipal treasurer of Bacnotan, La Union, before being temporarily detailed to the Provincial Treasurer's Office of La Union.
2. ****December 1996:**** During her stint in the Provincial Treasurer's Office, Leones was not paid her Representation and Transportation Allowances (RATA).
3. ****Initial Lawsuit and Dismissal:**** Leones sued for mandamus in San Fernando, La Union's RTC against the Municipality of Bacnotan officials. It was dismissed for non-exhaustion of administrative remedies. The Court of Appeals (CA) affirmed this dismissal, making it final in 2003.
4. ****Post-Dismissal Action:**** Leones wrote to the Department of Budget and Management (DBM) seeking an opinion on her RATA entitlement. DBM Secretary Emilia T. Boncodin responded, indicating entitlement only for FY1999.
5. ****Petition for Certiorari:**** Dissatisfied, Leones filed a certiorari petition before the CA. The CA, on May 24, 2005, ordered Boncodin and Mayor Minda Fontanilla to pay Leones' RATA from December 1996 onwards. The Supreme Court affirmed this in G.R. No. 169726, finalizing it on August 6, 2010.
6. ****Non-Payment Post-Decision:**** Despite a favorable decision, Leones' RATA remained unpaid.
7. ****New Action (Special Civil Action No. 007-11):**** Leones filed a mandamus case against Bacnotan's current mayor, Rufino Fontanilla, leading to an eventual compromise agreement on May 30, 2011.
8. ****Compromise Agreement Provisions:**** Bacnotan agreed to pay Leones PHP 1,055,109 for unpaid RATA from January 1997 to May 2011, under conditions including her retirement on May 31, 2012.
9. ****RTC Approval:**** The RTC issued a compromise judgment on June 23, 2011, affirming the agreement and setting out the payment to Leones and conditions for her retirement.
10. ****Completion of Payments:**** Bacnotan completed its payments to Leones by May 31, 2012.
11. ****June 2012 - Drop from Payroll:**** Leones was informed she was dropped from the payroll effective May 31, 2012. She contended this equated to illegal dismissal.
12. ****Further Correspondence:**** Leones sought clarifications from Bacnotan officials and received confirmations that the compromise agreement's stipulations on her retirement

were adhered to.

13. **Motion for Issuance of a Writ of Execution:** Mayor Rufino Fontanilla filed this motion on June 20, 2012, and the RTC granted it.

14. **Leones' Motion to Quash:** Leones moved to quash the writ of execution, claiming the compromise agreement violated public policy and modified the unconditional Supreme Court decision.

15. **September 12, 2012 RTC Order:** The RTC upheld the compromise judgment and ordered Leones to comply, considering her non-compliance as contemptuous and affirming her retirement.

Issues:

1. **Res Judicata:** Whether the Supreme Court's decision in G.R. No. 169726 constitutes res judicata in SCA No. 007-11.
2. **Validity of the Compromise Agreement:** Whether the compromise agreement and the subsequent compromise judgment were null and void.
3. **Jurisdictional Issues:** Whether estoppel operated to preclude jurisdictional issues in the compromised settlement.
4. **Constitutional Rights and Public Policy:** Whether the agreement to retire violated Leones' constitutional rights and whether public office as property was improperly compromised.

Court's Decision:

1. **Procedural Missteps:** The Supreme Court denied the petition, noting Leones skipped the appellate tribunal and proceeded directly to the Supreme Court without special and important reasons.
2. **Res Judicata Not Applicable:** The SC held that G.R. No. 169726 only determined Leones' entitlement to RATA, while SCA No. 007-11 dealt with RATA payment execution, thus no identity of subject matter existed between the cases to bar the latter as res judicata.
3. **Validity of Compromise Agreement:** The SC found the compromise agreement valid and binding, as it was executed freely with full knowledge by both parties, and it did not violate public policy.
4. **Estoppel and Jurisdiction:** The Court found no pressing estoppel issue since jurisdiction was properly assumed and exercised by the RTC.
5. **Constitutional Rights:** Public office not being property exempt from execution, the Court declared Leones' agreement to retire was valid and not a forced act leading to illegal dismissal.

****Doctrine:****

1. ****Compromise Agreements Post-Judgment:**** Judgments may be modified by compromise agreements that are voluntary, knowledgeable, and non-defective in terms of consent.
2. ****Execution of Compromise Agreements:**** Once judicially approved, compromise agreements are enforceable like final judgments.
3. ****Public Office and Property Rights:**** Public office is not property for Constitutional protections against deprivation without due process and is not covered by exemptions from execution.

****Class Notes:****

1. ****Elements of a Valid Compromise:**** Consent, certain subject matter, cause of obligation, absence of fraud/violence/intimidation/coercion.
2. ****Res Judicata Elements:**** Final judgment, competent jurisdiction, judgment on merits, identity of parties/subject matter/causes of action.
- Sec. 47, Rule 39, Rules of Court.
3. ****Public Office as Public Trust:**** Office is not a vested property right, protection against arbitrary removal contextualized within due process and security of tenure.
4. ****Hierarchy of Courts:**** Direct resort to Supreme Court requires special reasons, hierarchy typically directs petitions to appropriate lower courts first.

****Historical Background:****

This case is historically contextualized in the broader narrative of Filipino public administration and the quest for local government accountability and remuneration. Leones' persistent litigation reflects broader tenets of civil service rights and the administrative rigors confronted by civil servants in the Philippines due to red tape and local government management intricacies.