

Title: Villarín and P.R. Builders Developers & Managers, Inc. vs. Coronado P. Munasque

Facts:

The case originated from a Complaint for the collection of a sum of money filed on 10 July 2002 by Coronado P. Munasque against Pablito T. Villarín, P.R. Builders Developers & Managers, Inc., and Intra Strata Assurance Corp. Before filing an answer, the parties entered a compromise agreement, acknowledging a joint and solidary obligation to Munasque of P15 million with a specified interest. To secure this obligation, real estate mortgages in favor of Intra Strata were assigned to Munasque. Upon court approval, Intra Strata was released from its obligations, and the complaint against it was dismissed. The failure of Villarín and P.R. Builders to fulfill their payment obligations led Munasque to file a motion for execution, resulting in a writ of execution and subsequent levies on Villarín and P.R. Builders' properties. Despite objections and motions from Villarín and P.R. Builders, including claims of procedural lapses in the levy and sale process, the Regional Trial Court (RTC) eventually denied their motions, leading to the auction of the levied properties. After a series of rulings and appeals, including a notable reversal by Judge Pimentel declaring the sheriff's sale null and void, the case was brought to the Court of Appeals. The appellate court reversed Judge Pimentel's orders, reinstated the order of Judge Dumayas, and upheld the auction sale, leading Villarín and P.R. Builders to elevate the matter to the Supreme Court.

Issues:

1. Whether the failure of the deputy sheriff to demand immediate payment in cash before levying judgment obligors' real properties, and to give the judgment obligors the chance to choose which of their properties may be levied upon, constituted a fatal procedural defect resulting in the nullity of the levy and the subsequent execution sale.
2. Whether the Court of Appeals committed "grave abuse of discretion" in failing to consider the evidence presented by the petitioners on the fair market value of the levied properties.

Court's Decision:

The Supreme Court denied the petition and affirmed the decision of the Court of Appeals. The Court held that the admissions by Villarín and P.R. Builders' counsel, indicating that the petitioners had no funds to satisfy even one month's interest and had agreed to the levy of their real properties, justified the deputy sheriff's actions. Moreover, the Court determined that the evidence presented by the petitioners regarding the claimed overvaluation of the levied properties was insufficient. The Court found no reversible error or grave abuse of discretion in the proceedings and decisions of the lower courts.

Doctrine:

The Court reiterated the doctrine regarding the execution of judgments as per Rule 39 of the Rules of Court, emphasizing the proper procedures for enforcing money judgments through immediate payment on demand, satisfaction by levy, and the sale of levied properties. It underscored the regularity of official actions and the presumption of regular performance of official duties in the absence of contrary evidence.

Class Notes:

- The distinction between the immediate payment on demand and satisfaction by levy under Section 9, Rule 39 of the Rules of Court is crucial for the enforcement of money judgments.
- The petitioners' acknowledgment of their obligations and subsequent actions directly impacted the court's assessment of procedural adherence.
- Official documents, such as the minutes of auction sale and certificate of sale on execution, carry a presumption of regularity that the parties must overcome with sufficient evidence to challenge the conduct and outcomes of official acts.

Historical Background:

This case highlights the procedural intricacies in the enforcement of judgments in the Philippine legal system, especially in scenarios involving real property levies and auctions. It illustrates the balance courts must strike between adhering to procedural requirements and achieving the ends of justice through the execution of final judgments.