

**\*\*Title:\*\*** Cristina Sotto v. Hernani Mijares et al.

**\*\*Facts:\*\*** In the Civil Case No. 6796 filed at the Court of First Instance of Negros Occidental, Cristina Sotto (plaintiff-appellee) sought to foreclose a real estate mortgage against Hernani Mijares and others (defendant-appellants) over a failure to repay a P5,000.00 loan. On November 13, 1962, the plaintiff filed a “Motion for Deposit” requesting the defendants to deposit P5,106.00—representing the balance of the indebtedness—with the Clerk of Court. The defendants admitted the debt but sought the dismissal of the complaint and absolution from further liabilities upon deposit of the sum. Their opposition to the motion suggested the deposit be contingent upon the cancellation of the mortgage and return of certain Transfer Certificates of Title.

Despite the defendants’ conditional willingness to deposit, the court ordered on November 26, 1962, the deposit of the sum sans conditions, pending the case’s final resolution. A subsequent motion by the plaintiff for a partial judgment and a reconsideration by the defendants mentioning the mortgage security were both denied on March 20, 1963, reiterating the order for deposit.

The defendants appealed the order, arguing the order’s nature and their right to stipulate conditions on their deposit. Initially lodged with the Court of Appeals, the case was certified to the Supreme Court due to the legal issues involved.

**\*\*Issues:\*\***

1. Whether the order requiring the defendants to deposit P5,106.00 was appealable or should have been contested through a petition for certiorari.
2. Whether it was within the lower court’s jurisdiction or discretion to order the deposit without the defendants’ conditions.
3. The appropriateness of treating the appeal as a petition for certiorari due to procedural concerns.

**\*\*Court’s Decision:\*\***

1. The Supreme Court chose to overlook procedural technicalities, treating the appeal as a petition for certiorari. This move allowed for direct consideration of the merits of the lower court’s order.
2. On the substantive issue, the court found that compelling the defendants to make a deposit without their stipulated conditions constituted a grave abuse of discretion amounting to excess of jurisdiction. The right to make a deposit (akin to consignation) was

adjudged to belong exclusively to the debtor, who could not be compelled against their terms.

**\*\*Doctrine:\*\*** The Supreme Court underscored the doctrinal significance of consignation under Article 1260 of the Civil Code, affirming that a debtor cannot be compelled to deposit an admitted indebtedness in court against their terms and that the remedy of consignation is facultative at the debtor's discretion.

**\*\*Class Notes:\*\***

1. **\*\*Appealability vs. Certiorari:\*\*** Orders deemed interlocutory cannot be appealed; the proper recourse is a petition for certiorari against grave abuse of discretion or excess of jurisdiction.
2. **\*\*Consignation:\*\*** A voluntative remedy allowing a debtor to discharge an obligation by depositing the due amount with the court, subject to the creditor's acceptance or a judicial declaration of proper consignation.
3. **\*\*Debtor's Rights:\*\*** A debtor admits a debt yet reserves the right to stipulate conditions for its repayment or consignation, which cannot be overridden by court orders without constituting a grave abuse of discretion.

**\*\*Historical Background:\*\*** This case illustrates the Philippine legal system's approach to debt obligations, specifically consignation, and highlights the judiciary's role in balancing procedural adherence with substantive justice. The decision reflects the court's discretion in procedural matters and its commitment to protecting parties' rights within contractual and legal frameworks.