

MAR-BAY & COMPANY, INC., PETITIONER, VS. M. G. SUNTAY TRADING CO., INC. AND THE HONORABLE COURT OF APPEALS, RESPONDENTS.

G.R. No. L-52324. November 23, 1981

Ponente: GUERRERO, J.

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GUERRERO, J.:

Petitioner Mar-Bay & Company, Inc., thru its President, Agustin Tanco, and private respondent M. G. Suntay Trading Co., Inc., also thru its President, Manolita G. Suntay, have filed and submitted to the Court a Compromise Agreement executed by and between them in representation of their respective corporations on October 14, 1981 and duly acknowledged on October 27, 1981, which Compromise Agreement resolving their mutual claims and settling the incident brought before this Court by the instant petition for review, stipulates the following terms and conditions, to wit:

"1. That both parties agree to the withdrawal and release of the amount of P5,500,000.00 held and retained under the restraining orders of the Supreme Court issued to the Development Bank of the Philippines on September 12, 1980 (re P1.5 million loan proceeds) and September 19, 1980 (re P4 million loan proceeds);

2. That both parties agree that from said amount of P5,500,000.00, petitioner Mar-Bay & Co., Inc., thru its duly authorized President, Agustin Tanco, will collect and receive from the Development Bank of the Philippines the amount of Four million five hundred thousand pesos (P4,500,000.00); that private respondent M. G. Suntay Trading Co., Inc., thru its duly authorized President, Manolita G. Suntay, will collect and receive from the Development Bank of the Philippines the amount of One million pesos (P1,000,000.00);

3. That petitioner Mar-Bay & Co., Inc. will post a surety bond in the amount of Two million pesos (P2,000,000.00) to be secured from the Commonwealth Insurance Company, Makati, Rizal or State Bonding & Insurance Co., Inc., Escolta, Manila in favor of respondent M. G. Suntay Trading Co., Inc. to answer for the default, failure or non-performance of Mar-Bay & Co., Inc. to comply with its undertaking under stipulation No. 6 of this Compromise Agreement;

4. That both parties agree to the immediate dismissal and/or withdrawal of the above petition pending before this Honorable Court docketed as G.R. No. 52324;

5. That with respect to the case between the parties entitled 'M. G. Suntay Trading Co., Inc. vs. Mar-Bay & Co., Inc.' decided by Judge Lino Añover, Civil Case No. 0-24460, CFI of Quezon City, and now pending appeal on the merits in the Court of Appeals, both parties agree to accept and abide with whatever decision or judgment to be rendered by the Court of Appeals; and both parties agree to waive any further appeal to the Supreme Court on any matter, point or issue decided by the Court of Appeals;

6. That both parties agree that petitioner Mar-Bay & Co., Inc. will pay to private respondent M. G. Suntay Trading Co., Inc. thru their respective Presidents duly authorized the total amount in rentals for the 20-year period (1977 to 1997) less the P1 million per par. 7 and rentals already paid by Mar-Bay and collected by M. G. Suntay Trading Co., which total amount in lump sum shall be paid by Mar-Bay & Co. in two (2) equal

installments: the first installment of 50% shall be paid upon final judgment by the Court of Appeals, and the second installment of 50% shall be paid within six (6) months thereafter, without interest;

7. That both parties request the Honorable Supreme Court to approve this Compromise Agreement, to order the release of P5.5 million subject to its restraining orders and order the Development Bank of the Philippines to pay petitioner Mar-Bay & Co., thru its duly authorized President, Agustin Tanco, the sum of P4.5 million and to private respondent, M. G. Suntay Trading Co., thru its duly authorized President, Manolita G. Suntay, the sum of P1,000,000.00 in accordance with this Compromise Agreement, and to dismiss the instant petition for review."

Pursuant to said Compromise Agreement, the parties assisted by their respective counsel, filed a Joint Manifestation and Motion reiterating that the Compromise Agreement be approved; that judgment be rendered according to the terms and conditions of said Agreement including the guarantee of a personal bond in the amount of P500,000.00 executed by petitioner Agustin Tanco; that the restraining orders issued pursuant to the Court Resolutions dated September 12, 1980 and September 19, 1980 be lifted; that the Development Bank of the Philippines be ordered to pay petitioner Mar-Bay & Co., thru its President, Agustin Tanco, the sum of P4.5 million and to pay private respondent M. G. Suntay Trading Co., Inc., thru its President, Manolita G. Suntay, the sum of P1,000,000.00, both from the funds thus restrained; and to dismiss the petition.

We find the Compromise Agreement entered into by the parties and herein submitted to the Court to be proper and duly authorized, confirmed and ratified by the Board of Directors of both corporations as attested by the Corporate Secretaries. Accordingly, We approve the same since the terms and conditions are not contrary to law, morals, good custom, public order and public policy.

The parties are hereby enjoined to comply strictly, faithfully and honestly in all good faith the terms, conditions and stipulations therein contained.

WHEREFORE, IN VIEW OF THE FOREGOING, judgment is hereby rendered:

1. Approving the Compromise Agreement;
2. Lifting the restraining orders issued by the Court pursuant to Resolutions dated September 12, 1980 and September 19, 1980;
3. Directing the Development Bank of the Philippines to pay petitioner Mar-Bay & Co., Inc., thru its President, Agustin Tanco, the sum of P4.5 million and to respondent M. G. Suntay Trading Co., Inc., thru its President, Manolita G. Suntay, the sum of P1,000,000.00, both from the P5.5 million loan proceeds heretofore restrained; and
4. Dismissing the petition, the same having been rendered moot and academic.

No costs.

SO ORDERED.

Teehankee, Acting C.J., Makasiar, Fernandez, and Melencio-Herrera, JJ., concur.

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