

**PHILIPPINE DEPOSIT INSURANCE CORPORATION, COMPLAINANT,
VS. JUDGE WINLOVE M. DUMAYAS PRESIDING JUDGE OF THE
REGIONAL TRIAL COURT OF MAKATI CITY, BRANCH 59,
RESPONDENT.**

A.M. No. RTJ-21-015 [Formerly OCA IPI No. 13-4162-RTJ]. November 17, 2020

Ponente: ZALAMEDA, J.

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ZALAMEDA, J.:

Before the Court are two (2) administrative cases filed against respondent Judge Winlove M. Dumayas (Judge Dumayas), Presiding Judge of Branch 59, Regional Trial Court (RTC) of Makati City.

In A.M. No. RTJ-21-015, the Philippine Deposit Insurance Corporation (PDIC) filed a Complaint[1] against Judge Dumayas for gross ignorance of the law or procedure in connection with Spec. Proc. No. M-6069, entitled In re: Petition for Assistance in the Liquidation of Unitrust Development Bank.

Meanwhile, in OCA IPI No. 15-4381-RTJ, Francis R. Yuseco, Jr. (Yuseco) charged Judge Dumayas with gross ignorance of the law, gross incompetence and gross abuse of authority.[2]

Antecedent Facts

On 04 January 2002, the Monetary Board (MB) of the Bangko Sentral ng Pilipinas (BSP) passed Resolution No. 19[3] prohibiting Unitrust Development Bank (UDB) from doing business in the Philippines. In accordance with Section 30[4] of Republic Act (RA) No. 7653,[5] the assets and affairs of UDB were placed under receivership of PDIC.

Yuseco, Tooru Nagasawa (Nagasawa), Leopoldo Valcarcel, Pedro Montanez (collectively, oppositors), claiming to be stockholders of UDB, filed a class suit for injunction to challenge MB Resolution No. 19 on 31 July 2002. It was docketed as Civil Case No. 02-894 entitled, Francisco Yuseco, Jr. et al. v. Philippine Deposit Insurance Corporation, and in their personal capacities: Norberta Nazareno, Rosalinda Casiguran, Jesus Clariza, Tereza Garcia, Sandra Diaz, and the Monetary Board of the Bangko Sentral ng Pilipinas. It was later amended on 02 August 2011, to include Bank Resumption of Operations, and a Petition for Certiorari on MB Resolution No. 64, issued on 20 January 2005, with Damages.[6]

On 05 November 2002, then Presiding Judge Rebecca Mariano of Branch 136, RTC Makati City, issued a writ of preliminary injunction. However, the order was later annulled by the Court of Appeals (CA) in its 19 January 2004 Decision[7] in CA-G.R. No. 76801. The CA's ruling became final and executory.

Accordingly, the MB passed Resolution No. 64[8] on 20 January 2005, directing PDIC to proceed with the liquidation of UDB. The PDIC then filed before the RTC of Makati City a Petition for Assistance in the Liquidation of UDB,[9] which was raffled to Judge Dumayas. Later, Judge Dumayas issued an Order[10] dated 06 July 2005, giving due course to the petition, constituting his court as a liquidation court, and directing the

creditors of UDB to file their claims either with the Deputy Liquidator or directly with the PDIC.

In the course of the proceedings, the PDIC filed a Motion for Approval of the Project for Distribution (POD) of the Assets of UDB,[11] stating that all depositors and creditors of UDB, except itself and PLOT, shall be paid in cash because there were sufficient funds on hand. On 19 March 2007, Judge Dumayas issued an Order,[12] approving the POD.

Meanwhile, the oppositors filed a series of motions in an attempt to suspend or stop the liquidation of UDB. These motions were denied by Judge Dumayas in the Orders dated 14 January 2009,[13] 03 May 2011[14] and 16 May 2011.[15] Thereafter, Yuseco filed a Motion for Reconsideration[16] of the Orders dated 03 May 2011 and 16 May 2011, relying on the case of *Banco Filipino Savings and Mortgage Bank v. The Monetary Board*,[17] which was decided under the auspices of Section 29[18] of RA No. 265 or the old Central Bank Act. Yuseco argued that the MB acted with arbitrariness and bad faith in ordering the closure of UDB without first fully complying with the mandatory requirements of RA No. 265.

On 25 August 2011, Judge Dumayas issued an Order,[19] partially granting Yuseco's motion, setting aside the Order dated 03 May 2011, and directing the PDIC to cease and desist from further liquidating the UDB. The Order read in part:

The blatant disregard by the Monetary Board of the proper compliance with the said mandatory requirements, gives authority for this court to set aside the decision of the Monetary Board, it appearing that the latter's action is plainly arbitrary and made in bad faith. xxx The courts may interfere with the discretion of the Central Bank. Where the CB engaged to support the distressed bank in exchange for control of its management and additional mortgages in its favor, then courts may interfere with the CB's exercise of discretion in determining whether or not a distressed bank shall be supported or liquidated. Discretion has its limits and has never been held to include arbitrariness, discrimination or bad faith.

Finally, the healthy financial position of UDB was admitted by Atty. Gilroy V. Billones, petitioner's counsel. This admission is duly supported by the Bank's Statement of Affairs as of June 2002, wherein it is reflected that the bank's combined capital assets is more than sufficient to answer for all the bank's liabilities. xxx

WHEREFORE, premise[s] considered, the Oppositor's Motion for Reconsideration of the Order of the Court dated May 3, 2011 [,] denying the oppositor's motion to place UDB under receivership is hereby GRANTED. The Order of the Court dated May 3, 2011 is reconsidered and set aside. Accordingly, petitioner PDIC is hereby ordered to cease and desist from further liquidating UDB. Anent the two [2] Orders dated May 16, 2011, the motion to reconsider the same is DENIED.

SO ORDERED.[20]

Subsequently, the PDIC filed a Motion for Partial Reconsideration,[21] arguing that under Section 30 of RA No. 7653, the liquidation court's jurisdiction is limited to the adjudication of claims of depositors and creditors of UDB, and in assisting liquidation efforts. Judge Dumayas granted the motion.[22]

Upon Yuseco's Motion for Partial Reconsideration,[23] however, Judge Dumayas made another about turn and reinstated his Order dated 25 August 2011, which prohibited the PDIC from further liquidating UDB. In the Order[24] dated 19 June 2012, he explained the reversal in this wise:

Considering that this Court has clearly found during the hearing of this petition, the healthy financial position of UDB based on the admission by petitioner's counsel, Atty. Gilroy Billiones, whose admission is duly supported by the Bank Statement of Affairs as of June 2002, wherein it is reflected that the bank's combined capital assets is more than sufficient to answer for all the bank's liabilities this Court must take this into consideration. xxx Quite clearly, UDB had more assets as against liabilities and hence could not be, under any

circumstance[,] be considered in the state of insolvency. Verily, petitioner PDIC should cease and desist from further implementing its liquidation.

Once again, PDIC filed a Motion for Partial Reconsideration,[25] pointing out the incongruity of being required by Judge Dumayas to desist from further liquidating the assets of UDB, while at the same time being compelled, under penalty of contempt, to do an act of liquidation by paying all of UDB 's depositors and creditors.

This time, however, Judge Dumayas finally stood firm, as he denied PDIC's motion in his Order[26] dated 17 December 2012. He explained that there is no conflict in allowing payments to all the bank depositors and creditors in accordance with his Orders dated 19 June 2012 and 22 June 2012. He disposed as follows:

WHEREFORE, based on the foregoing, the court hereby issues this Resolution as follows:

1. The court upholds its June 19, 2012 order, directing petitioner to cease and desist from further liquidating the assets of UDB;
2. Petitioner is compelled under the penalty of contempt to strictly and promptly comply with its June 22, 2012 order to pay all UDB depositors and creditors xxx.

xxx

SO ORDERED.[27]

Judge Dumayas' new Order prompted PDIC to file before the CA a Petition for Certiorari, docketed as CA-GR SP No. 128241.

In the interim, Judge Dumayas issued an Omnibus Order dated 10 July 2014,[28] which reiterated his Order dated 17 December 2012. Subsequently, however, he reversed himself anew when he issued a Resolution dated 01 October 2014,[29] authorizing the payment of the Receivership and Liquidation Expenses (RLE) in the amount of Php35,488,029.04, plus additional expenses in the amount of Php2,254,748.09.

Meanwhile, the CA rendered a Decision dated 28 November 2014,[30] granting the Petition for Certiorari of PDIC, the dispositive portion of which reads as follows:

WHEREFORE, premises considered, the Petition for Certiorari is GRANTED. The assailed Orders dated June 19, 2012 and December 17, 2012, issued by the Regional Trial Court, Branch 59, Makati City, in Spl. Pro. M-6069 are hereby ANNULLED and SET ASIDE. All Orders subsequently issued in furtherance of, or to implement the assailed Orders, and those issued with like or similar import as the assailed Orders, are declared void and of no force and effect. The court, in Spl. Pro. M-6069, is directed to PROCEED with and ASSIST the Philippine Deposit and Insurance Corporation in the liquidation of Unitrust Development Bank in accordance with the approved Liquidation Plan without delay.

SO ORDERED.[31]

Pursuant to the CA decision, Judge Dumayas issued an Omnibus Order dated 26 January 2015,[32] denying Yuseco and Nagasawa's Joint Motion for Partial Reconsideration of the Order dated 01 October 2014, which authorized the payment of RLE and additional expenses by PDIC. The Omnibus Order likewise denied their Motion for Issuance of Subpoena Duces Tecum and Ad Testificandum.

The oppositors then filed a Recusation with Motion for Reconsideration, seeking the reversal of the Omnibus Order and the inhibition of Judge Dumayas. In a Resolution[33] dated 16 February 2015, Judge Dumayas voluntarily inhibited himself.

Meanwhile, the Motion for Reconsideration of the CA Decision filed by Yuseco and Nagasawa was denied in a

Resolution[34] dated 06 April 2015.

Yuseco and Nagasawa, thus, filed a petition for review before this Court, docketed as G.R. No. 217899. In a Resolution dated 29 July 2015, the Court denied the petition on procedural ground. Subsequently, the Court issued a Resolution dated 02 September 2015, denying Yuseco and Nagasawa's motion for reconsideration.[35]

Unperturbed, Yuseco and Nagasawa filed a motion to re-open the case and to refer the same to the Court En Banc. This was denied by the Second Division in its Resolution dated 02 November 2015, holding that aside from the procedural deficiencies in the petition, the petitioners failed to show any reversible error on the part of the CA to warrant the Court's exercise of its discretionary appellate jurisdiction.[36]

Based on the foregoing events, PDIC filed an administrative complaint against Judge Dumayas for gross ignorance of the law on 20 November 2013. On the other hand, Yuseco charged Judge Dumayas with gross ignorance of the law, gross incompetence, and grave abuse of authority in his Complaint received by the OCA on 24 March 2015.

Evaluation Reports of the Office of the Court Administrator

In its Report[37] dated 20 November 2017 in OCA IPI No. 13-4162-RTJ, the Office of the Court Administrator (OCA) found Judge Dumayas guilty of gross ignorance of the law or procedure, and recommended the re-docketing of the complaint as a regular administrative matter. As to penalty, the OCA recommended Judge Dumayas' dismissal from the service, with forfeiture of his retirement benefits, except accrued leave credits, and with prejudice to reinstatement in any branch of the government including government-owned and controlled corporations.[38]

The OCA'S recommendation was based on the following evaluation:

Although a judge may be lauded for his effort to rectify his ruling which he realized to be erroneous, respondent Judge Dumayas must also heed his duty to know the law and to avoid any impression of ignorance thereof or badge of impropriety to protect the image and integrity of the judiciary. The constant flip-flopping in his rulings puts to question his probity and decisiveness, while betraying his lack of understanding of existing jurisprudence and applicable provisions of law, particularly Section 30 of the New Central Bank Act that expressly grants to the Monetary Board of the BSP the exclusive, original jurisdiction to determine whether a closed bank should be placed under receivership or liquidation. This provision of law is so basic that it behooves him to know the same. To be sure, his Orders dated 25 August 2011, 19 June 2012 and 17 December 2012, which directs complainant PDIC to "cease and desist from further liquidating UDB," effectively divested the Monetary Board of its sole and exclusive authority. In fine, respondent Judge Dumayas grossly ignored and arbitrarily encroached on the jurisdiction of the Monetary Board.

xxx While there is no finding of bad faith or corruption on the part of respondent Judge Dumayas, the provision of law he violated is so plain and simple that all magistrates, by the exalted position that they occupy in the judiciary, are presumed to know. In this particular instance, his blatant disregard of a matter as basic and as important as jurisdiction cannot be countenanced.[39]

On the other hand, in its Report[40] dated 01 March 2018 in OCA IPI No. 15-4381-RTJ, the OCA absolved Judge Dumayas of the charges brought by Yuseco for gross ignorance of the law, gross incompetence, and gross abuse of authority. In recommending the dismissal of the complaint, the OCA ratiocinated:

"xxx respondent Judge Dumayas cannot be faulted when he issued the questioned Resolution dated 1 October 2014 and the Omnibus Order dated 26 January 2015 to conform to the rulings of the Court of Appeals and the High Court. The said orders are essential compliance with the directives of the appellate court to proceed with the liquidation of UDB with dispatch, which was also sustained by the High Court. If complainant Yuseco, Jr.

is aggrieved thereby, he should have filed an appropriate legal remedy before the proper forum to rectify any perceived error committed by respondent Judge Dumayas. Sadly, there is a dearth of evidence to show that complainant Yuseco, Jr. sought judicial recourse from the subsequent orders of respondent Judge Dumayas."[41]

Ruling of the Court

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Under Section 5(g) of Rule 135, every court shall have the inherent power to amend and control its processes and orders, so as to make them conformable to law and justice. This power includes the right to reverse itself, especially when, in its honest opinion, it has committed an error or mistake in judgment, and that to adhere to its decision will cause injustice to a party-litigant.[42]

Corollarily, it is settled that a judge's failure to interpret the law or to properly appreciate the evidence presented does not necessarily render him administratively liable. Only judicial errors tainted with fraud, dishonesty, gross ignorance, bad faith, or deliberate intent to do an injustice will be administratively sanctioned. To hold otherwise would be to render judicial office untenable, for no one called upon to try the facts or interpret the law in the process of administering justice can be infallible in his judgment.[43]

Be that as it may, judges have the concomitant duty to be well- informed, to be familiar with the statutes and procedural rules at all times. When the law is so elementary, not to know it or to act as if one does not know it, constitutes gross ignorance of the law.[44]

In Judge Marcos v. Hon. Cabrera-Faller,[45] the Court reiterated that "when the inefficiency springs from failure to consider so basic and elemental a rule, law or principle in the discharge of duties, the judge is either insufferably incompetent and undeserving of the position she holds or is too vicious that the oversight or omission was deliberately done in bad faith and in grave abuse of judicial authority." (Emphasis in the original.)

In this case, the Court agrees with the OCA's findings that Judge Dumayas' vacillation on a rather simple matter before him palpably shows his gross incompetence and gross ignorance of the law. To recall, Judge Dumayas originally gave due course to PDIC's Petition for Assistance in the Liquidation of UDB. His series of flip-flopping transpired after inexplicably considering Yuseco's motion for reconsideration anchored on their misplaced reliance on the Banco Filipino case, which was decided under the RA No. 265 or the old Central Bank Act. It was an egregious mistake on Judge Dumayas' part.

Judge Dumayas indubitably exhibited gross ignorance of the law and prevailing jurisprudence by favoring the oppositors' argument based on an already superseded law and jurisprudence. It was his obligation to know that RA No. 265 had already been expressly repealed by RA No. 7653 as far back as 1993. Consequently, the ruling in Banco Filipino, which was decided under the old law, no longer applies. In the 2007 case of Rural Bank of San Miguel, Inc. v. Monetary Board,[46] the Court clarified:

Banco Filipino and other cases petitioners cited were decided using Section 29 of the old law (RA 265):

xxxx

Thus in Banco Filipino, we ruled that an "examination [conducted] by the head of the appropriate supervising or examining department or his examiners or agents into the condition of the bank"[23] is necessary before the MB can order its closure.

However, RA 265, including Section 29 thereof, was expressly repealed by RA 7653 which took effect in 1993. Resolution No. 105 was issued on January 21, 2000. Hence, petitioners' reliance on *Banco Filipino* which was decided under RA 265 was misplaced."

In addition, Judge Dumayas clearly ought to have known at the outset that the MB's power and authority to close banks, and liquidate them thereafter, when public interest so requires is an exercise of the police power of the State. The actions of the MB shall be final and executory and may not be restrained or set aside by the court except through a petition for certiorari on the ground that the action taken was in excess of jurisdiction, or with such grave abuse of discretion as to amount to lack or excess of jurisdiction.[47]

Considering the PDIC instituted liquidation proceedings, Judge Dumayas' actions should have been limited to the declaration of creditors and their rights, and the determination of their order of payment.[48] It was not within his authority to determine whether or not UDB could still be rehabilitated.

Judge Dumayas' flip-flopping on the issues brought before him is truly inexcusable. Even granting that he made an honest mistake at first, his subsequent actions, taken together, can only be considered as gross ignorance of the law. To be sure, Judge Dumayas, being a magistrate, is called upon to exhibit more than just a cursory acquaintance with statutes and procedural rules; it is imperative that he be conversant with basic legal principles. For any matter - basic or simple, complicated or obscure - information can readily be obtained through some diligent research, a most basic tool to resolve the issues before him.

Under the doctrine of *res ipsa loquitur*, the Court may impose its disciplinary authority upon erring judges whose actuations, on their face, would show gross incompetence, ignorance of the law or misconduct.[49]

Section 8 (9), Rule 140 of the Rules of Court, as amended by A.M. No. 01-8-10-SC, classifies gross ignorance of the law or procedure as a serious charge. Meanwhile, Section 11(A) of the same Rule provides that a serious charge merits any of the following sanctions: (1) Dismissal from the service, forfeiture of all or part of the benefits as the Court may determine, and disqualification from reinstatement or appointment to any public office, including government-owned or controlled corporations; provided, however, that the forfeiture of benefits shall in no case include accrued leave credits; (2) Suspension from office without salary and other benefits for more than three (3), but not exceeding six (6), months; or (3) A fine of more than Php20,000.00, but not exceeding Php40,000.00.

In light of the Court's decision in A.M. No. RTJ-15-2435 dismissing Judge Dumayas from the service, the Court deems it appropriate in this case to impose on him a fine in the amount of Php40,000.00.

OCA IPI No. 15-4381-RTJ

Notably, while Yuseco based his complaint on the flip-flopping orders issued by Judge Dumayas, the impetus to file the case came only when Judge Dumayas issued Resolution dated 01 October 2014 and Omnibus Order dated 26 January 2015.

As the OCA found, Judge Dumayas cannot be faulted for issuing them, as they were issued to comply with the ruling of the CA in CA-GR SP No. 128241, as affirmed by this Court. However, this is only true with respect to the 26 January 2015 Omnibus Order. It cannot be said that the Resolution dated 01 October 2014 was issued in accordance with the CA Decision in CA-GR SP No. 128241 since the aforementioned CA Decision was only promulgated on 28 November 2014, or almost two months after Judge Dumayas issued his Resolution dated 01 October 2014.

On another point, this Court does not agree with the OCA that Yuseco failed to avail of all legal remedies before resorting to the filing of the administrative complaint. As oppositor, Yuseco filed a Joint Motion for Partial

Reconsideration of the Resolution dated 01 October 2014. That motion was the first among the pending incidents which Judge Dumayas threshed out in the Omnibus Order dated 26 January 2015. With respect to the Omnibus Order dated 26 January 2015, Yuseco also moved for its reconsideration, with the additional prayer for the inhibition of Judge Dumayas. Acting on the motions, Judge Dumayas issued Resolution dated 16 February 2015.

The same notwithstanding, OCA IPI No. 15-4381-RTJ must still be dismissed for lack of merit, as Judge Dumayas acted well within his authority, without any taint of ignorance of the law or procedure, in issuing both Resolution elated 01 October 2014 and Omnibus Order dated 26 January 2015.

In fine, competence is a mark of a good judge. When a judge exhibits an utter lack of proficiency with the rules or with settled jurisprudence, he erodes the public's confidence in the competence of our courts.[50] This Court should, therefore, refrain from being lenient, when doing so would give the public the impression that incompetence is tolerated in the Judiciary.[51]

WHEREFORE, in light of the foregoing, the Court finds former Judge Winlove M. Dumayas of Branch 59, Regional Trial Court, Makati City GUILTY of gross ignorance of the law or procedure, in A.M. No. RTJ-21-015, and is ORDERED to pay a FINE of Forty Thousand Pesos (Php40,000.00), in view of his previous dismissal from the service.

The Court further resolves to DISMISS OCA IPI No. 15-4381-RTJ for lack of merit.

SO ORDERED.

Peralta, C. J., Perlas-Bernabe, Leonen, Caguioa, Gesmundo, Hernando, Inting, M. Lopez, Delos Santos, Gaerlan, and Rosario, JJ., concur.

Carandang, and Lazaro-Javier, JJ., on official leave.

[1] Rollo (A.M. No. RTJ-21-015) pp. 1-43.

[2] Rollo (OCA IPI No. 15-4381-RTJ), pp. 1-29.

[3] Rollo (A.M. No. RTJ-21-015), p. 44.

[4] Section 30. Proceedings in Receivership and Liquidation. - Whenever, upon report of the head of the supervising or examining department, the Monetary Board finds that a bank or quasi-bank:

(a) is unable to pay its liabilities as they become due in the ordinary course of business: Provided, That this shall not include inability to pay caused by extraordinary demands induced by financial panic in the banking community;

(b) has insufficient realizable assets, as determined by the Bangko Sentral, to meet its liabilities; or

(c) cannot continue in business without involving probable losses to its depositors or creditors; or

(d) has willfully violated a cease and desist order under Section 37 that has become final, involving acts or transactions which amount to fraud or a dissipation of the assets of the institution; in which cases, the Monetary Board may summarily and without need for prior hearing forbid the institution from doing business in the Philippines and designate the Philippine Deposit Insurance Corporation as receiver of the banking institution.

For a quasi-bank, any person of recognized competence in banking or finance may be designed as receiver.

The receiver shall immediately gather and take charge of all the assets and liabilities of the institution, administer the same for the benefit of its creditors, and exercise the general powers of a receiver under the Revised Rules of Court but shall not, with the exception of administrative expenditures, pay or commit any act that will involve the

transfer or disposition of any asset of the institution: Provided, That the receiver may deposit or place the funds of the institution in nonspeculative investments. The receiver shall determine as soon as possible, but not later than ninety (90) days from take over, whether the institution may be rehabilitated or otherwise placed in such a condition so that it may be permitted to resume business with safety to its depositors and creditors and the general public: Provided, That any determination for the resumption of business of the institution shall be subject to prior approval of the Monetary Board.

If the receiver determines that the institution cannot be rehabilitated or permitted to resume business in accordance with the next preceding paragraph, the Monetary Board shall notify in writing the board of directors of its findings and direct the receiver to proceed with the liquidation of the institution. The receiver shall:

(1) file ex parte with the proper regional trial court, and without requirement of prior notice or any other action, a petition for assistance in the liquidation of the institution pursuant to a liquidation plan adopted by the Philippine Deposit Insurance Corporation for general application to all closed banks. In case of quasi-banks, the liquidation plan shall be adopted by the Monetary Board. Upon acquiring jurisdiction, the court shall, upon motion by the receiver after due notice, adjudicate disputed claims against the institution, assist the enforcement of individual liabilities of the stockholders, directors and officers, and decide on other issues as may be material to implement the liquidation plan adopted. The receiver shall pay the cost of the proceedings from the assets of the institution.

(2) convert the assets of the institutions to money, dispose of the same to creditors and other parties, for the purpose of paying the debts of such institution in accordance with the rules on concurrence and preference of credit under the Civil Code of the Philippines and he may, in the name of the institution, and with the assistance of counsel as he may retain, institute such actions as may be necessary to collect and recover accounts and assets of, or defend any action against, the institution. The assets of an institution under receivership or liquidation shall be deemed in custodia legis in the hands of the receiver and shall, from the moment the institution was placed under such receivership or liquidation, be exempt from any order of garnishment, levy, attachment, or execution.

The actions of the Monetary Board taken under this section or under Section 29 of this Act shall be final and executory, and may not be restrained or set aside by the court except on petition for certiorari on the ground that the action taken was in excess of jurisdiction or with such grave abuse of discretion as to amount to lack or excess of jurisdiction. The petition for certiorari may only be filed by the stockholders of record representing the majority of the capital stock within ten (10) days from receipt by the board of directors of the institution of the order directing receivership, liquidation or conservatorship.

The designation of a conservator under Section 29 of this Act or the appointment of a receiver under this section shall be vested exclusively with the Monetary Board. Furthermore, the designation of a conservator is not a precondition to the designation of a receiver.

[5] The New Central Bank Act.

[6] Rollo (A.M. No. RTJ-21-015), pp. 45-57. Civil Case No. 02-894, for: "Class Suit for Injunction, Bank Resumption of Operations, and a Petition for Certiorari on the Monetary Board Resolution No.64, with Damages."

[7] Id. at 63-82; penned by Justice (later SC Justice) Martin S. Villarama, Jr, with the concurrence of Justice Mario L. Guariña III and Justice Jose C. Reyes, Jr. (now a retired member of this Court).

[8] Id. at 84.

[9] Id. at 85-92.

[10] Id. at 93.

[11] Id. at 127-272.

[12] Id. at 283. It reads:

"Finding the Motion for Approval of the Project Distribution of the Assets of Unitrust Development Bank, Inc. to be impressed with merit, the motion is hereby GRANTED.

Accordingly, the following are hereby APPROVED:

1. The reimbursement of the receivership/liquidation fees and expenses incurred and/or advanced by the Philippine Deposit Insurance Corporation xxx;
2. The provision for future expenses in the amount of Php8,000,000.00 for the administration and conversion of the remaining non-cash assets of Unitrust Development Bank which amount shall be deducted from the available fund;
3. The partial Project Distribution of Assets of Unitrust Development Bank as set forth in paragraph 9 and Annex E of the instant Motion.

SO ORDERED."

[13] Id. at 284. It reads:

"On the motion to suspend the liquidation of Unitrust's Assets, as correctly pointed out by the petitioner in its comment, the Court has no jurisdiction to suspend the liquidation of the affairs of Unitrust.

Premises considered, the Oppositor's motion is hereby denied. On the other hand, Petitioner is hereby allowed to present evidence in support of the approved Project Distribution on January 30, 2009 at 8:30 o'clock in the morning. Notify the parties.

SO ORDERED."

[14] Id. at p. 285. It reads:

"xxx to restore UDB is impractical already because, when the Bangko Sentral placed UDB under liquidation, its franchise has been withdrawn by the Bangko Sentral ng Pilipinas. Furthermore, with the approval of the Partial Project of Distribution the court already approved the payments of claims of depositors against UDB and xxx started paying the depositors of UDB from the assets of the bank. xxx to allow the placing of UDB under receivership is too late.

WHEREFORE, premises considered, the motion to place UDB under receivership is DENIED."

[15] Id. at 285-286. It reads:

"The motion is not impressed with merit.

The issue raised by oppositors-movants pertains to the propriety of UDB's liquidation. Records show that the same has been resolved in the following instances:

xxx

It appears that in all the three instances afore-enumerated, the issue on the propriety of the liquidation of UDB was upheld. Therefore, when petitioner PDIC filed the instant petition for assistance in the liquidation of UDB, the determination of propriety of placing UDB under liquidation is not necessary.

Finally we must be reminded that this Court is a liquidation court whose task is to assist in the implementation of the liquidation of the UDB, as defined and mandated under Section 30 of R.A. 7653, the functions of the Court are:

- [1] adjudicate disputed claim s against the institution;
- [2] assist the enforcement of individual liabilities of stockholders, directors and officers, and
- [3] decide on other issues as may be material to implement the liquidation plan adopted.

The afore-enumerated tasks of a liquidation court limit this Court only to the actual implementation of the liquidation. Considering that petitioner is not assailing the propriety of the liquidation of UDB, the determination of whether there is fraud, misrepresentation and violation of pertinent laws attendant to the filing of this petition to justify dismissal of the petition, is immaterial. Movants-oppositors should have sought the setting aside of MB Resolution No. 64 via petition for certiorari, instead. To seek the dismissal of the instant petition on alleged fraud, misrepresentation and violation of pertinent laws from this Court is useless effort, because this Court in its function as liquidation court, has no jurisdiction to dismiss the petition.

WHEREFORE, premises considered, the motion to dismiss is hereby DENIED. Oppositors' Supplemental to the Opposition with Motion to Dismiss is hereby expunged from the records of this case.

SO ORDERED."

[16] Id. at 288-297.

[17] G.R. No. 70054, 11 December 1991.

[18] SECTION 29. Proceedings upon insolvency. - Whenever, upon examination by the head of the appropriate supervising or examining department or his examiners or agents into the condition of any bank or non-bank financial intermediary performing quasi-banking functions, it shall be disclosed that the condition of the same is one of insolvency, or that its continuance in business would involve probable loss to its depositors or creditors, it shall be the duty of the department head concerned forthwith, in writing, to inform the Monetary Board of the facts. The Board may, upon finding the statements of the department head to be true, forbid the institution to do business in the Philippines and designate an official of the Central Bank or a person of recognized competence in banking or finance, as receiver to immediately take charge of its assets and liabilities, as expeditiously as possible collect and gather all the assets and administer the same for the benefits of its creditors, and represent the bank personally or through counsel as he may retain in all actions or proceedings for or against the institution, exercising all the powers necessary for these purposes including, but not limited to, bringing and foreclosing mortgages in the name of the bank or non-bank financial intermediary performing quasi-banking functions.

xxxx

[19] Rollo (A.M. No. RTJ-21-015), pp. 298-302.

[20] Id. at 301-302.

[21] Id. at 303-315.

[22] Id. at 316.

[23] Id. at 317-325.

[24] Id. at 326-327.

[25] Id. at 328-339.

[26] Rollo (OCA IPI No. 15-4381-RTJ), pp. 84-86.

[27] Id. at 86.

[28] Id. at 94-98.

[29] Id. at 109-113.

[30] Id. at 146-166; penned by Associate Justice Victoria Isabel A. Paredes, with the concurrence of Justices Isaias P. Dicdican and Amy C. Lazaro-Javier (now a Member of this Court).

[31] Id. at 165.

[32] Id. at 116-125.

[33] Id. at 174-176.

[34] Id. at 167-173.

[35] Id. at 181.

[36] Id.

[37] Rollo (A.M. No. RTJ-21-015), pp. 369-381.

[38] Id. at 381.

[39] Id. at 378-379.

[40] Rollo (OCA IPI No. 15-4381-RTJ), pp. 177-184.

[41] Id. at 183.

[42] Tegimenta Chemical Philippines v. Oco, 705 Phil. 57 (2013); G.R. No. 175369, 27 February 2013 [Per CJ Sereno].

[43] See Salvador v. Judge Limsiaco, Jr., 519 Phil. 683 (2006); A.M. No. MTJ-06-1626, 17 March 2006 [Per J. Callejo, Sr.].

[44] Marcos v. Judge Pamintuan, 654 Phil. 626 (2011); A. M. No. RTJ-07-2062, 18 January 2011 [Per Curiam].

[45] 804 Phil. 45 (2017); A.M. No. RTJ-16-2472, 24 January 2017 [Per Curiam].

[46] 545 Phil. 62 (2007); G.R. No. 150886, 16 February 2007 [Per J. Corona].

[47] See Apex Bancrights Holdings, Inc. v. Bangko Sentral ng Pilipinas, 819 Phil. 127 (2017); G.R. No. 214866, 02 October 2017 [Per J. Perlas-Bernabe].

[48] See In re: Petition for Assistance in the Liquidation of the Rural Bank of Bokod (Benguet), Inc., 540 Phil. 142 (2006); G.R. No. 158261, 18 December 2006 [Per J. Chico-Nazario]. See also Barrameda Ballesteros v. Rural Bunk of Canaman, Inc., 650 Phil. 476 (2010); G.R. No. 176260, 24 November 2010 [Per J. Mendoza].

[49] Delos Santos v. Judge Mangino, 435 Phil. 467 (2003); A.M. No. MTJ-03-1496, 10 July 2003 [Per CJ Davide, Jr.]. See also Office of the Court Administrator v. Judge Pardo, 576 Phil. 52 (2008); A.M. No. RTJ-08-2109, 30 April 2008 [Per J. Carpio-Morales].

[50] Marcos v. Judge Pamintuan, *supra* at note 44.

[51] Id.

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