

JOCELYN C. APOHAN, PETITIONER, VS. SILVER PENNY CARE LENDING CORP., REPRESENTED BY ITS PRESIDENT HAN CHUAN O. LIM, JR., AND/OR HAN CHUAN O. LIM, RESPONDENTS.

Ponente: INTING, J.

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INTING, J.:

Before Us is a Petition for Review[1] assailing: (1) the March 4, 2010[2] Decision of the Regional Trial Court of Lanao del Norte, Branch 21, Kapatagan, Lanao del Norte in Civil Case No. 21(529)-340 for Enforcement of Amicable Settlement Award in Brgy. Case No. 96, the dispositive portion of which reads:

WHEREFORE, considered, in the light of the foregoing consideration the Court renders judgment to set aside the amended decision of MTC, Kapatagan, Lanao del Norte, and a new one entered for the enforcement of the amicable settlement between parties, in Barangay Case No. 96, as per Exhb. “B” hereof, in accordance with Sec. 2, Rule VII of the Katarungan Pambarangay Rules, and directs defendant-appellee to pay as follows:

a).

P149,164.00 as remaining balance of P154,64.10 less payment of P2,000.00 on September 8, 2007 and P3,000.00 on October 31, 2007;

b).

P47,732.48, as interest computed at 1% per month, which is P1,491.64 commencing May 31, 2007 up to January 2010 or a period of 32 months (12% interest per annum); and

c).

P10,000.00 as attorney’s fee.

With no costs to the proceedings.

SO ORDERED.

and, (2) its May 6, 2010 Order[3] denying petitioner’s motion for consideration. It reads:

WHEREFORE, the motion for reconsideration of defendant-appellee is ordered denied.

SO ORDERED.

On May 24, 2010, petitioner filed a second motion for reconsideration[4] of the May 6, 2010 Order denying petitioner’s motion for reconsideration which was also denied in the July 22, 2010 Order, which states:

WHEREFORE, the second motion for reconsideration of defendant-appellee is ordered denied for lack of legal basis and consideration. Thus, the decision dated 4 March 2010 has the imprint of finality.

SO ORDERED.

Aggrieved, petitioner filed this instant petition for review and forthwith raised the following legal issues:

I

WHETHER OR NOT, THE AMICABLE SETTLEMENT IN BARANGAY CASE NO. 96 IS VALID.

II

WHETHER OR NOT A SECOND MOTION FOR RECONSIDERATION IS ALLOWED WITHIN THE LEVEL OF THE REGIONAL TRIAL COURT.

In a Minute Resolution[5] issued by this court on July 30, 2012, the instant petition was declared submitted for decision.

On August 20, 2013, this Court issued a Resolution[6] referring the instant controversy to the Philippine Center for Mediation (PMC) pursuant to A.M. No. 04-3-15 SC PHILJA dated March 23, 2004 (Resolution No. 04-04), the Revised Guidelines for the Implementation of Mediation in the Court of Appeals.

On October 18, 2013, a Report[7] was submitted by the PMC stating that the case was successfully mediated and praying that judgment be rendered pursuant to the terms of the parties' Compromise Agreement.[8] The Compromise Agreement reads:

COMPROMISE AGREEMENT

UNDERSIGNED PARTIES:

JOCELYN C. APOHAN
Petitioner

Resident of Kapatagan,
Lanao del Norte

and

SILVER PENNY CARE LENDING CORP., REPRESENTED BY ITS PRESIDENT HAN CHUAN O. LIM, JR., AND/OR HAN CHUAN O.LIM Respondents

Resident of Kapatagan,
Lanao del Norte

After a lengthy discussion of the proposals and counter proposals, the parties were able to effect an amicable settlement:

- That the parties agreed that the Petitioner will pay the Respondent the amount of One Hundred Fifty Nine Thousand (P159,000.00) Pesos;.
- The said amount will be paid within one year starting October 18, 2013 to October 18, 2014 at One Thousand

Pesos (P1,000.00) per month (sic);

- That whatever balance remaining an additional amount of 12% per annum shall be charged as interest after October 18, 2014;
- That in the event, the Petitioner shall fail to pay three (3) successive monthly installments, then the entire unpaid balance shall become due and payable and will be enforceable by writ of execution;
- That the parties do hereby mutually waive, abandon and relinquish any other claim or demand of whatever nature arising from the transaction subject of this case.

IN WITNESS WHEREOF, the Parties hereto have mutually and voluntarily agree to the above stipulations, and sign this Agreement, at Philippine Mediation Center, Court of Appeals, on this 18[th] DAY OF OCTOBER 2013 for the consideration and approval of the Honorable Court.

SILVER PENNY CARE LENDING
CORP., REPRESENTED BY ITS
PRESIDENT HAN CHUAN O.
LIM, JR., AND/OR

(Signature)
JOCELYN C. APOHAN
Petitioner

(Signature)
HAN CHUAN O. LIM
Respondents

Assisted by:

(Signature)
ATTY. MATEO G. DELEGENCIA
Appellate Court Mediator

In a Resolution[9] dated October 29, 2013, this Court ordered the return of the case to the Philippine Mediation Center [PMC] for appropriate action considering that there is an inconsistency with respect to the amount to be paid and the period for payment appearing in paragraphs 1 and 2 of the above Compromise Agreement dated October 18, 2013 submitted to this Court.

On November 14, 2013 Atty. John Dale A. Cantalejo filed a Formal Withdrawal as Counsel[10] for the petitioner in view of his appointment as Public Attorney I of the Public Attorney's Office.

On November 27, 2013, Appellate Court Mediator Atty. Mateo G. Delegencia filed a Mediator's Report[11] with attached Compromise Agreement containing amendments. The Compromise Agreement[12] states:

COMPROMISE AGREEMENT

UNDERSIGNED PARTIES:

JOCELYN C. APOHAN
Petitioner

Resident of Kapatagan,
Lanao del Norte

and

SILVER PENNY CARE LENDING CORP., REPRESENTED BY ITS PRESIDENT HAN CHUAN O. LIM,
JR., AND/OR HAN CHUAN O. LIM
Respondents

Resident of Kapatagan,
Lanao del Norte

After a lengthy discussion of the proposals and counter proposals, the parties were able to effect an amicable settlement:

- That the parties agreed that the Petitioner will pay the Respondent the amount of One Hundred Fifty Nine Thousand (P159,000.00) Pesos;.
- The said amount shall be paid starting October 18, 2013 to October 18, 2014 at the minimum amount of (P1,000.00) per month, but it should be fully paid within one year;
- That in the event, the Petitioner shall fail to pay three (3) successive monthly installments, then the entire unpaid balance shall become due and payable and will be enforceable by writ of execution;
- That the parties do hereby mutually waive, abandon and relinquish any other claim or demand of whatever nature arising from the transaction subject of this case.

IN WITNESS WHEREOF, the Parties hereto have mutually and voluntarily agreed to the above stipulations, and sign this Agreement, at Philippine Mediation Center, Court of Appeals, on this 25[th] day of November 2013 for the consideration and approval of the Honorable Court.

SILVER PENNY CARE LENDING
CORP., REPRESENTED BY ITS
PRESIDENT HAN CHUAN O.
LIM, JR., AND/OR

(Signature)
JOCELYN C. APOHAN
Petitioner

(Signature)

HAN CHUAN O. LIM

Respondents

Assisted by:

(Signature)

ATTY. MATEO G. DELEGENCIA

Appellate Court Mediator

Article 1306 of the Civil Code provides that “contracting parties may establish such stipulations, clauses, terms, and conditions, as they may deem convenient, provided that they are not contrary to law, morals, good customs, public order, or public policy.” A compromise agreement is a contract whereby the parties make reciprocal concessions, avoid litigation, or put an end to one already commenced.[13] It is an accepted, even desirable and encouraged, practice in courts of law and administrative tribunals.[14]

The parties are instructed that a compromise agreement intended to resolve a matter already under litigation, like in this case, is a judicial compromise. Having judicial mandate and entered as its determination of the controversy, such judicial compromise has the force and effect of a judgment. It transcends its identity as a mere contract between the parties, as it becomes a judgment that is subject to execution in accordance with the Rules of Court. Thus, a compromise agreement that has been made and duly approved by the court attains the effect and authority of res judicata, although no execution may be issued unless the agreement receives the approval of the court where the litigation is pending and compliance with the terms of the agreement is decreed.[15]

Generally favored in law, such agreement is a bilateral act or transaction that is binding on the contracting parties and is expressly acknowledged by the Civil Code as a juridical agreement between them. Provided it is not contrary to law, morals, good customs, public order or public policy, it is immediately executory.[16] To be valid, a compromise agreement is likewise required by law to be based on real claims and to be actually agreed upon in good faith.[17] In this case, both conditions are present. The claims of the parties are valid, and the agreement done without any fraud or vice of consent.

WHEREFORE, finding that the Compromise Agreement dated November 25, 2013 is not contrary to law, morals, good customs, public order and public policy, this Court APPROVES it, and GRANTS the prayer that a judgment based on the Compromise Agreement dated November 25, 2013 be rendered.

Judgment based upon the Compromise Agreement dated November 25, 2013 is RENDERED, and the afore-quoted terms and conditions are deemed an integral part of the dispositive portion of this Decision. Parties are ORDERED to faithfully comply with the terms and conditions of the compromise agreement.

Accordingly, the Division Clerk of Court is hereby directed to issue an entry of judgment pursuant to Rule VII, Sec. 1, par. (b) of the 2009 Internal Rules of the Court of Appeals.

Meanwhile, the Formal Withdrawal as Counsel for the petitioner filed by Atty. John Dale A. Cantalejo is hereby NOTED and he is hereby relieved of any responsibility and duty as counsel for the petitioner.

SO ORDERED.

Camello (Chairperson) and Lopez, JJ., concur.

[1] Rollo, pp. 47-61.

[2] See Annex “A”; Rollo, pp. 62-70.

[3] See Annex “B”; Rollo, pp. 71-72.

[4] See Annex “X”, Rollo, pp. 126-129.

[5] Rollo, p. 238.

[6] Rollo, pp. 240-241.

[7] Rollo, p. 243.

[8] Rollo, p. 244.

[9] Rollo, pp. 247-248.

[10] Rollo, pp. 251-253.

[11] Rollo, p. 249.

[12] Rollo, p. 250.

[13] Article 2028, Civil Code of the Philippines; Harold v. Aliba, G.R. No. 130864, October 2, 2007, 534 SCRA 478, 486.

[14] DMG Industries, Inc. v. Philippine American Investments Corporation, G.R. No. 174114, July 6, 2007, 526 SCRA 682, 687.

[15] Viesca v. Gilinsky, G.R. No. 171698, July 4, 2007, 526 SCRA 533, 557-558.

[16] MIAA v. ALA Industries Corp., G.R. No. 147349, February 13, 2004 citing Amarante v. CA, 232 SCRA 104, 108, May 3, 1994, v. CA, 321 Phil. 224, 231, December 4, 1995, Article 1306 of the Civil Code and Rosaura v. Judge Villanueva Jr., 389 Phil. 699, 706, June 26, 2000 MIAA v. ALA Industries Corp., supra, citing Landoil Resources Corp. v. Tensuan, 168 SCRA 569, 579, December 20, 1988.

[17] National Commercial Bank of Saudi Arabia v. Court of Appeals, et al., G.R. No. 124267, January 17, 2005.

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