

**THE CONSOLIDATED BANK AND TRUST CORPORATION
(SOLIDBANK), COMPLAINANT, VS. HON. DIONISIO M. CAPISTRANO,
PRESIDING JUDGE OF THE REGIONAL TRIAL COURT, NATIONAL
CAPITAL JUDICIAL REG...**

A.M. No. R-66-RTJ. March 18, 1988

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/c0c311a3b1c4/>

PER CURIAM:

The verified administrative complaint here charges Regional Trial Judge Hon. Dionisio N. Capistrano with gross ignorance of the law, resulting in inefficiency, partiality, malice and/or serious misconduct, and knowingly rendering both an unjust interlocutory order and an unjust judgment. Assailed are the respondent's several actuations in an action culminating in his rendering judgment awarding damages which this Court, on review, found to be "completely unfair and unwarranted." [1]

Oppressive judgments and abuses of the judicial process erode public faith in the judiciary as one of the pillars of popular government. They call for prompt corrective discipline. Thus in a line of fairly recent decisions, [2] the Court applied the doctrine of *res ipsa loquitur* to assert its authority to impose such discipline, even without a formal investigation, upon erring judges whose actuations on their face show gross incompetence, gross ignorance of the law or gross misconduct.

The present case offers no occasion to depart from that wise and practical course, the basic facts being of indubitable record. What need only be resolved is whether or not those facts warrant the taking of disciplinary action and, if they do, the just and proper measure thereof.

The uncontested record discloses that in November 1981, in Civil Case No. 9069-P of the Regional Trial Court of Pasay City, Nation's Knitting Enterprises, Inc. (hereafter, Knitting), its Treasurer Kiok Lay and Manuel Kiok sought an injunction to stop Consolidated Bank and Trust Corporation (hereafter, Solidbank) from further proceeding with an extrajudicial foreclosure of a mortgage held by said Bank on properties of Knitting. Upon application of Knitting, Judge Manuel V. Romillo, Jr., to whose branch the action had been assigned, issued a temporary restraining order enjoining Solidbank from further publishing the notice of sale and proceeding with said sale until after trial on the merits. [3]

Solidbank filed answer in due course, setting up a counterclaim for various damages and, alternatively, for payment of what were alleged to be the various obligations of Knitting in its favor for which the foreclosed mortgage stood as security. Said answer also prayed for attachment to issue against properties of Knitting on the ground that the latter had been guilty of fraud in contracting those obligations and that there was no other sufficient security for their payment. [4]

Acting on the alternative counterclaim, Judge Romillo issued an order of attachment and, thereafter, the corresponding writ by virtue of which, after the requisite bond had been filed, the sheriff levied attachment on the properties of Knitting. Subsequently, however, upon motion of Knitting Judge Romillo issued an order to preserve the status quo, decreeing that the sheriff desist from enforcing the writ until further orders. Upon learning of that

order, Solidbank's counsel, Atty. Crisostomo M. de los Reyes, apparently interpreting it to be without prejudice to the continued detention of Knitting's properties already under levy at the time of its issuance, gave written instructions to the guards deputized to keep watch over said properties to continue guarding them and to allow no release thereof to any party.[5]

Claiming that they suffered various damages by reason of the guards' enforcement of the aforesaid instructions of Solidbank's counsel, Knitting, Amado Apostol, its Assistant General Manager, Chen Kang Tarce, its Plant Manager and Victoriano Ganai, one of its drivers, sued Solidbank, Atty. de los Reyes and the guards for such alleged damages in a complaint filed on March 1, 1982 with the Regional Trial Court of Pasay City, which was docketed as Civil Case No. 9837-P and raffled off to that Court's Branch CXVI presided by the respondent Judge. Instead of an answer, the defendants filed a motion to dismiss and, later, a supplemental motion to dismiss, the main burden of which was that since the causes sued upon stemmed from acts allegedly done in consequence of attachment proceedings, the same should be properly litigated in the pending Civil Case No. 9069-P (before Judge Romillo) where the attachment had issued.

In an order dated April 20, 1983, the respondent Judge deferred resolution of both motions until after trial on the merits. The defendants filed a motion for reconsideration of said order on May 16, 1983, and two days later a motion for an extension of 15 days counted from receipt of the resolution on the motion for reconsideration within which to file answer. On June 23, 1983, said respondent issued a resolution to the effect that the motion for reconsideration was considered as not filed and that the motion for extension of time to file answer was not entitled to any consideration at all. He justified said disposition on his interpretation of sec. 4 of Rule 14, Rules of Court, as proscribing a motion for reconsideration of an order denying or deferring resolution of a motion to dismiss and as mandatorily requiring the filing of an answer within the period prescribed in Rule 11 computed from notice of the order of denial or deferment. On the same date he issued an order denying a motion to consolidate the case with Civil Case No. 9609-P where, as already stated, the attachment had issued. The defendants received notice of that resolution of June 23, 1983 on June 30, 1983. Six days later, well within the period of extension they had earlier sought, they filed their answer with counterclaim.[6]

In the meantime, on June 27, 1983, on motion of the plaintiffs (Knitting et al.), Judge Capistrano had declared the defendants in default and had directed the plaintiffs to present their evidence ex parte, which the latter did in the two days that followed. Thereafter, on August 18, 1983, the Judge rendered judgment by default,[7] the dispositive portion of which reads:

WHEREFORE, judgment is hereby rendered ordering either of the defendants Consolidated Bank and Trust Corporation (Solidbank) or Amante Peralta or Nestor Ulet or Nestor Saga to pay:

- To plaintiff Nation's Knitting Enterprises, Inc.:
- P726,000.00 as actual damages for one (1) year due to loss of business with Chup Son Trading Co. of Hongkong;
- P214,500.00 as actual damages for one (1) year due to loss of business with Rock-A-Bye. Ltd., of England;
- P3,798,872.00 as actual damages for the stocks-in-trade or finished products or merchandise which were not allowed to be shipped to David Trading Co., and K.P. Glory Corporation, both of Hongkong, which products eventually rotted and/or passed out of fashion;
- P3,000,000.00 as actual damages for one (1) year for damage to and loss of credit reputation and goodwill, and forced cessation of operations;
- To plaintiff Amado Apostol, the sums of P250,000.00 and P100,000.00 as and for actual or compensatory,

and moral damages, respectively;

- To plaintiff Chen Kang Tarce, the sum of P200,000.00 as and for actual or compensatory damages;
- To plaintiff Victoriano Ganal, the sum of P50,000.00 as and for actual or compensatory damages;
- To all the plaintiffs, in the proportion fixed by the preceding awards above, the total sum of P1,000,000.00 as and for exemplary or corrective damages, and the further sum of P50,000.00 as and for attorney's fees; and
- The costs of the above-entitled suit."

The defendants appealed to the Intermediate Appellate Court.[8] The bank filed with this Court the present administrative complaint.

In a decision promulgated on October 11, 1985, the Intermediate Appellate Court affirmed the appealed decision of the respondent Judge, modifying, however, the award of damages made therein by deleting the actual damages granted to Amado Apostol, Chen Kang Tarce and Victoriano Ganal, reducing the moral damages awarded said plaintiffs to P50,000.00, P75,000.00 and P25,000.00, respectively, and reducing also the exemplary damages granted all four plaintiffs to P250,000.00.[9]

Not satisfied with that result, the defendants sought further recourse in this Court[10] which, after review, set aside the Decision of the Intermediate Appellate Court and rendered a new one dismissing the action of the plaintiffs.[11] In arriving at that result, the Court upheld the defendants' thesis that *Rejuso vs. Estipona*[12] applied to require that a claim for damages arising from an attachment be litigated in the same action where such attachment issued; hence, that a separate action upon such claim should either be dismissed or consolidated with that in which the attachment was issued. The Court further held that the action for damages would not lie because the attachment was proper, it having been so held or made apparent in the decisions it had rendered in *G.R. Nos. 68440 and 72053*,[13] which also operated to bar such action by *res judicata*; that the trial court (respondent Judge) should have decided the case taking into consideration *Solidbank's* answer, which was already before it; and, finally, that the various awards of damages made by the Intermediate Appellate Court (and by extension, those made by the respondent Judge) were, as already adverted to, "completely unfair and unwarranted."

The record thus plainly shows that in acting in Civil Case No. 9837-P, the respondent Judge:

- took cognizance of a cause that properly should have been brought up in an action then already pending before another court, since it had to do with the incidents of an attachment issued in connection with a compulsory counterclaim set up in said action;
- deferred resolution of motions to dismiss plainly showing the infirmity of a separate action upon such cause, instead of granting the same or, at least, allowing consolidation of the action with Civil Case No. 6069-P, a motion for which he also denied;
- having put off resolving said motions, incontinently and without valid reason -- given the foregoing legal premises -- refused to hear and consider a motion for reconsideration and to accord any standing to a motion to extend the period for filing an answer;
- declared the defendants in default on the ground that no answer had been filed in due time, despite the fact that a motion had been filed which sought an extension to file answer within a period that had not yet lapsed when he issued the order of default;
- received the evidence of the plaintiffs *ex parte*, notwithstanding the fact that the defendants' answer was even then already before him, having been filed within the period of extension sought by the former, in disregard of this Court's repeated admonition that every litigated case be tried on the merits as much as possible;[14]

- rendered judgment by default which was premised on the manifest and serious error of assuming that the order issued in Civil Case No. 9069-P directing the attaching sheriff to refrain from further enforcing the writ of preliminary attachment earlier issued in said case either operated to lift said attachment, as said respondent opined in paragraph 30.1 of his comment, titled "Second Indorsement," of November 2, 1983 on the administrative complaint,[15] or was intended to permit plaintiff Knitting to carry on its regular business operations, as he stated in his decision[16] neither assumption being justified by the terms of said order or by any other evidence;

- awarded actual damages in grossly excessive amounts to the principal plaintiff, Knitting -- amounts which this Court held to be "completely unfair and unwarranted," totalling, as they did, P7,699,372.00, in addition to a proportionate share in exemplary damages of P1,000,000.00 and attorney's fees of P50,000.00; and these, on evidence which the defendants were given no opportunity to impugn or controvert;

- awarded, also, damages in inordinate amounts (P350,000.00, P200,000.00 and P50,000.00, in addition to a proportionate share in the awards of P1,000,000.00 for exemplary damages and P50,000.00 for attorney's fees) to the three other plaintiffs, an assistant manager, a plant manager and the last a mere driver, of Knitting, none of whom by any realistic and fair-minded assessment, could conceivably have suffered any prejudice, let alone anything approaching in value the damages granted them, for the alleged unlawful interference with the business and property of their employer in which they had no proprietary interest whatsoever;

In defense of these actuations, the respondent submitted it to be his considered opinion that the cause of action for damages suffered by reason of the attachment arose from acts done after the lifting of said attachment (an unfounded, self-serving, if not utterly naive, assumption, as already pointed out), hence could properly be litigated in a separate action; that the filing of the motion to declare the defendants in default had left him no discretion but to grant the same if he was to be consistent with the views expressed in his adverse resolution on the motions for reconsideration and for extension of time to file answer; that he did not admit the defendants answer because said parties had already been declared in default prior to its filing, and no motion to the lift the default and/or admit answer had been filed, despite his personally advising the defendants' counsel of the necessity therefor; and that only after vainly waiting for said motion/s to be filed -- a simple expedient, he alleges, that would have justified his allowing cross-examination of the plaintiffs' witnesses and receiving evidence for the defendants -- did he render the decision complained of. He also intimated, although the matter has since become moot, that the defendants' action in taking an appeal from his decision rendered the administrative complaint improper.

The Court finds these submissions unacceptable, and clearly inadequate to overcome the cumulative effect of the respondent's questioned -- and highly questionable -- actuations as evincive, if not of gross ignorance of the law, of active bias or partiality, or both. They do not explain why he misread the terms of the status quo order in Civil Case No. 9069-P as importing a lifting of the attachment; nor his refusal to accord any relevance to the Rejuso ruling -- to which his attention was timely directed and which this Court held to be applicable -- that a claim for damages resulting from an attachment must be litigated in the same action where the writ issued; nor the unwonted rigor and inflexibility with which he dealt with the defendants' various motions, his attitude and conduct in that regard betraying a marked proclivity to insist on procedural technicalities; nor, above all, the grant of fantastic sums in damages on the basis only of evidence received ex parte and even to parties who held no right or interest in the business and property under attachment.

To be sure, good faith and absence of malice, corrupt motives or improper consideration are sufficient defenses protecting a judicial officer charged with ignorance of the law and promulgation of an unjust decision from being held accountable for errors of judgment, on the premise that no one called upon to try the facts or interpret the law in the administration of justice can be infallible. The respondent Judge's claim of belief in the legal soundness of his orders would have been more plausible were it not for his perceptibly persistent refusal, despite the

opportunity afforded by several occasions, to hear the merits of the defenses of complainant Solidbank and its co-defendants in their motions to dismiss and answer, and the grossly excessive and unconscionable amounts of damages he adjudged against said defendants despite their preclusion from any participation in the trial.

The questioned actuations and the attendant circumstances brook no explanation consistent with good faith, or lack of malice, bias or partiality, and must be accounted as constitutive of serious misconduct. The Court has in the past, only recently in *Cathay Pacific Airways vs. Romillo*, supra, adjudged similar and other considerations as indicative -- indeed, eloquently so -- of bad faith and questionable integrity such as to call for the exercise of its disciplinary powers over members of the judiciary. Upon the record, no different conclusion can be reached here.

WHEREFORE, the Court finds the respondent Judge Dionisio N. Capistrano guilty of serious misconduct affecting his integrity and efficiency, and hereby DISMISSES him from the service, with prejudice to reinstatement in any branch of the government, including government-owned or controlled agencies and corporations. All retirement benefits and privileges to which he may be entitled are forfeited. He may, however, enjoy all vacation and sick leave benefits he has earned during the period of his service with the government. This Resolution is immediately executory.

SO ORDERED.

Yap, Fernan, Narvasa, Melencio-Herrera, Gutierrez, Jr., Cruz, Feliciano, Gancayco, Padilla, Bidin, Sarmiento, Cortes, and Griño-Aquino, JJ., concur. Teehankee, C.J., and Paras, J., no part.

[1] Decision, G.R. No. 73341, Consolidated Bank and Trust Corporation, et al. vs. Hon. Intermediate Appellate Court, et al., promulgated August 21, 1987

[2] *People vs. Valenzuela*, 135 SCRA 712; *Cathay Pacific Airways vs. Romillo*, 142 SCRA 262; *Prudential Bank vs. Castro*, 142 SCRA 223; *In Re: Wenceslao Laureta*, 148 SCRA 382

[3] Rollo, G. R. No. 73341, Consolidated Bank and Trust Corporation, et al. vs. Hon. Intermediate Appellate Court, et al., p. 332

[4] Id.

[5] Rollo, G. R. No. 73341, supra, at p. 334

[6] Rollo, pp. 36-51, 92-95, 104-105, 107, 109-114, 116

[7] Rollo, pp. 66-74

[8] The appeal was docketed as AC-G. R. CV No. 01839

[9] Rollo, G.R. No. 73341, supra, pp. 109-120

[10] Docketed as G.R. No. 73341

[11] Rollo, G. R. No. 73341, at pp. 330-342

[12] 72 SCRA 509

[13] Both titled *Nation's Knitting Enterprises, Inc., et al. vs. Consolidated Bank and Trust Corporation, et al.*

[14] *Akut vs. Court of Appeals*, 116 SCRA 213, 220; *Gerian vs. Boncaros*, 93 SCRA 862; *Cathay Pacific Airways vs. Romillo*, supra

[15] Rollo, pp. 71, 85

[16] p. 4 thereof; Rollo, p. 69

ABOUT BATAS.ORG

Study smarter at BATAS.org

The Philippine bar review and law-school companion built around how your brain actually remembers.

The complete Philippine law library - free for everyone.

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

Audio case-brief lectures.

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

Bar review built on the science of memory.

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

The full law-school curriculum.

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

Mock exams that tell you where you stand.

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

A study planner that keeps you on pace.

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

Start free at <https://batas.org>

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.