

**RURAL BANK OF COMPOSTELA (DAVAO) INCORPORATED (RBCI):
REPRESENTED BY ATTY. CARLO D. ANCLA, PETITIONER, VS. HON.
VIRGINIA D. TEJANO-ANG, PRESIDING JUDGE, REGIONAL TRIAL
COURT, BR...**

Ponente: FRANCISCO, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/c9d07569b5bb/>

FRANCISCO, J.:

This RESOLVES the Motion for Reconsideration[1] filed by respondent Antonio L. Libuangan on December 5, 2013.

The Opposition[2] thereto was filed by the petitioner on January 15, 2014.

Our judicious review of the instant motion reveals that the motion is a mere rehash of the argument that had been carefully considered, evaluated and passed upon by this Court.

We, so, ruled the issues at hand in this manner:

“Sections 1 and 2 of Rule 35 of the 1997 Rules of Civil Procedure provide:

Section 1. Summary Judgment for claimant. - A party seeking to recover upon a claim, counterclaim, or cross-claim or to obtain a declaratory relief may, at any time after the pleading in answer thereto has been served, move with supporting affidavits, depositions or admissions for a summary judgment in his favor upon all or any part thereof.

Section 2. Summary judgment for defending party. — A party against whom a claim, counterclaim, or cross-claim is asserted or a declaratory relief is sought may, at any time, move with supporting affidavits, depositions or admissions for a summary judgment in his favor as to all or any part thereof.

In relation thereto, Section 3 thereof also provides:

Section 3. Motion and proceedings thereon. — The motion shall be served at least ten (10) days before the time specified for the hearing. The adverse party may serve opposing affidavits, depositions, or admissions at least three (3) days before the hearing. After the hearing, the judgment sought shall be rendered forthwith if the pleadings, supporting affidavits, depositions, and admissions on file, show that, except as to the amount of damages, there is no genuine issue as to any material fact and that the moving party is entitled to a judgment as a matter of law.

The afore-quoted Section 3 provides two (2) requisites for summary judgment to be proper: (1) there must be no genuine issue as to any material fact, except for the amount of damages; and (2) the party presenting the motion for summary judgment must be entitled to a judgment as a matter of law.

Clearly, a summary judgment is proper only if there is no genuine issue as to any material fact and a moving party is entitled to a judgment as a matter of law.

This raises the following question, is the partial summary judgment rendered by the court a quo proper? Do the

pleadings submitted before the court quo show that there are no genuine issue of facts to be tried? Taking into consideration that the Rural Bank made the following statement in their Answer to Third-Party Complaint, to wit:

“xxx, the Third-Party Defendant is only liable for the amount incurred by the Third-Party Plaintiffs in the development and operation of the San Roque Farm Project, in the sum of ONE MILLION TWO HUNDRED FIFTY-NINE THOUSAND SEVEN HUNDRED FORTY-FOUR PESOS AND NINETY-TWO CENTS (P1,259,744.92) Philippine Currency. Worthy to stress nonetheless, that the said accountability is on the mediation process with the creditor. In due time, a scheme of payment will be amicably arranged.”

We answer in the negative.

Rural Bank’s statement in their Third-Party Answer should not be interpreted as an admission of liability. As aptly argued, it should be taken within the context of the MORA specifically the following provisions thereon, to wit:

“9. The Bank shall not assume the debts of the BAVCOR with other creditors, instead, it will exercise Receivership mediation on the qualification of its obligations and the settlement scheme after the rehabilitation period subject to the BANK’s terms and condition agreeable to the creditors”,

because while it may be true that the allegation of BAVCOR’s unpaid accountabilities as regards the developmental cost incurred in the land preparation of San Roque Farm had not been denied, albeit admitted by the BAVCOR as well as the Rural Bank, it must however be stressed that the existence of the MORA had not been denied/refuted by all the parties.

At the same time, the validity of the execution of the MORA had been put in issue by BAVCOR itself when they alleged in their Third-Party Complaint that they were forced to execute the same. Incidental thereto is the issue on the exact areas/hectares of fully planted land that was turned-over to the Rural Bank.

It is Our considered view that these prevailing issues can only be resolved in a full blown hearing. Thus, it is essential for the Rural Bank to show that the MORA is validly entered into by the signatories thereof, and if in the affirmative, whether the terms and conditions therein were fully complied with by both parties, leaving no factual issues that could have warranted summary judgment.

Corollary thereto, it is also imperative for the Rural Bank to show by their own evidence that BAVCOR’s creditors, representing the required percentage laid down in Section 84 of REPUBLIC ACT No. 10142 which specifically states:

“Section 84. Minimum Requirements of Out-of-Court or Informal Restructuring Agreements and Rehabilitation Plans. - For an out-of-court or informal restructuring/workout agreement or Rehabilitation Plan to qualify under this chapter, it must meet the following minimum requirements:

- (a) The debtor must agree to the out-of-court or informal restructuring/workout agreement or Rehabilitation Plan;
- (b) It must be approved by creditors representing at least sixty-seven (67%) of the secured obligations of the debtor;
- (c) It must be approved by creditors representing at least seventy-five percent (75%) of the unsecured obligations of the debtor; and
- (d) It must be approved by creditors holding at least eighty-five percent (85%) of the total liabilities, secured and unsecured, of the debtor.”

had indeed agreed to the MORA in collaboration with their own allegation that BAVCOR's creditors agreed, in a series of meeting held on December 20, 2006, April 12, 2007 and June 18, 2007, that the provisions of the MORA should be faithfully implemented.

The relevance of this matter lies in Section 69 (a) of said law which says that the Rehabilitation Plan and its provisions shall be binding upon the debtor and all persons who may be affected by it, including the creditors, whether or not such persons have participated in the proceedings or opposed the Rehabilitation Plan or whether or not their claims have been scheduled.

Again, it must be stressed that only when the pleadings on file show that there are no genuine issues of fact to be tried, do the Rules allow a party to obtain immediate relief by way of summary judgment; that is not obtaining in the case present case. Perforce, the partial summary judgment is not proper.”[3]

In view of the foregoing, the movant's motion for reconsideration is hereby DENIED.

SO ORDERED.

Borja, J., Ch., and Badelles, JJ., concur.

[1] Rollo, p. 235.

[2] Rollo, p. 261.

[3] Rollo, pp. 227-231

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.