RAFAEL M. FAJARDO AND ROGELIO P. NOGALES, PETITIONERS, VS. MAYOR ALFREDO S. LIM AND RAMON V. MARZAN, RESPONDENTS.

G.R. No. 132388. April 10, 2006

Ponente: SANDOVAL-GUTIERREZ, J.

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SANDOVAL-GUTIERREZ, J.:

Challenged in this Petition for Review on Certiorari are the Decision[1] dated June 27, 1995 and the Resolution[2] dated October 16, 1995 of the Court of Appeals (First Division) in CA-G.R. SP No. 34931.

The established facts of the present controversy are as follows:

Like many a burgeoning metropolis, Manila has a squatter problem of major proportions. During the incumbency of Mayor Gemiliano Lopez of Manila, the city government undertook a "Land for the Landless Program" in order to address the problem. The city government decided to purchase properties which were squatter-infested for the purpose of selling them to the occupants at cost. Among the properties which the city government opted to buy were the lots in Tondo, Manila, owned by petitioners, collectively known as the "Fajardo Estate."

On October 25, 1990, the City Appraisal Committee, composed of the City Assessor, as chairman, and the City Auditor and the City Engineer, as members, approved Appraisal Resolution No. 1-5-1990 fixing the market value of the "Fajardo Estate" at P1,600.00 per square meter.

On December 16, 1991, the city government purchased six of the lots of the "Fajardo Estate" consisting of 8,772.40 square meters at P1,600.00 per square meter or for a total selling price of P13,955,840.00. The corresponding land titles were issued in the name of the City of Manila and were duly registered by the Registry of Deeds, same city.

On April 22, 1992, the City of Manila also purchased the two remaining lots of the "Fajardo Estate" consisting of 11,666 square meters also for P1,600 per square meter or a total of P18,666,880.00. Again, the Registry of Deeds issued the corresponding titles in the name of the City of Manila.

Mayor Gemiliano Lopez then signed the disbursement voucher and PNB Check No. 906350 dated August 10, 1992 payable to petitioners which was approved on pre-audit by the City Auditor. The City Cashier, the City Disbursing Officer, and the City Treasurer certified as to the availability of funds.

On July 1, 1992, newly elected Mayor Alfredo Lim, respondent, assumed office in the City Hall of Manila. He then appointed Ramon V. Marzan, also a respondent, as the new City Administrator. As such, he was required to countersign the check payment under Sections 344 and 345 of the Local Government Code of 1991. But Colonel Zosimo Balagtas, Mayor Lim's financial and budget consultant, advised Marzan not to sign the check as there seemed to be something suspicious about the transaction, given the large amount involved.

Mayor Lim instructed Marzan to withhold the check until the questionable purchase of the "Fajardo Estate" had been cleared. Marzan then informed petitioners that per order of the Mayor, their check could not be released.

On August 13, 1992, Marzan received a letter from petitioners demanding the release of PNB Check No. 906350. Marzan then sought the City Legal Officer's opinion on the matter. In response, the City Legal Officer opined that there is no legal obstacle to release the check.

Still, Mayor Lim reiterated his instruction to Marzan not to release the check, explaining that he directed his aide, Genato "Boy" Herrera, to investigate the matter. Herrera, however, merely made some mathematical computations showing the difference between the acquisition cost and the selling price of the lots.

On October 20, 1992, petitioners filed with the Regional Trial Court (RTC), Branch 36, Manila, a Petition for Mandamus With Damages against Mayor Lim and Marzan. The case was docketed as Civil Case No. 92-63155.

On April 11, 1994, the RTC rendered its Decision in favor of petitioners. The dispositive portion reads:

> WHEREFORE, the Petition is GRANTED and judgment is rendered as follows:
>
> - Respondent Marzan is ordered to countersign immediately PNB Check No. 906350 and, thereafter, to deliver the same check to Fajardo and Nogales; and if the same is not feasible, then should coordinate with the City Treasurer for the issuance of another check for the same amount as replacement of the old check;
>
> - Respondent Marzan is likewise ordered to pay in his personal capacity Nogales and Fajardo, the following sums:

(a) P800,000.00 as and for damages suffered because of lost income and investment opportunities for the non-issuance of the P18,666,880.00 check, with the legal interest from the filing of the petition until the same is fully paid;
(b) P200,000.00 as moral damages;
(c) P100,000.00 as exemplary damages;
(d) P50,000.00 as and for attorney's fees; and
(e) The costs of suit.

> Respondent Lim is absolved of any civil liability for the non-issuance of the questioned check.
>
> SO ORDERED.[3]

Both parties appealed to the Court of Appeals. Petitioners alleged that the award of damages should be increased and insisted that Mayor Lim should be held solidarily liable with Marzan. For their part, Mayor Lim and Marzan claimed that mandamus is not the proper remedy and maintained that the latter should not be held liable for damages.

In its Decision, the Court of Appeals affirmed the RTC judgment with the modification, thus:

> WHEREFORE, THE Decision herein appealed from is hereby MODIFIED:
>
> (a) by deleting therefrom the award for damages, attorney's fees, and costs of suit; and
> (b) by substituting Celso Reyes or whomever may be holding the office of City Administrator of Manila for respondent Ramon V. Marzan insofar as the mandamus portion of the judgment is concerned.
>
> The petitioner's motion for reconsideration of the Resolution dated February 25, 1995 is hereby DENIED.
>
> SO ORDERED.[4]

On July 21, 1995, petitioners filed a Motion for Reconsideration of the Decision insisting that the trial court should not have deleted the award of damages. They also moved for the inhibition of the ponente alleging "lack of judicial will" on his part to hold respondents liable for damages.

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On August 9, 1995, the ponente inhibited himself and the case was assigned to the Presiding Justice of the Appellate Court.

On August 21, 1995, both respondents Mayor Lim and Marzan filed with this Court their respective petitions for review on certiorari, docketed as G.R. No. 120943. But in a Resolution dated January 20, 1997, it was denied on the ground that the Court of Appeals did not commit any reversible error.

Meanwhile, on October 16, 1995, the Court of Appeals promulgated its Resolution on petitioners' Motion for Reconsideration, the dispositive portion of which reads:

> WHEREFORE, the Court having lost jurisdiction over the case, has lost competence to act on the petitioners' motion for reconsideration.
> SO ORDERED.[5]

Petitioners, unhappy that their Motion for Reconsideration of the Court of Appeals' Decision was not acted upon as it had lost jurisdiction when respondents lodged with this Court their Petition for Review on Certiorari, filed the instant petition raising the following issues: (1) whether both respondents should be held liable jointly and severally for damages; and (2) whether the filing with this Court of a petition for review on certiorari by herein respondents, docketed as G.R. No. 120943, divested the Court of Appeals of its jurisdiction.

On the first issue, petitioners contend that the Court of Appeals should have held respondents liable for damages. This is a factual issue. It is a well-established rule that the jurisdiction of this Court in cases brought before it from the Court of Appeals, via Rule 45 of the 1997 Rules of Civil Procedure, is limited to reviewing errors of law, for this Court is not a trier of facts.[6] We find no reason to depart from the rule. Accordingly, we shall not delve into this issue.

On the second issue, petitioners maintain that until and unless a petition for review on certiorari is given due course by this Court, the Court of Appeals never loses jurisdiction over a case pending before it.

The respondents counter that when they filed with this Court their petition for review on certiorari in G.R. No. 120943, the Court of Appeals lost jurisdiction over the case, specifically over petitioners' Motion for Reconsideration then pending before it. The Court of Appeals thus deferred to the exercise by this court of its jurisdiction. Moreover, had the Court of Appeals resolved petitioners' Motion for Reconsideration, there could be a possibility that its Resolution and of this Court might be diametrically opposite to each other.

Here, respondents seasonably filed with this Court a Petition for Review on Certiorari (G.R. No. 120943). Upon the filing of this petition, this Court assumed jurisdiction over the case, regardless of whether or not the said petition would be given due course. Clearly then, the Court of Appeals had no more jurisdiction over the case. Thus, in issuing its Resolution of October 16, 1995 declaring it had lost jurisdiction over the case since the matter was elevated to this Court by respondents in a petition for review on certiorari, the Court of Appeals committed no reversible error. To rule otherwise would be contrary to the orderly administration of justice. As respondents correctly pointed out, it could result in an absurd situation where the Court of Appeals and this Court might render conflicting or opposing Resolutions.

WHEREFORE, the petition is DENIED. The challenged Decision and Resolution of the Court of Appeals in CA-G.R. SP No. 34931 are AFFIRMED. Costs against petitioners.

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SO ORDERED.

Puno, (Chairperson), Corona, Azcuna, and Garcia, JJ., concur.

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[1] Rollo, pp. 46-65. Penned by Associate Justice Hector L. Hofileña, with Presiding Justice Nathanael P. De Pano, Jr. and Associate Justice Salome A. Montoya concurring. All had retired.

[2] Rollo, pp. 80-81. Per Presiding Justice Nathanael P. De Pano, Jr., and concurred in by Associate Justices Artemon D. Luna (also retired) and Salome A. Montoya.

[3] Rollo, pp. 47-48.

[4] Id., pp. 64-65.

[5] Id., pp. 80-81.

[6] Go v. Court of Appeals, G.R. No. 158922, May 28, 2004, 430 SCRA 358, 364, citing Rizal Commercial Banking Corp. v. Alfa RTW Mfg. Corp., 368 SCRA 611 (2001).

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