

**SPOUSES CRISOSTOMO MAGAT AND EDITHA A. MAGAT,
PETITIONERS, VS. SPOUSES ALBERT M. DELIZO AND CARMINA H.
DELIZO, REPRESENTED BY THEIR ATTORNEY-IN-FACT,
EVANGELINE A. HERNANDEZ, RE...**

G.R. No. 135199. July 05, 2001

Ponente: BELLOSILLO, J.

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BELLOSILLO, J.:

This is a petition for review on certiorari assailing the Decision of the Court of Appeals in CA-G.R. No. SP. 46574 which nullified the order of the trial court dated 24 October 1997 declaring null and void for lack of jurisdiction all the proceedings in Civil Case No. Q-93-18214, including the judgment based on the compromise agreement of the parties.

On 9 November 1993 respondent spouses Albert and Carmina Delizo filed a complaint for specific performance against Slim Realty and Construction Inc. (SLIM) and Simon Lim. The complaint alleged that SLIM, represented by E. Lim, sold a piece of property to respondent spouses. It was agreed that upon payment by private respondents of the initial amount of P450,000.00, SLIM would deliver the piece of real property, including improvements thereon, located at the Quirino District, Quezon City, worth P900,000.00. It was further agreed that the balance of P450,000.00 would be paid by private respondents at a monthly installment of P17,653.50. The complaint also alleged that private respondents had almost completed payment of the purchase price so that by 4 April 1993 the remaining balance was only P4,543.28, but Simon Lim declined to receive the amount until he delivered the title of the property to them. Despite repeated demands by private respondent, SLIM failed to deliver the title to them. To the surprise and consternation of private respondents, they found out that the subject property had been mortgaged on 8 March 1993 to one Consolacion Coronel Maglalang.

On 4 February 1994 SLIM filed its answer alleging that it was not bound to deliver the property unless and until the spouses Delizo first settled their remaining balance.

At the pre-trial on 7 April 1994 the parties entered into a Compromise Agreement which read -

The plaintiff shall pay the balance of P4,543.28 and the defendant shall deliver the title of the property subject matter of this case within 45 days from today, while the balance above-mentioned shall be paid within 10 days from today.

The damages demanded by plaintiff are waived in the event the above-mentioned title is delivered to plaintiff within 45 days, otherwise the damages are not waived but shall be enforced.

In its order dated 7 April 1994, the lower court approved the Compromise Agreement and ordered the issuance of a writ of execution on 10 August 1994. The following day, 11 August 1994, the sheriff issued a notice of levy upon the rights, title, interests and share of SLIM on that property registered in its name under TCT No. 18321. Thereafter, the property was sold to private respondents as the only bidders.

On 1 August 1996, the lower court issued an order "enforcing" the subject Compromise Agreement as it was already final and executory. Further, it ordered that SLIM/Simon Lim be divested of any right or title over the subject matter, TCT No. 49431, in favor of private respondents.[1]

Accordingly, on 2 August 1996 the sheriff issued a final deed of sale to the Delizos and pursuant thereto TCT No. N-163425 was issued in their favor.

Even as the judgment on compromise was already substantially executed, herein petitioners Crisostomo Magat and Editha A. Magat filed on 1 October 1997, a "Motion to Intervene and Urgent Motion to Hold Writ of Possession" in Civil Case No. Q-93-18214. They contended that they had all the legal reasons to oppose the Writ of Possession since the property subject matter of the litigation had been previously sold to them by SLIM on 21 March 1996. Subsequently, the Magat spouses filed in the same case a "Motion to Declare the Proceeding Null and Void" alleging that the complaint for specific performance involved a subdivision lot which was exclusively cognizable by the Housing and Land Use Regulatory Board (HLURB) pursuant to PD 1344 and not by the trial court.

Persuaded by petitioner Magats' submission, the trial court issued on 24 October 1997 the assailed Order dismissing Civil Case No. Q-93-18214 and declaring null and void all the proceedings therein for lack of jurisdiction.

Private respondent Delizos filed a petition before this Court which subsequently referred the case to the Court of Appeals for consideration and adjudication on the merits. They prayed for the nullification of the aforesaid Order of 24 October 1997 and for the issuance of a writ of mandamus to order respondent judge to perform the ministerial duty of executing the judgment upon compromise dated 7 April 1994.

Finding merit in the petition, the Court of Appeals granted the petition of the spouses Delizo and set aside the assailed Order of the trial court. In justifying its Decision, the Court of Appeals reasoned -[2]

Respondent spouses' motion for intervention - filed after Civil Case No. Q-93-18214 had been decided on the basis of a compromise by the parties and substantially executed - should not have been entertained. Under section 2, Rule 12 of the Rules of Court, a motion for intervention may be permitted, in the discretion of the court, only before or during a trial. A parallel provision is contained in section 2, Rule 19, 1997 Rules of Civil Procedure which requires that a motion for intervention may be filed at any time before rendition of judgment by the trial court and pursuant to section 1 thereof, only with leave of court x x x x

In this case the motion for intervention was filed only after the case had already been decided and the judgment therein, substantially satisfied. It has been held that if the motion is filed after the case has already been submitted for decision, the denial thereof is proper (cited cases omitted).

In the instant petition, petitioner spouses Magat essentially argue that the trial court did not act capriciously in ordering the dismissal of Civil Case No. Q-93-18214 for lack of jurisdiction even if said case was already at the execution stage. Since jurisdiction over the subject matter of the case is vested not with the regular courts but with the HLURB, it was in fact the obligation of the trial court to declare the proceedings therein, including the approval of the Compromise Agreement submitted by the parties, null and void ab initio.

We are not impressed.

First, we have to resolve the issue on whether the subject matter of this case falls under the exclusive jurisdiction of the HLURB under P.D. 1344[3] or the regular courts. We scoured the records of the case and found no showing that the property subject of the controversy was a subdivision lot or condominium unit as to require the exercise of the adjudicative authority of the HULRB. The complaint[4] itself simply stated "a piece of real estate"

when referring to the property subject matter of the litigation. Nor can we find any contrary indication in the deed of sale^[5] which described the same as a "house and lot situated at No. 49 20th corner 19th Avenue, Murphy, Quezon City" and thereafter stating the technical description therein. The records however strongly suggest that the property involved was simply a house and lot offered by SLIM, as the vendor, to the spouses Delizo, as vendees, for sale on installment. Be that as it may, the controversy at hand is properly cognizable by the trial court.

We agree with the appellate court that the filing of the motion for intervention after the judgment of compromise was final and executory and in fact substantially executed was improper. Sections 1 and 2 of Rule 19 of the 1997 Rules of Civil Procedure provide:

Sec. 1. Who may intervene. - A person who has a legal interest in the matter in litigation, or in the success of either of the parties, or an interest against both, or is so situated as to be adversely affected by a distribution or other disposition of property in the custody of the court or of an officer thereof may, with leave of court, be allowed to intervene in the action. The court shall consider whether or not the intervention will unduly delay or prejudice the adjudication of the rights of the original parties, and whether or not the intervenor's rights may be fully protected in a separate proceeding.

Sec. 2. Time to intervene. - The motion to intervene may be filed at any time before rendition of judgment by the trial court. A copy of the pleading-in-intervention shall be attached to the motion and served on the original parties.

Hence, it was error for the trial court to entertain the motion for intervention when it was filed after the case had not only been submitted for decision but was in fact partially executed. The intervention unduly delayed and disrupted the smooth operation of the trial and prejudiced the adjudication of the rights of the principal parties, especially so since the intervenor's rights could be fully protected in a separate proceeding. More so, the motion for intervention should have been denied it appearing clearly and succinctly that a Compromise Agreement had already been entered into by spouses Delizo and SLIM.

But more importantly, the Compromise Agreement upon which the lower court based its decision in Civil Case Q-93-18214 should have been implemented as a matter of course. It is axiomatic that a compromise agreement once approved by the court has the force of *res judicata* between the parties and should not be disturbed except for vices of consent or forgery. Being in effect the contract between the parties, a compromise agreement cannot be set aside by the trial court if the parties acted in good faith. In fact, it is immediately executory and not appealable. Such being the case, it was the ministerial duty of the public respondent to enforce the order or judgment upon compromise; any grievance by the intervenor spouses Magat should have been ventilated in a separate proceeding.

WHEREFORE, the challenged Decision of the Court of Appeals dated 2 July 1998, which nullified the order of the trial court dated 24 October 1997 declaring the proceedings in Civil Case No. Q-93-18214 null and void for want of jurisdiction, is **AFFIRMED**. Costs against petitioners.

SO ORDERED.

Mendoza, Buena, and De Leon, Jr., JJ., concur.
Quisumbing, J., on official leave.

[1] Decision penned by Judge Oscar L. Leviste, RTC-Br. 97, Quezon City.

[2] Decision penned by Associate Justice Oswaldo D. Agcaoili, concurred in by Associate Justices Corona

Ibay-Somera and Renato C. Dacudao; Rollo, pp. 28-35.

[3] Under Sec. 1 of P.D. 1344, the National Housing Authority (now HLURB) has exclusive jurisdiction to hear and decide certain cases as follows: (a) unsound real estate business practice; (b) claims involving refund and any other claims filed by subdivision lot or condominium unit buyer against the project owner, developer, dealer, broker, or salesman; and (c) cases involving specific performance of contractual and statutory obligations filed by buyers of subdivision lot or condominium unit against the owner, developer, dealer, broker or salesman.

[4] CA Rollo; Annex "B," p. 22.

[5] *Id.*, p. 26.

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