GOTESCO PROPERTIES, INC., PETITIONER, VS. TERESITA REYES, RESPONDENT.

G.R. NO. 140940. July 21, 2006

Ponente: CARPIO MORALES, J.

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CARPIO MORALES, J.:

Gotesco Properties Inc. (Gotesco), a domestic corporation engaged in, among other things, the development of subdivisions and other real estate projects, filed before the Regional Trial Court (RTC) of Calamba, Laguna a complaint[1] against Isabel Carpio (Isabel), Dionisio E. Carpio, Jr., Mary Rose E. Carpio and Edwin Jesus Carpio (the Carpios), for specific performance with damages with prayer for the issuance of a Temporary Restraining Order and Writ of Preliminary Injunction. The case, docketed as Civil Case No. 2257-95-C, was raffled to Branch 92, of the RTC of Calamba.

In its complaint, Gotesco alleged that the Carpios, by a contract to sell, agreed to sell to it certain parcels of land (the property) located in Calamba on account of which it, through its agent, Peter Sy (Sy), issued Metrobank Check No. 015850 (the check) for the account of Isabel in the amount of P24,316,320 representing 40% of the total purchase price of P60,790,000.[2] The Carpios, Gotesco further alleged, failed, however, to comply with their obligation under the contract to free the property from tenants and present proof of payment of property disturbance compensation.[3]

Gotesco later amended its complaint[4] impleading herein respondent, Teresita Reyes (Teresita), and the United Coconut Planters Bank (UCPB) as defendants, alleging that the Carpios had deposited the check "in their account with [UCPB] on March 22, 1995 under Account No. 225-109199-9" but "part or all of [the proceeds thereof] could have been possibly deposited to the account of [Teresita] with [UCPB]."[5] Gotesco reiterated its prayer for the issuance of a temporary restraining order, and of a writ of preliminary injunction after hearing, to restrain the Carpios and Teresita, their agents or assigns from withdrawing the deposit and alienating the property and prohibit UCPB from allowing any withdrawal of the deposit.[6]

To the amended complaint, Teresita filed a motion to dismiss,[7] alleging that she was not a party to the contract to sell,[8] hence, not a party-in-interest.

Gotesco and the Carpios later filed a joint Motion to Approve Compromise Agreement[9] wherein the Carpios declared that they had "no interest in any capacity whatsoever over Account No. 225-109199-99 [sic] or in any account with UCPB where the amount of P24,316,320 . . . was deposited" and neither did they have "any interest or participation in the contract to sell."[10] In the same motion, the said parties manifested that they agreed to the dismissal of the case.[11]

The prayer for the issuance of preliminary injunction was, in the meantime, heard.

As it appeared that the amount of P24,310,000 was withdrawn from UCPB Account No. 225-109199-9 and transferred to Account No. 225-108524-0 in the name of Teresita, the trial court issued a Writ of Preliminary

Injunction[12] enjoining UCPB from allowing any withdrawal from the latter account.

Gotesco later filed a Motion to Admit Second Amended Complaint,[13] alleging that Teresita had represented herself as the broker of the Carpios and introduced, in the course of the negotiations leading to the execution of the contract to sell, one whom she represented to be Isabel.[14] It further alleged that the check it issued was deposited in UCPB Account No. 225-109199-9 in the name of "Isabel Carpio," following which the amount of P24,310,000 was withdrawn therefrom and deposited in Teresita's UCPB Account Number [225-]108524-0.[15]

Gotesco thus prayed for the rescission of the contract to sell, the return to it of the amount of P24,310,000 deposited in Teresita's Account Number 225-108524-0 plus interest earned, and the payment of actual, moral and exemplary damages and attorney's fees.[16]

By Order[17] of April 29, 1996, the trial court denied Teresita's motion to dismiss the first Amended Complaint; granted Gotesco's motion to admit the second Amended Complaint; and ruled as moot the motion to approve compromise agreement jointly filed by Gotesco and the Carpios.[18] To this Order Teresita filed a Motion for Reconsideration.[19] Gotesco, for its part, filed a Motion to Order UCPB to Release Money to Plaintiff,[20] contending that the intended payee of the check, Isabel Carpio, interposed no objection to the release of the proceeds of thereof.[21]

By Order[22] of September 2, 1996, the trial court dismissed the complaint against the Carpios; denied Teresita's Motion for Reconsideration of its April 29, 1996 Order denying her motion to dismiss; and lifted the preliminary injunction it earlier issued against UCPB, ordering it instead to release to Gotesco the amount of P24,316,320 [sic] which was transferred to Teresita's account, subject to Gotesco's posting of a bond in the amount of P24,316,320 [sic] in favor of defendant UCPB.[23]

Teresita assailed the trial court's Order of September 2, 1996 via petition for certiorari[24] with the appellate court, positing that, among other things, the trial court committed grave abuse of discretion in ordering UCPB, without her consent, to release the amount of P24,310,000 deposited in her account, thereby violating her rights as a depositor.[25]

The appellate court, by Decision[26] of July 26, 1999, granted Teresita's petition, disposing as follows:

> WHEREFORE, the foregoing considered, We vote to grant the writ of certiorari and pro tanto modify the questioned Order of 02 September 1996 by ANNULLING AND SETTING ASIDE that portion which ordered the UCPB to release the contested money to respondent Gotesco. In its stead, respondent Gotesco is hereby ORDERED to forthwith return the amount withdrawn by it to UCPB by depositing the same in account no. 225-108524-0 in the name of petitioner or, if the said account had already been closed, to open another one in the name of petitioner, where the said money is to be deposited. The respondent court is hereby ORDERED to take the said money in custodia legis to await the resolution of Civil Case No. 2257-95-C. UCPB is hereby ENJOINED from allowing any party from withdrawing or transferring the said money to any person without any order from the respondent court relative to the final disposition of Civil Case No. 2257-95-C. In this connection, the writ of preliminary injunction is hereby ORDERED REINSTATED under such bond as that under which it was previously issued by the trial court.
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> x x x x[27] (Underscoring supplied)

Gotesco's motion for reconsideration[28] of the appellate court's decision having been denied,[29] it filed the present petition for review on certiorari,[30] faulting the appellate court for not sustaining the trial court's order lifting the writ of preliminary injunction and ordering the release of the proceeds of the check.

Gotesco (hereafter petitioner) contends that as the real Isabel-intended payee of the check interposed no objection

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to the release of its proceeds, part of which (P24,310,000) was transferred to the account of Teresita (hereafter respondent) with UCPB, the appellate court erred in reversing the trial court's Order of September 2, 1996.

The petition fails.

That the intended payee Isabel interposed no objection to the release of the proceeds of the check is immaterial, she not being "the depositor." As observed by the appellate court:

> x x x Granting that [Teresita's] claims of ownership, as set out in her several pleadings, are nebulous, the fact remains that the said amount is deposited in her account, and that she has, at the very least, color of title over the same, which ought not to be disturbed until after a full-blown trial, and not a summary one . . .[31] (Underscoring supplied)

Petitioner in fact concedes that it is still necessary for respondent to prove during the trial her right to the proceeds of the check.[32]

To order then the release of P24,310,000 from the account of respondent, who claims that the said amount was paid to her by the Carpios in settlement of an obligation, pending the determination of who is rightfully entitled thereto is premature. Again, as the appellate court observed:

> x x x As correctly asserted by petitioner, the very gravamen of the litigation before the respondent court is the ownership of the said amount, with respondent Gotesco claiming that the sum of money belongs to it, and petitioner maintaining otherwise, saying that it was paid out to her by the Carpios due to some obligation in her favor. x x x It would not do for Gotesco to argue that the rights of petitioner are safeguarded by the posting of a corporate bond to answer for whatever awards and damages may be granted [her] if, after trial, it should be found that she is entitled to the money. For there is a lot to the saying that there is nothing like cold cash. The bonding firm may, during the pendency of the trial, become bankrupt and close shop, while cash in the bank is guaranteed by the bank concerned and, to a certain extent by the Philippine Deposit Insurance Corporation. . . . The better course of action for the trial court to have undertaken was to have maintained the writ of preliminary injunction enjoining petitioner from touching the money in any manner, yet at the same time keeping it away from the other party, by keeping the same in the bank in custodia legis to await the outcome of the litigation.[33] (Emphasis and underscoring supplied)

Petitioner posits, however, that the evidence it presented during the hearing of the prayer for the issuance of preliminary injunction showing that it is the owner of the money deposited in the account of Teresita was not rebutted by her.[34]

The trial court issued the writ of preliminary injunction, which is interlocutory, to preserve the threatened or continuous irremediable injury to petitioner before its claims could be thoroughly studied and adjudicated.[35] It was issued to maintain the status quo and can not, therefore, be used to transfer the possession or control of the thing to a party who did not have such possession or control at the inception of the case.[36]

Pending then the final determination by the trial court of who has a better right to the deposit, the trial court's order lifting the preliminary injunction it had earlier issued and ordering the release of the deposit in respondent's account to petitioner was correctly found by the appellate court to have been attended with grave abuse of discretion.

WHEREFORE, the petition is DENIED. Costs against petitioner.

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SO ORDERED.

Quisumbing, (Chairperson), Carpio, Tinga, and Velasco, Jr. JJ., concur

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[1] Records, pp. 1-12.

[2] Id. at 3.

[3] Id. at 4.

[4] Id. at 27-40.

[5] Id. at 30.

[6] Id. at 35.

[7] Id. at 91-96.

[8] Id. at 92-93.

[9] Id. at 78-84.

[10]Id. at 80.

[11] Ibid.

[12] Id. at 97-99.

[13] Id. at 137-149.

[14] Id. at 139-140.

[15] Id. at 141.

[16] Id. at 147.

[17] Id. at 176-177.

[18] Id. at 177.

[19] Id. at 192-198.

[20] Id. at 178-180.

[21]Id. at 179.

[22] Id. at 264-266.

[23] Id. at 266.

[24] CA rollo, pp. 1-21.

[25] Id. at 13-16.

[26] Id. at 154-162. The decision was penned by Associate Justice Romeo A. Brawner and concurred by Associate Justices Candido V. Rivera and Martin S. Villarama, Jr.

[27] Id. at 161.

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[28]Id. at 163-170.

[29] Id. at 186-188.

[30]Rollo, pp. 9-34.

[31] CA rollo, pp. 159.

[32]Rollo, p. 21.

[33] CA rollo, pp. 159.

[34] Rollo, p. 207.

[35] Los Baños Rural Bank, Inc. v. Africa, 433 Phil. 930, 944 (2002).

[36] Central Bank v. De la Cruz, G.R. No. 59957, November 12, 1990, 191 SCRA 346, 355.

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