

PHILIPPINE PORTS AUTHORITY, PETITIONER, VS. THELMA M. MARANAN, EDUARDO A. MACARAIG, ERMELINDA MACATANGAY, JAIME MANDIGMA, CARMEN DAYO, HELEN MENDOZA AND ALL OTHER SQUATTER FAMIL...

G.R. No. 145153. January 25, 2002

Ponente: DE LEON, JR., J.

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DE LEON, JR., J.:

This case originated from an action for ejectment filed by petitioner Philippine Ports Authority against respondents, alleged squatter residents of the Batangas City Development Project Site, Barangay Sta. Clara, Port Area, Batangas City. However, it is only the Order dated April 19, 1996 of the Regional Trial Court of Batangas City, Branch 84, which became the subject of further proceedings before the Court of Appeals and this Court. In said Order dated April 19, 1996, petitioner was held liable for damages for the demolition of the houses and other structures of respondents notwithstanding the pendency of its action for ejectment. Petitioner was ordered to indemnify respondents in an amount to be determined according to the following formula: (amount of counterclaim less twenty-five percent [25%] discount) less amount partially paid by petitioner as summarized in the Commissioner's Report filed on March 27, 1996, plus interest of six percent [6%] per annum from June 27, 1994 until paid in full. The Court of Appeals affirmed said Order. Dissatisfied, petitioner elevated the matter to this Court.

It appears that even during the pendency of this case before this Court, the parties have not foreclosed the possibility of arriving at an amicable settlement. In a letter dated July 11, 2001, the Office of the Government Corporate Counsel informed petitioner of the results of its study of the decisions of the trial and appellate courts:

We have scrutinized the decisions of both the Regional Trial Court of Batangas, Branch 84 and the Court of Appeals, with particular attention on the statement allowing compensation to the 406 families who are at present the claimants involved in the Compromise Agreement.

It appears from both decisions that the P65 Million award which was scaled down to P34.9 Million for compromise purposes, was awarded to the 406 claimants because both the RTC and CA specifically liquidated the said P65 Million for them.

Assuming that the decision would be executed and not compromised, it is the undersigned's opinion that the effect would be the same, i.e., that the 406 families will be awarded the P65 Million or P34.9 Million after deducting from the claimants all the monetary assistance previously given by the PPA to them.

Thus, there is no legal hindrance in pursuing the Compromise Agreement except that the Board Resolution approving said compromise be modified to reflect the 406 claimant.[1]

Acting upon said letter, in a regular meeting held on July 19, 2001, the Board of Directors of petitioner authorized management to proceed with the execution of the Compromise Agreement with respondents herein.[2] On August

31, 2001, in further pursuance of said authorization, the Board Committee of petitioner approved the revised draft of the Compromise Agreement with respondents, and directed its submission to the Office of the Government Corporate Counsel for review and to the Supreme Court. The Board Committee likewise ordered that payments of the settlement be paid directly to the individual respondents, and that the General Manager of petitioner be authorized to execute the compromise agreement in its behalf.[3]

For its part, on October 1, 2001, respondents executed Special Powers of Attorney with Quit Claim,[4] appointing Thelma M. Maranan, one of the respondents herein, to do and perform the following acts:

xxx xxx xxx

- To enter into a compromise agreement with the Philippine Ports Authority under Civil Case No. 3601, RTC Branch 84 of Batangas City (CA-GR SP/CV CR No. CY 53870 and G.R. No. 145153);
- To execute and sign any and all papers/documents relative to this authority;
- To WAIVE and QUIT any and all claims against Philippine Ports Authority under the above stated case now and forever; and
- To do everything lawful to give full effect and spirit to this authority.

On November 28, 2001, the parties submitted to this Court the following Compromise Agreement for approval:

COMPROMISE AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

This Agreement, made and entered into this _____ day of _____ 2001, in _____ Philippines, by and between:

The PHILIPPINE PORTS AUTHORITY, a government corporation created under Presidential Decree No. 857, as amended, with principal office at Marsman Building, South Harbor, Port Area, Manila, represented herein by its duly authorized representative, the General Manager, ALFONSO G. CUSI, hereinafter referred to as PPA;

- and -

The DEFENDANTS/COUNTER-CLAIMANTS in the Ejectment suit filed at the Regional Trial Court of Batangas City, Branch 84, docketed as Civil Case No. 3601, entitled "Philippine Ports Authority v. Thelma M. Maranan, et al.", with common addresses at Barangay Sta. Clara, Batangas City, represented herein by its duly authorized representative and Attorney-In-Fact, THELMA M. MARANAN, with address at Barangay Sta. Clara, Batangas City and hereinafter referred to as DEFENDANTS/COUNTER-CLAIMANTS.

WITNESSETH:

WHEREAS, sometime February 10, 1993, PPA filed a class suit for ejectment against all squatter families numbering 1465 defendants occupying the expanded portion of the delineated Batangas Port Zone, entitled "Philippine Ports Authority versus Thelma M. Maranan, Eduardo A. Macaraig, Ermilinda Macatangay, Jaime Mandigma, Carmen Dayo, Helen Mendoza, and all other Squatter Families Occupying the Expanded Portion of the Delineated Batangas Port Zone", docketed as Civil Case No. 3601 before the Regional Trial Court, Fourth Judicial Region, Branch 84, Batangas City;

WHEREAS, the aforesaid defendants filed an Answer with Compulsory Counterclaim totaling P400,000.00;

WHEREAS, on October 17, 1994 defendants filed a Motion to adopt Supplemental Counterclaim increasing the same from P400,000.00 to P65,053,913.00 plus moral damages. Said motion was granted by the Trial

Court;

WHEREAS, in an Order dated April 19, 1996, said Regional Trial Court of Batangas adjudged PPA to pay DEFENDANTS/COUNTER-CLAIMANTS concerned, as indicated in the dispositive portion thereof, which reads:

“PREMISES CONSIDERED, plaintiff is hereby ordered to pay defendants-counter claimants damages under the following formula: (Amount of counterclaim less 25% discount) less partial amount already paid by plaintiff, as summarized in the Commissioner’s report filed on March 27, 1996, plus interest of 6% per annum computed from June 27, 1994 until fully paid.”

WHEREAS, on May 14, 1996, PPA appealed from the foregoing order before the Court of Appeals and the same appeal was docketed as CA-G.R. CV No. 53870, entitled “Philippine Ports Authority versus Thelma M. Maranan, et al.”;

WHEREAS, the Court of Appeals, in its Decision promulgated on September 08, 2000, DISMISSED the foregoing appeal of PPA and AFFIRMED the Order of the Regional Trial Court of Batangas, Branch 84;

WHEREAS, PPA, through its statutory counsel, the Office of the Government Corporate Counsel, has sought the reversal of the foregoing Decision of the Court of Appeals by filing on November 9, 2000 a Petition for Review on Certiorari before the Supreme Court which docketed the petition as SC-G.R. No. 145153, entitled “Philippine Ports Authority versus Thelma M. Maranan, et al.”

WHEREAS, pending resolution by the Supreme Court of PPA’s Appeal and after a numerous round of meetings and conferences, the parties have come to common understanding that it would be best served their respective interests if the foregoing case could be settled amicably as encouraged by law;

WHEREAS, the Government Corporate Counsel opined in his letter dated July 11, 2001, a copy of which is attached as Annex “A”, that “assuming that decision would be executed and not compromised xxx the effect would be the same, i.e. that the 406 (398 as corrected) will be awarded the P65 Million or P34.9 Million after deducting from the claimants all the monetary assistance previously given by PPA to them”;

WHEREAS, on July 19, 2001 the PPA Board of Directors acting on the aforementioned letter-advice of the Government Corporate Counsel, passed Resolution No. 1880, a copy of which is hereto attached as Annex “B”, authorizing PPA Management to proceed with the Compromise Agreement with the 398 DEFENDANTS/COUNTER-CLAIMANTS;

WHEREAS, on 31 August 2001, the PPA Board of Directors, confirmed BoardCom Resolution No. 2001-789, a copy of which is hereto attached as Annex “C”, approving the draft Compromise Agreement, as revised with the 398 DEFENDANTS/COUNTER-CLAIMANTS and authorizing the General Manager to sign the same for and in behalf of PPA;

WHEREAS, the 398 DEFENDANTS/COUNTER-CLAIMANTS authorized, through a Special Power of Attorney, THELMA M. MARANAN, one of the defendants, a copy of which is hereto attached as Annex “D”, to sign for all of them who were able to submit affidavits in court to support the damages/losses allegedly suffered when they vacated the premises.

NOW, THEREFORE, for and in consideration of the foregoing premises and the mutual covenants, stipulations and agreement herein contained, PPA and the 398 DEFENDANTS/COUNTER-CLAIMANTS concerned have agreed to amicably settle the foregoing case under the following terms and conditions:

- As a class suit, DEFENDANTS/COUNTER-CLAIMANTS concerned consisting of 398 persons are willing to amicably settle the case in SC-G.R. No. 145153, entitled, “Philippine Ports Authority versus Thelma M. Maranan,

et al.”, in order to put a final end to the action or claim filed by all of the 1,465 defendants against PPA.

- Based on the joint computation made by the herein 398 DEFENDANTS/COUNTER-CLAIMANTS and PPA, the latter shall pay the amount of THIRTY FOUR MILLION NINE HUNDRED NINETY-FIVE THOUSAND NINE HUNDRED THIRTY-EIGHT and 72/100 PESOS (Php34,995,938.72) directly to the individual DEFENDANTS/COUNTER-CLAIMANTS concerned the corresponding amount pursuant to the Computation Sheet, attached as Annex “E”.

- Payment of the individual claims to the DEFENDANTS/COUNTER-CLAIMANTS concerned shall faithfully observe the procedures laid down in PPA Board Resolution No. 1854, a copy of which is hereto attached as Annex “F”.

IN WITNESS WHEREOF, the duly authorized representatives of the parties, as assisted by their respective counsel, have hereunto affixed their respective signatures this ____ day of _____, 2001 at the City of Manila, Philippines.

PHILIPPINE PORTS AUTHORITY DEFENDANTS/COUNTER-CLAIMANTS

By: By:

(Sgd.) (Sgd.)

ALFONSO G. CUSI THELMA M. MARANAN

General Manager Representative & Attorney-in-Fact

Assisted by: Assisted by:

Office of the Government
Corporate Counsel

By:

(Sgd.) (Sgd.)

AMADO D. VALDEZ ATTY. RODOLFO R. FELICIO

Government Corporate Counsel Counsel for the Defendants/
Counter-Claimants

(Sgd.)

ELPIDIO J. VEGA

Deputy Government Corporate Counsel

(Sgd.)

REYNALDO F. TANSIOCO WITNESSES:

Assistant Government Corporate Counsel

(Sgd.) (Sgd.)

MARIANO C. ALOJADO Cesar L. Goot

Government Corporate Attorney III[5]

(Sgd.)

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ACKNOWLEDGEMENT

(dated November 28, 2001, Quezon City)

We find the foregoing Compromise Agreement legally acceptable, nothing therein being contrary to law, morals, good customs and public policy, and the same having been freely and intelligently executed by and between the petitioner and the respondents, judicial approval thereof is in order.

WHEREFORE, judgment is rendered in accordance with the Compromise Agreement dated November 28, 2001, and the parties are enjoined to abide by its terms and conditions.

SO ORDERED.

Bellosillo, (Chairman), Mendoza, Quisumbing, and Buena, JJ., concur.

[1] Annex “A” of the Motion for the Approval of Attached Compromise Agreement, Rollo, pp. 114-115.

[2] Annex “B” of the Motion for the Approval of the Attached Compromise Agreement, Rollo, p. 117, which reads as follows:

Resolution No. 1880

“RESOLVED, That on motion duly made and seconded, and noting the letter-advice of the Government Corporate Counsel per his letter dated 11 July 2001, that the effect on PPA would be the same (award of P34.9 Million by the Regional Trial Court of Batangas-Branch 84 and the Court of Appeals after deducting the financial assistance previously received by the defendants) had it (PPA) not entered into a compromise settlement, Management, be, as it is hereby authorized, to proceed with the execution of the Compromise Agreement with the 406 defendants/claimants in the case of PPA v. Maranan, et al. (G.R. No. 145153).”

[3] Annex “C” of the Motion for the Approval of the Attached Compromise Agreement, Rollo, p. 119, which reads as follows:

BoardCom Resolution No. 2001-789

RESOLVED, That on motion duly made and seconded, and subject to the proposed changes suggested by the Board Committee, the draft Compromise Agreement between PPA and the Defendants/Counter-Claimants in

Civil Case No. 3601 (RTC-Batangas, Branch 84), hereto attached and incorporated by reference, be, as it is hereby approved, as revised, and for submission to the Office of the Government Corporate Counsel for proper contract review and to the Supreme Court for final consideration;

RESOLVED FURTHER, That consistent with the Board's earlier directive, the settlement of all compromised claims, be, as it must be paid, directly to the individual defendants/counter-claimants;

RESOLVED FINALLY, That the General Manager, be, as he is hereby authorized, to execute the Compromise Agreement, for and in behalf of PPA.

[4] Annex "D" of the Motion for the Approval of the Attached Compromise Agreement, Rollo, pp. 121-151.

[5] Annex "A" of the Motion to Approve Attached Compromise Agreement, Rollo, pp. 109-112.

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