

**WT CONSTRUCTION, INC., Petitioner, vs. HON. ULRIC R. CAÑETE,
Presiding Judge, RTC, Mandaue City, Branch 55, and the ESTATE OF
ALBERTO CABAUG, thru its Administratrix, JULIANA V...**

G.R. No. 157287. February 12, 2008

Ponente: AZCUNA, J.

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AZCUNA, J.:

This is a petition for review^[1] of the Decision and Resolution of the Court of Appeals (CA), dated July 25, 2002 and February 12, 2003, respectively, in CA-G.R. SP No. 65592 entitled “WT Construction, Inc. vs. Hon. Ulric R. Cañete, in his capacity as Presiding Judge of the Regional Trial Court of Mandaue City, Branch 55, et al.”

The facts are as follows:^[2]

Juliana vda. De Cabahug filed a case for the settlement of the estate of her deceased husband, Alberto Cabahug,^[3] before the Regional Trial Court (RTC) of Mandaue City, Branch 55, presided by public respondent, Judge Ulric R. Cañete.

On January 10, 1992, Ciriaco Cabahug, the administrator of the estate and heir of Alberto, was granted the authority to sell one of the properties of the estate to defray the expenses for the payment of taxes due from the estate. The property to be sold was the parcel of land subject of the petition, Lot 1, FLS-322-D, situated in Looc, Mandaue City, covered by Tax Declaration No. 00272 with an estimated area of 17,382 square meters.

Ciriaco entered into an Agreement for Sale of Land with Downpayment with petitioner for P8,691,000 on September 23, 1996. In accordance with the agreement, petitioner made a down payment of fifty percent (50%) of the purchase price or P4,431,600 [should be P4,345,500]. The balance of the purchase price was to be paid “immediately after the land is free from all occupants/obstructions.” The contract likewise stipulated the following:

- That the seller shall undertake the clearing of the land herein sold of its present occupants and/or eject the squatters therein within a period of one (1) year reckoned from the receipt of the advance payment, provided however, that if the buyer will be the one to handle the clearing or ejectment of occupants, all the expenses incurred thereto shall be charged to and be deducted from the remaining balance payable.
- Upon receipt of the 50% advance payment of the purchase price, the buyer shall be authorized to enter the property, utilize the same and introduce improvements thereon....

Subsequently, petitioner took steps in clearing the property of its occupants by filing a complaint for ejectment in 1998 with the Municipal Trial Court in Cities, Branch 3, Mandaue City.

It was later discovered that Ciriaco did not inform his co-heirs of the sale. He appropriated the amount paid by petitioner, so public respondent issued an Order on August 19, 1997, relieving Ciriaco of his functions as administrator and directing him to render an accounting of all the properties and assets of the estate.

Consequently, Administrator Linda Cabahug-Antigue, along with her co-heirs, demanded from petitioner the payment of the balance of the purchase price. Referring to the provision of the agreement relating to the payment of the balance of the purchase price conditioned upon the removal of occupants and obstructions in the property, petitioner refused to pay the remaining balance.

On July 6, 2000, public respondent issued an Order,[4] stating:

WHEREFORE, premises considered, WT Construction is ordered to manifest in court within five (5) days from receipt of this order whether it wants the Contract of Sale rescinded.

If no manifestation is filed within said period, WT Construction is further ordered to pay the estate of Alberto Cabahug the amount of P4,259,400.00 less expenses incurred in the ejectment case within a period of fifteen (15) days, otherwise, failure to do so will prompt the court to issue a writ of execution as prayed for by movant-administratrix.

Petitioner filed a Motion for Reconsideration and/or Extension of Time to Manifest Option to Rescind on July 31, 2000. An Opposition to the motion was filed by private respondent on August 2, 2000.[5]

The motion for reconsideration was denied, and a Writ of Execution[6] to implement the above Order[7] was issued by public respondent on October 5, 2000. The writ issued to Sheriff IV of RTC, Branch 55, Mandaue City, Veronico C. Ouano, stated the following:

WHEREFORE, you are hereby commanded that of the goods and chattels of WT CONSTRUCTION, not exempt from execution, you cause to be made the sum of P4,259,400.00, liable to pay the estate of Alberto Cabahug minus the expenses incurred by WT Construction in ejecting the occupants of the land.

But if sufficient personal properties could be found to satisfy this writ, then of the land and buildings of the defendants you cause to be made the said sums of money in the manner required of you by law.[8]

On November 17, 2000, petitioner filed an Urgent Motion to Quash the Writ of Execution claiming that the issuance of the writ is premature for the following reasons: (1) the expenses to be deducted from the purchase price could not be ascertained as there are still squatters on the land who have yet to be evicted; (2) the existence of an action for Quieting of Title, Injunction and Damages[9] for ownership and possession of a portion of the property in question or 4,690 square meters; and (3) the balance of the purchase price would be significantly reduced if the claim of the plaintiffs in the aforesaid action will be granted.[10]

During the pendency of the motion, the plaintiffs in the action for quieting of title, namely, Antonia Flores, Andrea Lumapas, Emilio Omobong and Constancia O. Tolo, filed a Motion for Leave to Intervene contending that they have a right to a portion or to 4,690 square meters of the subject lot. The group also moved for the quashing of the writ of execution.[11]

On May 15, 2001, public respondent issued an Order denying petitioner's motion:

There being no merits to the urgent Motion to Quash the Writ of Execution, the same is denied.

SO ORDERED.[12]

Petitioner's motion for reconsideration was likewise denied in an Order dated June 28, 2001.

Petitioner went to the CA on a petition for certiorari under Rule 65 but the CA dismissed the petition on July 25, 2002. The pertinent portions of the Decision of the CA read:

The resolution of the ejectment case came in the wake of apparently persistent efforts of the estate to collect the balance of the purchase price from the petitioner. The developments were chronicled in an Order of July 6,

2000 issued by respondent Judge Ulric O. Cañete. It appears that on October 15, 1999, he directed petitioner to pay P4,259,400 to the estate minus expenses incurred by it in ejecting the occupants of the land. The implementation of the Order was held in abeyance when the petitioner went on certiorari to the Court of Appeals. The Fifteenth Division of the Court dismissed the petition prompting the estate to pray for the immediate execution of the Order of October 15, 1999. But it also asked that the petitioner's Willy Te be required to manifest if he would prefer to have the sale rescinded and the amount advanced returned. Judge Cañete was thus constraint on July 6, 2000 to give the petitioner an opportunity within a certain period to manifest its willingness to rescind the agreement. He finally said:

"If no manifestation is filed within said period, WT Construction is further ordered to pay the estate of Alberto Cabahug the amount of P4,259,400.00 less expenses incurred in the ejectment case within a period of fifteen (15) days, otherwise, failure to do so will prompt the court to issue writ of execution as prayed for by movant-administratrix."

When the Order was issued, the petitioner had already obtained a decree of ejectment from the MTCC. A week before the writ of execution in the ejectment case was served on the occupants, the estate was able to obtain its own Order from Judge Cañete denying the motion for reconsideration of the petitioner and ordering the latter, in view of the lapse of the grace period, to pay the stated amount less expenses. On October 5, 2000, the writ of execution was issued.

The determination of petitioner to resist payment of the balance was as dogged as ever. In November 2000, it filed a motion to quash the writ, citing the existence of a complaint filed by third parties for ownership and possession of a portion of the property in question and the failure of the estate to exclude another portion from the computation of the balance as allegedly stipulated in the sales agreement. In February 2001, some parties sought to intervene in the Special Proceedings 3562-R and asked, in so many words, that their interest in the purchase price to be paid to the estate be recognized and respected.

On May 15, 2001, the assailed Order was handed down denying the Motion to Quash Writ of Execution, followed by the Order of June 28, 2001 denying the Motion for Reconsideration. The petitioner arrayed several issues against these Orders, to wit:[13]

- "1. Public respondent gravely abused his discretion in failing to state the facts and the law which served as the basis for his Order of June 28, 2001 denying herein petitioner's urgent motion to quash writ of execution;
2. Public respondent gravely abused his discretion in not quashing the writ of execution for being prematurely issued;
3. Public respondent gravely abused his discretion in not quashing the writ of execution on the ground that the Order sought to be executed was conditional and incomplete; and
4. Public respondent gravely abused his discretion in not quashing the writ of execution on the ground that a change in the situation of the parties had occurred."

We rule against the petitioner.

The disposition of the first argument turns on an understanding of the kind of issuances that must contain the relevant facts and law that support them. The requirement appears in Section 4, Article 8 of the 1987 Constitution which says that "no decision shall be rendered by any court without expressing therein clearly and distinctly the facts and the law on which it is based," and Section 1, Rule 36 of the 1997 Rules of Civil Procedure, that "a judgment or final order determining the merits of the case shall... (state) clearly and distinctly the facts and the law on which it is based. In fine, only decisions and final orders on the merits need to reflect the relevant facts and law. The second paragraph of the cited provision of the Constitution specifies two other issuances to which a

different requirement applies. These are denials of petitions for review and motions for reconsiderations of decisions, for which it is enough that the legal basis is stated. The Constitution and the Rules of Court are silent as to all other issuances.

There are nonetheless Supreme Court decisions, promulgated before the 1987 Constitution, which frown on minute orders by trial courts. In *Continental Bank vs. Tiangco*, 94 SCRA 715, the order did not contain any reason for granting a motion to dismiss a complaint, in *Eastern Assurance and Surety Corporation vs. Cui*, 195 SCRA 622, it only said that the motion to dismiss a third-party complaint was well-taken, and in *Barrera vs. Militante*, 114 SRA 325, it held that the motion for reconsideration of an order of dismissal was without merit. These orders were actually reviewed by the High Court in spite of the fact that they were found to be minute orders, and the third was upheld for being supported with good reasons.

Subsequent cases have taken the concept of legal basis in a liberal light. Lack of merit was considered a legal basis for the denial of a motion for reconsideration of a decision. *Prudential Bank vs. Castro*, 158 SCRA 646, and order of dismissal of appeal, *United Placement International vs. NLRC*, 257 SCRA 404, while it should be deemed inferred from the statement of the High Court, in refusing due course to a petition for certiorari, that the petitioner had failed to show grave abuse of discretion in the action taken below. *Nunal vs. Commission on Audit*, 169 SCRA 356.

Applying these precepts, it is clear that the assailed Order of May 15, 2001, being merely a resolution of the motion to quash the writ of execution, is neither a decision nor a final order on the merits. As stated in *Puertollano vs. Intermediate Appellate Court*, 156 SCRA 188, a final judgment or order is one that finally disposes of and determines the rights of the parties, either on the entire controversy or a segment thereof, and concludes them until it is revised or set aside. The Order in question does not purport to settle a right but assumes it already. The respondents are correct in pointing out that it was the Order of October 15, 1999 that settled the rights of the parties to the matter of the balance of the purchase price and became the subject of the writ of execution. The intervening proceeding was nothing more than an attempt by the trial court to thresh out a settlement by the parties, which did not push through because of the intransigence of the petitioner, leaving the court no choice but to enforce the terms of the original order upon motion of the estate. On the basis of present jurisprudential trends, the expression no merit may safely be used for ordinary motions such as the one in issue here.

Neither may it be said that the writ had been prematurely issued, simply because the ejectment case, the expenses of which were to be deducted from the balance of the purchase price, was not yet terminated. The respondent estate had correctly pointed out that the litigation expenses could be determined beforehand.... To allow petitioner to defer payment until it wound up the ejectment case would only place in its hands a potestative power to determine the enforceability of its own obligations under the contract.

The order sought to be enforced by the writ is not, as argued, the Order of July 6, 2000. Even a cursory reading of this issuance will tell us that what the estate was praying for was the enforcement of the October 15, 1999 Order. The trial court categorically stated that it would grant the writ "as prayed for by movant-administratrix" if petitioner would not exercise the option extended to it by the estate within a certain period. Nowhere do we see an instruction that the enforcement of the order of payment would have to depend on the eviction of the occupants.

Finally, it is not meet for petitioner to argue its way out of its obligation by citing the intervention of other parties in the case to claim a portion of the property. As it appears in their pleading, these parties expect to be prejudiced by the turnover of the purchase price to the estate. They can take care of themselves, and evidently, they are doing so by such intervention."

IN VIEW OF THE FOREGOING, the petition is dismissed.

SO ORDERED.

Petitioner's motion for reconsideration was denied in a resolution dated February 12, 2003.

Petitioner raises the following issues:[14]

I

whether or not the trial court can delegate the authority to hear and determine the amount to be levied in a writ of execution to the sheriff; and

II

whether or not a probate court has the jurisdiction to determine the rights and obligations of the parties in a contract, one of which is a private corporation.

Petitioner argues as follows:

- the writ of execution dated October 5, 2000 sought to be quashed by petitioner is inherently defective, as it gives the sheriff the authority to determine the amount to be levied in violation of the mandatory provision of Section 8(e), Rule 39 of the 1997 Rules of Civil Procedure;
- the quashal of the writ of execution issued by public respondent is necessary and proper because, aside from being inherently defective, it is the product of a null and void proceedings because the jurisdiction to determine the rights and obligations of petitioner and private respondent under the "Agreement for Sale of Land with Downpayment" exclusively belongs to courts of general jurisdiction;
- the writ of execution sought to be quashed by petitioner is not one of those allowed to be issued by probate courts under Section 6, Rule 88; Section 3, Rule 90 and Section 13, Rule 142 of the Revised Rules of Court;
- the writ of execution violates the doctrine that a contract is the law between parties, and courts have no choice but to enforce such contract so long as it is not contrary to law, morals, customs or public policy;
- there was a supervening cause which made the implementation of the subject writ of execution unjust and inequitable; and
- certiorari is the appropriate remedy to assail the subject orders of public respondent for being issued outside or in excess of his jurisdiction.

The petition is denied.

As correctly held by the CA, there was no discretion given to the sheriff as to the amount to be paid or executed on under the writ of execution. While the writ of execution did say ". . . the sum of P4,259,400.00, . . . minus the expenses incurred by WT Construction in ejecting the occupants of the land," this simply means that petitioner was being given a chance by the court to reduce the aforementioned amount upon proof of said deductible expenses, after which an alias writ would be issued. In the absence of such proof, the sheriff would have to execute for the full amount. And as noted by the CA, petitioner failed to prove such expenses within the period given by the probate/estate court. The issue is, therefore, moot.

As to petitioner's argument that the probate/estate court cannot adjudicate the rights and obligations of the parties under the deed of sale, the CA rightly found that this was a new issue not raised in the probate/estate court. Furthermore, the deed of sale in question is the sale of the property of the estate to pay for taxes, a matter definitely within the power of the probate/estate court to order.

It is but logical that probate/estate courts can enforce obligations under such a deed of sale. Otherwise, they would

not be able to secure the proceeds to pay for the taxes and this would defeat the purpose of the proceedings to settle the estate. Stated otherwise, the power to enforce obligations under the deed of sale of a property ordered sold to pay debts of the estate is but a necessary incident of the power of a probate/estate court to order and effect such sale in the first place.

In fine, this Court sees no error on the part of the CA in dismissing petitioner's special civil action for certiorari.

WHEREFORE, the petition is DENIED and the Decision and Resolution of the Court of Appeals in CA-G.R. SP No. 65592 dated July 25, 2002 and February 12, 2003, respectively, are hereby AFFIRMED.

Costs against petitioner.

SO ORDERED.

Puno, C.J., (Chairperson), Sandoval-Gutierrez, Corona, and Leonardo-De Castro, JJ., concur.

[1] Under Rule 45 of the Rules of Court.

[2] Rollo, pp. 241-244.

[3] The case, entitled "In the Matter of the Intestate Estate Alberto Cabahug," was docketed as SP Proc. No. 3562-R.

[4] Rollo, pp. 82-84.

[5] Id. at 85.

[6] Id.

[7] When this Order was issued, petitioner had already obtained a decree of ejectment from the MTCC. A week before the writ of execution in the ejectment case was served on the occupants, the estate was able to obtain its own Order from Judge Cañete denying the motion for reconsideration of petitioner and ordering the latter, in view of the lapse of the grace period, to pay the stated amount less expenses (CA Decision, p. 4; rollo, p. 147).

[8] Rollo, p. 86.

[9] Docketed as Civil Case No. MAN-2630, entitled "Antonia Flores, et al. v. Ciriaco Cabahug, et al.," Branch 56, RTC-Mandaue City.

[10] Rollo, pp. 87-90.

[11] The motion was not yet resolved at the time the petition was filed.

[12] Rollo, p. 68.

[13] Id. at 51-52.

[14] Id. at 14-15.

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