

**PETRA C. MARTINEZ, IN HER CAPACITY AS GENERAL MANAGER,
CLAVERIA AGRI-BASED MULTI-PURPOSE COOPERATIVE, INC.,
PETITIONER, VS. FILOMENA L. VILLANUEVA, RESPONDENT.**

G.R. No. 169196. July 06, 2011

Ponente: VILLARAMA, JR., J.

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VILLARAMA, JR., J.:

The above-titled consolidated petitions[1] filed under Rule 45 of the 1997 Rules of Civil Procedure, as amended, assail the May 6, 2005 Decision[2] and August 8, 2005 Resolution[3] of the Court of Appeals (CA) in CA-G.R. SP No. 86896. The CA had reversed the September 15, 2004 Order[4] of the Deputy Ombudsman for Luzon finding respondent Filomena L. Villanueva liable for grave misconduct for violating Republic Act (R.A.) No. 6713 or the Code of Conduct and Ethical Standards for Public Officials and Employees.

The undisputed facts of the case are as follows:

Petitioner Petra C. Martinez (Martinez) is the General Manager of Claveria Agri-Based Multi-Purpose Cooperative, Inc. (CABMPCI) while respondent is the Assistant Regional Director of the Cooperative Development Authority (CDA), Regional Office No. 02, Tuguegarao City, Cagayan.

On May 19, 1998, respondent obtained a loan of P50,000 from CABMPCI as evidenced by a loan note[5] and a cash disbursement voucher[6] both signed by respondent and approved by Martinez in the latter's capacity as General Manager.

On June 13, 1998, respondent again obtained a loan from CABMPCI, with the corresponding loan note[7] and cash disbursement voucher[8] also signed by respondent and approved by Martinez. The loan was for P1,000,000, but respondent returned P500,000 five days later.

On July 19, 1999, CABMPCI issued Official Receipt (O.R.) No. 141084[9] to respondent stating that it received from the latter the sum of P764,865.25 in payment of the following sums:

Loans

:

589730.15

Interest on Loans

:

87567.55

Fines

:

87567.55

On the same day, Martinez issued the following certification to respondent:

This is to certify that Mrs. Filomena Villanueva has fully paid her loan in the amount of Five Hundred eighty nine thousand seven hundred thirty and fifteen centavos (P589,730.15) at the Claveria Agri-based Mul[ti-] purpose Cooperative Incorporated.

This certification is issued upon the request of Mrs. Villanueva for general purposes.

Issued this 19[th] day of July 1999.

(Sgd.)

MRS. PETRA C. MARTINEZ

General Manager[10]

Also on July 19, 1999, respondent's husband, Armando Villanueva (Armando), obtained a loan from CABMPCI in the amount of P780,000 as evidenced by a loan note[11] and cash disbursement voucher[12] signed by Armando and approved by Martinez. The parties, however, have different versions as to the circumstances surrounding the transactions that occurred on July 19, 1999.

Martinez claims that the Villanueva spouses came to her that day and requested her to transfer respondent's two loans (P15,134.75 and P764,865.25, inclusive of interests and charges) to Armando's name so that respondent's name will not be among the list of borrowers, she being an official of the CDA. Due to respondent's moral ascendancy, Martinez claims that she acceded to the request. Accordingly, Armando assumed the outstanding loan of his wife. As respondent's loan had been transferred to her husband, Martinez issued O.R. No. 141084 and a certification to the effect that respondent has already paid her loan although no money was actually received. Respondent, on the other hand, contends that her husband obtained the P780,000 loan in his personal capacity as member of CABMPCI.

Subsequently, following Armando's failure to pay his loan, CABMPCI, represented by Martinez, filed an action for collection of sum of money against Armando before the Regional Trial Court (RTC) of Sanchez Mira, Cagayan. Martinez likewise filed with the CDA an administrative complaint against respondent for Willful Failure to Pay Just Debt.

On October 16, 2001, the RTC declared Armando in default and rendered a decision[13] ordering him to pay P1,107,210.90 plus the stipulated rate of 3% per month as combined fine and interest, and to pay the costs of collection. A writ of execution[14] to this effect was issued.

Armando thereafter filed a petition for prohibition,[15] docketed as CA-G.R. SP No. 71002 before the CA, seeking the nullification of the October 16, 2001 decision and writ of execution issued against him, claiming that said loan has already been paid as shown by O.R. No. 141084 issued by CABMPCI to respondent. CABMPCI was required to file a comment, but it failed to comply. Thus, the CA deemed such noncompliance as a waiver of its right to refute the allegations in Armando's petition. On October 30, 2002, the CA rendered a decision[16] nullifying the RTC decision and writ of execution on the ground that the obligation has already been settled.

On December 9, 2002, petitioner filed an affidavit/complaint[17] before the Office of the Deputy Ombudsman for

Luzon charging respondent with violation of Article 215[18] of the Revised Penal Code and Section 7(d)[19] in relation to Section 11[20] of R.A. No. 6713.

On July 22, 2003, Graft Investigation Officer II Ismael B. Boco rendered a Decision on the administrative aspect of petitioner's complaint finding respondent liable for grave misconduct and recommending the penalty of dismissal. Said decision was duly approved by Victor C. Fernandez, Deputy Ombudsman for Luzon, on August 18, 2003.

Deputy Ombudsman Fernandez found that respondent abused her position when she solicited a loan from CABMPCI despite the fact that she is disqualified by its by-laws and when she used her influence to transfer her loan obligation to her husband with no money being actually paid. The Deputy Ombudsman for Luzon noted that while an individual may incur an indebtedness unrestricted by the fact that she is a public officer or employee, caution should be taken to prevent the development of suspicious circumstances that might inevitably impair the image of the public office.

On September 9, 2003, respondent sought reconsideration of the decision. The Deputy Ombudsman for Luzon, in an Order[21] dated September 15, 2004, denied the motion for reconsideration but reduced the penalty from dismissal to six months suspension without pay. Respondent's suspension from office was thereafter implemented effective at the close of office hours of October 8, 2004.

Aggrieved, respondent filed a petition for review before the CA assailing the September 15, 2004 Order of the Office of the Deputy Ombudsman for Luzon.

Respondent argued that the Office of the Deputy Ombudsman for Luzon erred in treating the loan she obtained from CABMPCI as a prohibited loan under Section 7(d) of R.A. No. 6713 because she was an official of the CDA. Respondent argued that although Section 7(d) of R.A. No. 6713 prohibits all public officials and employees from soliciting or accepting loans in connection with any operation being regulated by her office, the subsequent enactment of R.A. No. 6938 or the Cooperative Code of the Philippines[22] allows qualified officials and employees to become members of cooperatives and naturally, to avail of the attendant privileges and benefits of membership. She contended that it would be absurd if CDA officials and employees who are eligible to apply for membership in a cooperative would be prohibited from availing loans. She respectfully submitted that the only limitation applicable to any CDA officer or employee is Article 28[23] of R.A. No. 6938 which disqualifies them from being elected or appointed to any position in a cooperative.

She likewise argued that the Office of the Deputy Ombudsman for Luzon has no jurisdiction to suspend her, much less decree immediate implementation of the suspension order, as the authority to impose sanctions properly belongs to the CDA.[24]

In the assailed decision, the CA granted respondent's petition for review and set aside the September 15, 2004 Order of the Deputy Ombudsman for Luzon.

The CA held that the only limitation for CDA officers or employees in R.A. No. 6938 is Article 28 which disqualifies them from being elected or appointed to any position in a cooperative. The CA further pointed out that under Article 29[25] of said law, an applicant for membership shall be deemed a member after approval of her membership by the board of directors and shall exercise the rights of a member after having made such payments to the cooperative in respect to membership or after acquiring interest in the cooperative as may be prescribed by the by-laws. The CA found questionable Martinez's claim that respondent is disqualified from being a member considering that Martinez approved respondent's loan. The CA added that it also would be unjust and inequitable for respondent to receive an official receipt signed by the general manager, indicating full payment of

the loan if such receipt could not be taken as reliable evidence of actual payment. It held that where the debtor introduces some evidence of payment, the burden shifts to the creditor to show nonpayment. The CA likewise ruled that Martinez failed to prove that respondent had used undue influence in soliciting the loan and held that the Ombudsman erred in applying R.A. No. 6713 without recognizing the fact of membership and its privileges.

Hence the instant petitions.

The Office of the Ombudsman proffers the following arguments for this Court's consideration:

I.

THE HONORABLE COURT OF APPEALS ERRED IN THE APPLICATION OF RA 6938, BY ONLY APPLYING AND LIMITING ITSELF TO ARTICLES 28 AND 29 THEREOF AND DISREGARDING ARTICLE 26[26] OF THE SAME [LAW]. ARTICLE 26 CLEARLY DISQUALIFIES PRIVATE RESPONDENT FROM BECOMING A MEMBER OF A COOPERATIVE ON WHICH SHE EXERCISED REGULATORY AUTHORITY AS THE ASSISTANT DIRECTOR OF THE COOPERATIVE DEVELOPMENT AUTHORITY (CDA).

II.

THERE IS MORE THAN ENOUGH SUBSTANTIAL EVIDENCE TO PROVE THE ADMINISTRATIVE GUILT OF RESPONDENT FOR MISCONDUCT WHEN SHE, AS A RANKING OFFICIAL OF THE CDA AND TASKED TO APPLY AND IMPLEMENT THE COOPERATIVE CODE OF THE PHILIPPINES AND ITS RULES, REGULATIONS AND ISSUANCES RELATIVE THERETO AND REGULATE THE AFFAIRS OF COOPERATIVES, SOLICITED AND OBTAINED A ONE (1) MILLION LOAN FROM CAGAYAN AGRI-BASED MULTI-PURPOSE COOPERATIVE, INCORPORATED (CABMPCI), NOTWITHSTANDING HER DISQUALIFICATION AS MEMBER OF SAID COOPERATIVE[.][27]

The Office of the Ombudsman argues that it is not enough that the membership of the respondent be approved by the board of directors as required by Article 29 of R.A. No. 6938, or that she was not elected to any position in a cooperative as provided in Article 28. Article 26 of said law, which requires that a member of the cooperative "resides or farms in the area of operation," should have been applied as well, according to the Ombudsman. And since respondent conceded that she is not a resident of Claveria, nor did she operate any farm in said place, respondent was disqualified from membership in CABMPCI.

The Ombudsman adds that it is incumbent upon respondent, as CDA Assistant Director, to be knowledgeable of the by-laws and articles of incorporation of CABMPCI, particularly regarding the qualifications of the members, since the affairs of CABMPCI are within the area of jurisdiction of respondent's office. Despite this, however, respondent still applied for membership, enabling her to obtain a loan, by clearly using her influence as an officer of the CDA in violation of R.A. No. 6938, the very law she is supposed to implement. The Ombudsman argues that respondent put herself in a conflict-of-interest situation proscribed by Section 7(d) of R.A. No. 6713 and clearly violated said law when she took the prohibited loans.

Petitioner Martinez, on the other hand, submits that the CA erred in:

I.

...APPRECIATING THE EVIDENCE ON RECORD; COROLLARILY, IT GRAVELY ERRED IN GIVING FULL CREDENCE TO A MERE PHOTOCOPY OF A CERTAIN UNVERIFIED AND UNIDENTIFIED PIECE OF DOCUMENT[;]

II.

...HOLDING THAT SUBSTANTIAL EVIDENCE DOES NOT EXIST TO SUPPORT [THE] OMB-LUZON'S CONCLUSION THAT RESPONDENT IS GUILTY OF GRAVE MISCONDUCT[; AND]

III.

. . . . NOT FINDING THAT MERE SOLICITATION OF A LOAN IS PROHIBITED UNDER SECTION 7(D) OF R.A. 6713.[28]

Martinez argues that other than respondent's bare allegations, respondent failed to prove that she actually applied, and was duly admitted, for membership at CABMPCI. Martinez claims that the CA erred in giving probative value to a mere photocopy of the cover page of Passbook No. 7716 allegedly issued to respondent as evidence of her membership. Martinez argues that respondent should have submitted a copy of her application form duly accepted by the Board of Directors, together with the official receipt evidencing the payment of membership fee and paid-up share capital. Martinez adds that pursuant to CABMPCI's by-laws, respondent is not at all qualified to become a member.

As respondent never became a member, Martinez insists that it was only because of respondent's position and authority as Assistant Regional Director of the CDA that she went out of the cooperative's policies in order to accommodate respondent's loan applications. Specifically, she allowed respondent to obtain a loan despite the fact that the latter was not eligible for membership. Indeed, Martinez points out that even if respondent was eligible for membership, the cooperative's policy is to allow new members to avail of a loan only after two months of membership and to a maximum loanable amount of only twice the membership capital/deposit.[29]

Martinez also disagrees with the CA's observation which seems to imply that respondent's full payment of the loan exonerates her from administrative liability. Martinez contends that the issue of whether the loans were paid is immaterial to the charge of violation of Section 7(d) of R.A. No. 6713 since said law prohibits the mere solicitation of a loan. Martinez points out that from the very start, respondent never denied obtaining a loan from CABMPCI.

Lastly, Martinez also urges the Court to set aside the October 30, 2002 CA decision in CA-G.R. SP No. 71002 nullifying the October 16, 2001 RTC decision and the corresponding writ of execution issued against respondent's husband.

Respondent, for her part, manifests in her one-page comment that she is of the considered view that the assailed CA decision and resolution are supported by law and jurisprudence. She submits that the petitions present no cogent reasons to warrant reversal of assailed decision and resolution.

The petitions are partly meritorious.

It is worthy to note at the outset that the reasoning of the CA suffers from inconsistency. On the one hand, the CA ruled that the only prohibition applicable to CDA officials and employees is the prohibition stated in Article 28 of R.A. No. 6938, and that the Deputy Ombudsman for Luzon "erred in applying R.A. 6713 without recognizing the fact of membership and its privileges." Implicit in the CA's statements is a finding that the prohibition in Section 7(d) of R.A. No. 6713, which applies to all public officials and employees, has been repealed by R.A. No. 6938. Yet, in the same breath, the CA also ruled that there exists no substantial evidence to warrant a finding that respondent violated Section 7(d) of R.A. No. 6713, thereby implying that the prohibition still stands. Whichever way the CA decision is read, however, the error on the part of the CA is clear.

First, the Court notes that nothing in R.A. No. 6938 shows that it repealed the provisions of R.A. No. 6713 as regards the prohibitions on CDA officials and employees. R.A. No. 6938 does not contain any provision categorically and expressly repealing the provisions of R.A. No. 6713 pertaining to prohibitions on government

officials and employees, even at least for those belonging to the CDA. Laws are presumed to be passed with deliberation and full knowledge of all laws existing on the subject. Hence, a law cannot be deemed repealed unless it is clearly manifest that the legislature intended it. The failure to add a specific repealing clause indicates that the intent was not to repeal any existing law, unless an irreconcilable inconsistency and repugnancy exist in the terms of the new and old laws.[30] Here, Article 127 of R.A. No. 6938 simply reads:

ART. 127. Repeals. - Except as expressly provided by this Code, Presidential Decree No. 175 and all other laws, or parts thereof inconsistent with any provision of this Code shall be deemed repealed: Provided, however, That nothing in this Code shall be interpreted to mean the amendment or repeal of any provision of Presidential Decree No. 269: Provided further, That the electric cooperatives which qualify as such under this Code shall fall under the coverage thereof.

Also, our reading of the provisions of R.A. No. 6938 fails to reveal to us any inconsistency or repugnancy between the pertinent provisions of R.A. No. 6938 and R.A. No. 6713. Thus, neither can there be any implied repeal. The ban on CDA officials holding a position in a cooperative provided in R.A. No. 6938 should therefore be taken for what it is, that is, it is a prohibition in addition to those provided in R.A. No. 6713 and specifically applicable to CDA officials and employees. True, R.A. No. 6938 allows CDA officials and employees to become members of cooperatives and enjoy the privileges and benefits attendant to membership. However, R.A. No. 6938 should not be taken as creating in favor of CDA officials and employees an exemption from the coverage of Section 7(d), R.A. No. 6713 considering that the benefits and privileges attendant to membership in a cooperative are not confined solely to availing of loans and not all cooperatives are established for the sole purpose of providing credit facilities to their members.[31] Thus, the limitation on the benefits which respondent may enjoy in connection with her alleged membership in CABMPCI does not lead to absurd results and does not render naught membership in the cooperative or render R.A. No. 6938 ineffectual, contrary to respondent's assertions. We find that such limitation is but a necessary consequence of the privilege of holding a public office and is akin to the other limitations that, although interfering with a public servant's private rights, are nonetheless deemed valid in light of the public trust nature of public employment.

Second, the ratiocination of the CA that respondent should not have been held liable for grave misconduct because of the supposed failure of Martinez to show undue influence is mistaken. The relevant provision under which respondent was charged is Section 7(d) of R.A. No. 6713 which reads:

SEC. 7. Prohibited Acts and Transactions.- In addition to acts and omissions of public officials and employees now prescribed in the Constitution and existing laws, the following shall constitute prohibited acts and transactions of any public official and employee and are hereby declared to be unlawful:

(d) Solicitation or acceptance of gifts. - Public officials and employees shall not solicit or accept, directly or indirectly, any gift, gratuity, favor, entertainment, loan or anything of monetary value from any person in the course of their official duties or in connection with any operation being regulated by, or any transaction which may be affected by the functions of their office.

x x x x

The Ombudsman shall prescribe such regulations as may be necessary to carry out the purpose of this subsection, including pertinent reporting and disclosure requirements.

Nothing in this Act shall be construed to restrict or prohibit any educational, scientific or cultural exchange programs subject to national security requirements. (Emphasis supplied.)

Said prohibition in Section 7(d) is *malum prohibitum*. It is the commission of that act as defined by the law, and not the character or effect thereof, that determines whether or not the provision has been violated. Therefore, it is

immaterial whether respondent has fully paid her loans since the law prohibits the mere act of soliciting a loan under the circumstances provided in Section 7(d) of R.A. No. 6713. Neither is undue influence on respondent's part required to be proven as held by the CA. Whether respondent used her position or authority as a CDA official is of no consequence in the determination of her administrative liability. And considering that respondent admitted having taken two loans from CABMPCI, which is a cooperative whose operations are directly regulated by respondent's office, respondent was correctly meted the penalty of suspension by the Deputy Ombudsman for Luzon for violation of Section 7(d). The CA committed reversible error when it granted respondent's petition for review which should have been dismissed for lack of merit.

One last note. Aside from the reversal of the appellate court's decision which exonerated respondent from administrative liability, Martinez also prays, in the interest of justice, that the October 30, 2002 CA decision nullifying the October 16, 2001 RTC decision and the corresponding writ of execution issued against respondent's husband, be reversed and set aside.

This we cannot grant.

The CA decision has already attained finality on November 13, 2003 after this Court denied the petition for review on certiorari assailing such decision. As held in the case of *Mocorro, Jr. v. Ramirez*:^[32]

x x x A definitive final judgment, however erroneous, is no longer subject to change or revision.

A decision that has acquired finality becomes immutable and unalterable. This quality of immutability precludes the modification of a final judgment, even if the modification is meant to correct erroneous conclusions of fact and law. And this postulate holds true whether the modification is made by the court that rendered it or by the highest court in the land. The orderly administration of justice requires that, at the risk of occasional errors, the judgments/resolutions of a court must reach a point of finality set by the law. The noble purpose is to write finis to dispute once and for all. This is a fundamental principle in our justice system, without which there would be no end to litigations. Utmost respect and adherence to this principle must always be maintained by those who exercise the power of adjudication. Any act, which violates such principle, must immediately be struck down. Indeed, the principle of conclusiveness of prior adjudications is not confined in its operation to the judgments of what are ordinarily known as courts, but extends to all bodies upon which judicial powers had been conferred.^[33]

WHEREFORE, the May 6, 2005 Decision and August 8, 2005 Resolution of the Court of Appeals in CA-G.R. SP No. 86896 are REVERSED and SET ASIDE. The September 15, 2004 Order of the Office of the Deputy Ombudsman for Luzon in OMB-L-A-02-0803-L is REINSTATED and UPHELD.

No costs.

SO ORDERED.

Corona, C.J., (Chairperson), Leonardo-De Castro, Bersamin, and Del Castillo, JJ., concur.

[1] Rollo (G.R. No. 169196), pp. 7-36; rollo (G.R. No. 169198), pp. 11-38.

[2] Id. at 38-46. Penned by Associate Justice Eliezer R. de los Santos with Associate Justices Eugenio S. Labitoria and Arturo D. Brion (now a member of this Court) concurring.

[3] Id. at 47-48.

[4] Id. at 72-74.

[5] Ombudsman records, p. 5.

[6] Id. at 6.

[7] Id. at 9.

[8] Id. at 10.

[9] Annex "2" of Respondent's Counter-Affidavit filed before the Office of the Ombudsman.

[10] Annex "3" of Respondent's Counter-Affidavit filed before the Office of the Ombudsman.

[11] Ombudsman records, p. 11.

[12] Id. at 12; RTC records, p. 4.

[13] Id. at 13-14.

[14] Id. at 15.

[15] CA rollo (CA-G.R. SP No. 71002), pp. 2-5.

[16] Id. at 20-24.

[17] Ombudsman records, pp. 2-4.

[18] ART. 215. Prohibited Transactions.--The penalty of prision correccional in its minimum period or a fine ranging from 200 to 1,000 pesos, or both, shall be imposed upon any appointive public officer who, during his incumbency, shall directly or indirectly become interested in any transaction of exchange or speculation within the territory subject to his jurisdiction.

[19] SEC. 7.Prohibited Acts and Transactions.- In addition to acts and omissions of public officials and employees now prescribed in the Constitution and existing laws, the following shall constitute prohibited acts and transactions of any public official and employee and are hereby declared to be unlawful:

x x x x

(d) Solicitation or acceptance of gifts. - Public officials and employees shall not solicit or accept, directly or indirectly, any gift, gratuity, favor, entertainment, loan or anything of monetary value from any person in the course of their official duties or in connection with any operation being regulated by, or any transaction which may be affected by the functions of their office.

x x x x

[20] SEC. 11.Penalties.- (a) Any public official or employee, regardless of whether or not he holds office or employment in a casual, temporary, holdover, permanent or regular capacity, committing any violation of this Act shall be punished with a fine not exceeding the equivalent of six (6) months salary or suspension not exceeding one (1) year, or removal depending on the gravity of the offense after due notice and hearing by the appropriate body or agency. If the violation is punishable by a heavier penalty under another law, he shall be prosecuted under the latter statute. Violations of Sections 7, 8, or 9 of this Act shall be punishable with imprisonment not exceeding five (5) years, or a fine not exceeding Five Thousand Pesos (P5,000.00), or both, and in the discretion of the court of competent jurisdiction, disqualification to hold public office.

(b) Any violation hereof proven in a proper administrative proceeding shall be sufficient cause for removal or dismissal of a public official or employee, even if no criminal prosecution is instituted against him.

(c) Private individuals who participate in conspiracy as co-principals, accomplices or accessories, with public officials or employees, in violation of this Act, shall be subject to the same penal liabilities as the public officials or employees and shall be tried jointly with them.

(d) The official or employee concerned may bring an action against any person who obtains or uses a report for any purpose prohibited by Section 8 (D) of this Act. The court in which such action is brought may assess against such person a penalty in any amount not to exceed [T]wenty-[F]ive [T]housand [P]esos (P25,000.00). If another sanction hereunder or under any other law is heavier, the latter shall apply.

[21] Supra note 4.

[22] Now amended by R.A. No. 9520 or the Philippine Cooperative Code of 2008.

[23] ART. 28. Government Officers and Employees.- (1) Any officer or employee of the Cooperative Development Authority shall be disqualified to be elected or appointed to any position in a cooperative;

(2) Elective officials of the Government, except barangay officials, shall be ineligible to become officers and directors of cooperatives; and

(3) Any government employee may, in the discharge of his duties as member in the cooperative, be allowed by the head of office concerned to use official time for attendance at the general assembly, board and committee meetings of cooperatives as well as cooperative seminars, conferences, workshops, technical meetings, and training courses locally or abroad: Provided, That the operations of the office concerned are not adversely affected.

[24] CA rollo (CA-G.R. SP No. 86896), pp. 5-8.

[25] ART. 29. Application.- An applicant for membership shall be deemed a member after approval of his membership by the board of directors and shall exercise the rights of [a] member after having made such payments to the cooperative in respect to membership or acquired interest in the cooperative as may be prescribed in the by-laws. In case membership is refused or denied by the board of directors, an appeal may be made to the general assembly and the latter's decision shall be final.

[26] ART. 26. Who May Be Members of Cooperatives.- Any natural person, who is a citizen of the Philippines, a cooperative, or nonprofit organization with juridical personality shall be eligible for membership in a cooperative if the applicant meets the qualifications prescribed in the by-laws: Provided, That only natural persons may be admitted as members of a primary cooperative.

[27] Rollo (G.R. No. 169198), pp. 21-22.

[28] Rollo (G.R. No. 169196), p. 14.

[29] CA rollo (CA-G.R. SP No. 86896), p. 81.

[30] Secretary of Finance v. Ilarde, G.R. No. 121782, May 9, 2005, 458 SCRA 218, 233, citing Recaña, Jr. v. Court of Appeals, G.R. No. 123850, January 5, 2001, 349 SCRA 24, 33.

[31] ARTICLE 6. Organization of Cooperatives.- A cooperative may be organized and registered by at least fifteen (15) persons for any or all of the following purposes:

- (1) To encourage thrift and savings mobilization among the members;
- (2) To generate funds and extend credit to the members for productive and provident purposes;
- (3) To encourage among members systematic production and marketing;

- (4) To provide goods and services and other requirements to the members;
- (5) To develop expertise and skills among its members;
- (6) To acquire lands and provide housing benefits for the members;
- (7) To insure against losses of the members;
- (8) To promote and advance the economic, social and educational status of the members;
- (9) To establish, own, lease or operate cooperative banks, cooperative wholesale and retail complexes, insurance and agricultural/industrial processing enterprises, and public markets;
- (10) To coordinate and facilitate the activities of cooperatives; and
- (11) To undertake any and all other activities for the effective and efficient implementation of the provisions of this Code.

[32] G.R. No. 178366, July 28, 2008, 560 SCRA 362.

[33] Id. at 372-373, citing *Collantes v. Court of Appeals*, G.R. No. 169604, March 6, 2007, 517 SCRA 561, 562 and *Peña v. Government Service Insurance System (GSIS)*, G.R. No. 159520, September 19, 2006, 502 SCRA 383, 404-405.

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