

GOVERNMENT SERVICE INSURANCE SYSTEM, PETITIONER, VS. THE REGIONAL TRIAL COURT OF PASIG CITY, BRANCH 71, CRESENCIANO RABELLO, JR., SHERIFF IV, RTC-BRANCH 71, PASIG CITY; AND EDUA...*G.R. No. 175393. December 18, 2009*

Ponente: LEONARDO-DE CASTRO, J.

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The case now before us stems from two petitions that were consolidated upon motion of petitioner Government Service Insurance System (GSIS). We are well aware of the impact and the significance of the matters presented here on both parties and after careful study of the laws and jurisprudence applicable, we now discuss the facts, issues, and arguments from which we have reached our conclusion. As the final arbiter of all legal questions, we intend this decision to put an end to this long-drawn litigation.

The first case, docketed as G.R. No. 175393, is a Petition for Certiorari and Prohibition[1] seeking to annul respondent trial court's Orders dated November 20, 2006 and September 12, 2006 issued in Civil Case No. 59439 entitled Eduardo M. Santiago, substituted by his widow, Rosario Enriquez Vda. De Santiago v. GSIS, and to perpetually restrain respondent sheriff from enforcing said Orders of respondent trial court.

The second case, docketed as G.R. No. 177731, is a Petition for Review on Certiorari[2] filed under Rule 45 of the Rules of Court, as amended, which seeks to reverse and set aside: (1) the Decision[3] of the Court of Appeals (CA) dated August 3, 2006 partially granting the Petition for Certiorari and Prohibition and affirming with modifications the assailed Orders of the respondent trial court, in GSIS v. Hon. Celso Laviña, Presiding Judge, Regional Trial Court - Pasig City, Branch 71, Cresenciano Rabello, Jr., Sheriff, RTC-71, Pasig City, and Eduardo M. Santiago, substituted by his widow, Rosario Enriquez Vda. De Santiago, docketed as CA-G.R. SP No. 84079, and (2) the CA Resolution dated April 27, 2007 denying petitioner's Verified Motion for Reconsideration.

I. FACTS OF THE CASE

From September 1956 to October 1957, spouses Jose C. Zulueta and Soledad Ramos (Zulueta spouses) obtained various loans from GSIS totaling P3,117,000.00 secured by a real estate mortgage on several parcels of land located in Pasig City and covered by Transfer Certificates of Title (TCTs) Nos. 26105, 37177, and 50356 (the mother titles) in their name. Because of the Zulueta spouses' default, GSIS, on August 14, 1974, extrajudicially foreclosed the mortgages dated September 25, 1956, March 6, 1957, April 4, 1957, and October 15, 1957, for P5,229,917.84. Being the highest bidder, GSIS was issued a certificate of sale by the sheriff.

On November 25, 1975, GSIS consolidated its title over the lots subject of the foreclosure sale. Subsequently, GSIS disposed of the foreclosed properties together with lots not covered by the foreclosure sale.

On March 6, 1980, GSIS sold the foreclosed properties to Yorkstown Development Corporation, which sale was

disapproved by the Office of the President of the Philippines. The Register of Deeds of Rizal cancelled the land titles issued to Yorkstown Development Corporation.[4]

After GSIS had re-acquired the properties sold to Yorkstown Development Corporation, it began disposing the foreclosed lots, including the excluded ones. The lots had already been divided by the Zulueta spouses into smaller lots but GSIS consolidated title on the three mother titles, because these were what the Zulueta spouses had earlier mortgaged to it. Under the first mortgage on September 25, 1956, out of the 199 lots covered by TCT No. 26105, 78 lots (subject lots) were expressly excluded from the mother title's mortgage.

On April 7, 1990, Antonio Vic Zulueta (Antonio), the Zulueta spouses' successor-in-interest, transferred all his rights and interests[5] in the excluded lots to Eduardo M. Santiago (Santiago), whose lawyer wrote a letter dated May 11, 1989 asking GSIS to return said lots.

On May 7, 1990, Antonio, represented by Santiago, filed an action for reconveyance of the excluded lots against GSIS in the Regional Trial Court (RTC) of Pasig City (Branch 71), presided over by Hon. Celso Laviña (respondent judge), docketed as Civil Case No. 59439 and entitled Eduardo M. Santiago, et al. v. GSIS. After a court battle between Antonio and Santiago wherein the former sought the revocation of the Special Power of Attorney in favor of the latter, Antonio was substituted by Eduardo Santiago who, upon his death on March 6, 1996, was later substituted by his widow, Rosario Enriquez Vda. de Santiago (private respondent), as plaintiff in the case.

After trial, respondent judge rendered a Decision[6] dated December 17, 1997, finding that neither prescription nor laches had set in. The dispositive portion[7] of the Decision reads:

WHEREFORE, judgment is hereby rendered in favor of plaintiff and against the defendant:

Ordering defendant to reconvey to plaintiff the seventy-eight (78) lots released and excluded from the foreclosure sale including the additional exclusion from the public sale, namely:

- a. Lot Nos. 1, 6, 7, 8, 9, 10 and 13, Block I (Old Plan).
- b. Lot Nos. 1, 3, 4, 5, 7, 8, 10, Block II (Old Plan).
- c. Lot Nos. 3, 10, 12 and 13, Block I (New Plan), Block III (Old Plan).
- d. Lot Nos. 7, 14 and 20, Block III (New Plan), Block V (Old Plan).
- e. Lot Nos. 13 and 20, Block IV (New Plan), Block VI (Old Plan).
- f. Lot Nos. 1, 2, 3 and 10, Block V (New Plan), Block VII (Old Plan).
- g. Lot Nos. 1, 5, 8, 15, 26 and 27, Block VI (New Plan), Block VIII (Old Plan).
- h. Lot Nos. 7 and 12, Block VII (New Plan), Block II (Old Plan).
- i. Lot Nos. 1, 4 and 6, Block VIII (New Plan), Block X (Old Plan).
- j. Lot 5, Block X (New Plan), Block XII (Old Plan).
- k. Lot 6, Block XI (New Plan), Block XII (Old Plan).
- l. Lots 2, 5, 12 and 15, Block I.
- m. Lots 6, 9 and 11, Block II.
- n. Lots 1, 5, 6, 7, 16 and 23, Block 3.
- o. Lot 6, Block 4.
- p. Lots 5, 12, 13 and 24, Block 5.
- q. Lots 10 and 16, Block 6.
- r. Lots 6 and 15, Block 7.
- s. Lots 13, 24, 28 and 29, Block 8.
- t. Lots 1, 11, 17 and 22, Block 9.
- u. Lots 1, 2, 3 and 4, Block 10.
- v. Lots 1, 2, 3 and 5 (New), Block 11.

2. Ordering defendant to pay plaintiff, if the [78] excluded lots could not be reconveyed [,] the fair market value of each of said lots.

3. Ordering the Registry of Deeds of Pasig City ... to cancel the land titles covering the excluded lots in the name of defendant or any of its successors-in-interest including all derivative titles therefrom and to issue new land titles in plaintiff's name.

4. Ordering the Register of Deeds of Pasig City... to cancel the Notices of Lis Pendens inscribed in TCT No. PT-80342 under Entry No. PT-12267/T-23554; x x x TCT No. PT-81812 under Entry No. PT-12267/T-23554; and TCT No. PT-84913 under Entry No. PT-12267/T-23554.

5. Costs of suit.

Counterclaims filed by defendant, intervenors Urbano and intervenors Gonzales are DISMISSED.

SO ORDERED.

Petitioner appealed the aforesaid decision to the CA, docketed as CA-G.R. CV No. 62309 (the first CA case) which, in a decision dated February 22, 2002, affirmed the same. GSIS went up to the Supreme Court via a petition for review on certiorari docketed as G.R. No. 155206 (the first SC case). The first CA decision was affirmed in toto by the Supreme Court in a decision dated October 28, 2003, which became final and executory on February 24, 2004.

On April 2, 2004, private respondent filed a motion before the RTC for execution of its decision. Opposing the motion, GSIS pointed out that under Sec. 39 of Republic Act No. 8291, otherwise known as the GSIS Act of 1997, and existing jurisprudence, its funds and properties were exempt from execution.

On April 27, 2004, respondent judge issued an order granting the motion for execution and fixing the current fair market value of the subject lots,[8] which were ordered reconveyed to private respondent, at P35,000.00 per square meter, or a total of P1,166,165,000.00 computed on the basis of an aggregate area of 33,319 square meters. In arriving at said value, respondent judge explained:

"x x x [The] Court considers the amount of P35,000.00 per square meter, of all the reconveyed 78 lots, representing the current fair market value which value is well within the range [P10,000.00 - P45,000.00 per square meter] established and found by the trial court, affirmed by the Court of Appeals and has been considered binding and conclusive upon the Supreme Court per its Decision dated October 28, 2003 which has become final and executory on February 24, 2004."[9]

Pursuant to the order of execution, respondent judge issued a writ of execution[10] on April 28, 2004. Acting upon said writ, Sheriff Cresenciano Rabello, Jr. (respondent sheriff), along with private respondent's counsel, Atty. Jose Suing (Atty. Suing), went to the GSIS main office on April 29, 2004 to serve the same and a notice addressed to Atty. Winston F. Garcia, president and general manager of GSIS, demanding payment of the abovementioned amount of P1,166,165,000.00. On the same date, respondent sheriff and Atty. Suing served notices of garnishment on GSIS' banks, namely: Development Bank of the Philippines (DBP), Land Bank of the Philippines, Philippine National Bank (PNB), and Philippine Veterans Bank.

On May 4, 2004, GSIS filed a motion to quash writ of execution (motion to quash) on the grounds that: (i) it was exempt from execution under Sec. 39 of Rep. Act No. 8291; (ii) it was deprived of the opportunity to contest the order of execution since the writ of execution was served before its receipt of an official copy of said order; and (iii) the lower court's valuation of the subject lots at P35,000.00 per square meter was unrealistic, too high and without legal and factual basis.[11]

Private respondent opposed GSIS' motion to quash,[12] arguing as follows: (i) that the motion is pro forma as it merely repeated the grounds discussed in GSIS' opposition and supplemental opposition to her motion for execution; (ii) that GSIS was duly served a copy of the order of execution through its counsel, Atty. Lucio L. Yu, Jr., who read the same when he met respondent sheriff and Atty. Suing during their April 29, 2004 visit to the GSIS main office; and (iii) that the lower court's determination of the current market value of the subject lots was based on its findings which were affirmed by the CA and the Supreme Court.[13]

On May 13, 2004, respondent judge issued an Order[14] disposing as follows:

WHEREFORE, the Motion to Quash Writ of Execution is hereby DENIED for lack of merit.

The Motion for Issuance of Writ of Execution or Order for Cancellation of Lis Pendens and the Motion to cancel Notice of Lis Pendens, with their merits, are both GRANTED.

SO ORDERED.

Thereafter, on May 21, 2004, petitioner filed before the CA a special civil action for certiorari and prohibition docketed as CA-G.R. SP No. 84079 (the second CA case), with prayer for temporary restraining order (TRO) and/or writ of preliminary injunction to annul the Orders dated April 27, 2004 and May 13, 2004, respectively, and the Writ of Execution dated April 28, 2004, ascribing grave abuse of discretion amounting to lack or excess of jurisdiction on the part of respondent judge for denying GSIS' motion to quash. Petitioner alleged that its funds and properties were exempt from execution.

Petitioner likewise filed a Petition for Mandamus[15] with prayer for temporary mandatory restraining order and writ of preliminary injunction before the RTC of Pasay City dated May 20, 2004. The petition was a special civil action for mandamus under Rule 65 of the Revised Rules of Court seeking to compel PNB and DBP (respondent banks) to release the deposit made by petitioner by allowing petitioner GSIS to withdraw its funds and monies deposited in respondent banks. The RTC Pasay City, Branch 115, in Civil Case No. 04-0316 CFM, issued an Order[16] dated May 26, 2004 granting the TRO on the ground that pursuant to Rep. Act No. 8291, the funds of GSIS cannot be subject of any garnishment, considering that GSIS badly needed the money to finance its daily operations. A portion of the RTC Order is quoted below:

"Between whatever right or obligation the banks may have to retain the deposits and let another party withdraw it and the right of the depositor GSIS, who acts in behalf of millions of beneficiaries who will suffer the moment the financial condition of GSIS is compromised, this Court finds the choice commonsensical.

"Considering that the rights of the GSIS over its own funds has been firmly established plus the unimaginable scenario of chaos the country might face the moment the public has learned that the funds of the only Government Agency tasked to provide social security protection of the government workers is in jeopardy is almost certain this Court deems it best to issue a status quo order.

WHEREFORE, respondent PNB and DBP are restrained from honoring the garnishing of the GSIS funds x x x (faded text in rollo).

On May 31, 2004, RTC Pasay City Branch 115 issued an Order[17] in Civil Case No. 04-0316 CFM that provides:

"In compliance with the Ex-parte Request for Clarification of Order dated 26 May 2004, directing the parties to preserve the status quo and in ... light of the Temporary Restraining Order issued by the Court of Appeals dated May 27, 2004, in CA-G.R. SP. 84079 case entitled "Government Service Insurance System vs. Hon. Celso Laviña, et al.", restraining the garnishment of the subject deposits, clarification is hereby made that the status quo contemplated in the Order refers to the condition of the parties prior to the service of the Notice of

Garnishment on the respondent banks by the Sheriff of the RTC-71 of Pasig City and that the said status quo Order was never intended to prevent petitioner GSIS from withdrawing the funds and monies deposited in the respondent banks.

SO ORDERED."[18]

Meantime, in its Decision in CA-GR SP No. 84079, the CA held:

WHEREFORE, premises considered, the instant petition is PARTIALLY GRANTED. The orders dated April 27, 2004 and May 13, 2004 and writ of execution dated April 28, 2004, all issued by the regional Trial Court of Pasig City (Branch 71) in Civil Case No. 59439 entitled "Eduardo M. Santiago, etc., vs. Government Service Insurance System", are AFFIRMED with MODIFICATIONS in (i) that said orders and writ shall be for the satisfaction of the decision dated December 17, 1997 rendered in said case to the extent of the sum of P399,828,000.99; and (ii) that said court is directed to immediately conduct a hearing for the purpose of determining the fair market value of the subject lots as of April 29, 2004 and, upon such determination, issue an order of execution and the corresponding writ for the unsatisfied portion of the decision, if any.

The motion for reconsideration of our resolution dated July 27, 2004 and motion to allow immediate partial execution filed by respondent Rosario Enriquez Vda. de Santiago are PARTIALLY GRANTED in that the writ of preliminary injunction heretofore issued by this Court is PARTIALLY LIFTED, such that execution of the decision in Civil Case No. 59439 for the amount of P399,828,000.00 may immediately proceed while the writ of preliminary injunction against the execution of the rest of the judgment award is made PERMANENT subject to the disposition in the preceding paragraph.

For lack of merit, the motion to cite GSIS and others for direct contempt is DENIED.

SO ORDERED.[19]

On August 15, 2006, petitioner filed a Verified Motion for Reconsideration[20] of the Decision dated August 3, 2006 on the main ground that it should not be deprived of what it alleged was the "main mode of satisfying the judgment, i.e., reconveyance." Petitioner attached as Annex "A" a Memorandum[21] entitled "Status of 78 Lots Covered by Writ of Execution in Civil Case No. 59439 xxx as annotated in TCT No. 23554 of the Registry of Deeds, Pasig City," which states that "the total number of lots adjudged is only 76 not 78 and the total area should not be 33,319 [sq. m.] but only 32,534 [sq. m]."

The respondent trial court issued an Order[22] dated November 20, 2006 denying the petitioner's Urgent Motion for Reconsideration, the Urgent Motion to Quash Order of Delivery of Money,[23] and the Manifestation to Set Case for Presentation of Rebuttal Evidence[24] dated October 19, 2006.[25]

On November 24, 2006, petitioner GSIS filed with respondent trial court a Manifestation and Urgent Motion for Inhibition[26] "on the ground, among others, that respondent judge's undue and passionate haste in executing the final judgment, and related acts, reveal clearly his bias towards private respondent Santiago."

Subsequently, petitioner filed with this Court a Petition for Certiorari and Prohibition, docketed as G.R. No. 175393 (the second SC case), with prayer for a TRO and/or a Writ of Preliminary Injunction, claiming that the questioned Orders and the Order of Delivery of Money were issued and enforced with grave abuse of discretion amounting to lack or excess of jurisdiction, or in excess of jurisdiction, in the absence of factual and legal bases; and that petitioner had no plain, speedy and adequate remedy in the ordinary course of law except the present petition, to protect its interest against the enforcement of the subject Orders.[27]

This Court issued a Resolution[28] dated December 13, 2006 dismissing the Petition in G.R. No. 175393 for: (a) being a wrong mode of appeal; and (b) violating the rule on forum shopping. On March 12, 2007, this Court

issued another Resolution[29] denying with finality petitioner's Motion for Reconsideration of the earlier Resolution dated December 13, 2006. The Court said:

"It is rather obvious that petitioner's Motion for Reconsideration pending with the CA and its present Petition, while ostensibly directed at different orders of the RTC, are actually aimed at only one objective: to thwart implementation of the modified April 28, 2004 Writ of Execution. Such simultaneous recourse to two remedies at different fora for a single objective is plain forum shopping. Forum shopping exists not only when a final judgment in one case will amount to *res judicata* in another, but also where the elements of *litis pendentia* are present, i.e., regardless of which party will prevail, the result of one action will be determinative of that of the other action. Specifically, if we give due course to the present Petition, our proceedings would have to take precedence over the resolution by the CA of petitioner's Motion for Reconsideration. Our decision would also bind the CA On the issue of the April 28, 2004 Writ of Execution. There is also the possibility that if the CA Proceeds to resolve petitioner's Motion for Reconsideration, its resolution will preempt our action on the present Petition. Either way, one court will be pitted against the other in an appalling scheme petitioner should not get away with.

Having declared the present Petition improper for forum shopping, petitioner's request that it be treated as a Petition for Review on Certiorari under Rule 45 is not feasible.

WHEREFORE, the Motion for Reconsideration is DENIED with finality.

SO ORDERED.[30]

On March 28, 2007, however, petitioner filed a Motion for Leave to File and For Admission of Second Motion for Reconsideration with Prayer to Set Case for Oral Arguments. On April 4, 2007, this Court issued a Resolution[31] granting petitioner's Motion and setting aside the Resolution dated December 13, 2006; reinstating the petition; requiring respondents therein to comment on the petition; and resolving to issue a TRO[32] enjoining respondents therein, their representatives or assigns, and/or any person acting for and in their behalf, from enforcing the Orders dated November 20, 2006 and September 12, 2006 of respondent trial court and the Order of Delivery of Money dated September 14, 2006 of respondent Sheriff in Civil Case No. 59439 of the RTC, Branch 71, Pasig City.

This Court resolved to refer the petition in G.R. No. 175393 to the Court En Banc for disposition; however, on June 19, 2007, the Court resolved to return the case to the Third Division.[33]

On April 27, 2007, the CA denied petitioner's motion for reconsideration in CA-G.R. SP No. 84079. Hence, GSIS filed this Petition for Review on Certiorari docketed as G.R. No. 177731 (the third SC case).

II. THEORY OF PETITIONER

In G.R. No. 177731, petitioner alleges that the CA committed a manifest reversible error:

- In ordering the respondent trial court to proceed with the second option of requiring the petitioner GSIS to pay private respondent for the value of the lots initially pegged at P12,000.00 without affording petitioner GSIS the opportunity to show compliance with the first option of reconveyance of the lots;
- In ignoring the exemption from execution of the funds and assets of petitioner GSIS under Section 39 of Section 1 of the GSIS Act of 1997 (R.A. No. 8291); and
- In holding that petitioner GSIS is barred by estoppel from invoking the prior sale, reconveyance and segregation of lots and double enumeration of two lots, because these allegedly delve into the correctness of respondent trial court's decision.[34]

In its MEMORANDUM,[35] petitioner summarizes the issues involved in this case as follows:

I. Whether it is grave abuse of discretion or gross reversible error for the respondent trial court to ignore or modify the judgment of the Supreme Court.

- Whether there has been actual or constructive compliance with the judgment directing the reconveyance of the 78 lots which are the subject matter of this case.

- Whether in the absence of denial by the private respondent of the fact of reconveyance to the buyers of private respondent's assignor of the lots in question, petitioner GSIS should be deemed to have satisfied the decision under the first option of reconveyance. Otherwise, there would be unjust enrichment and double indemnification.

- Whether the respondent trial court acted with obvious partiality toward the private respondent.

II. Whether it is tenable that when a literal and blind execution of a judgment shall result in grievous error and injustice, the judgment should be executed in a faithful manner that harmonizes with truth and equity. If necessary to avoid distortions, falsehood, and marked injustice, whether the Supreme Court may even reverse and set aside its earlier judgment.

- Whether a party litigant is necessarily bound by the mistakes or grave negligence of its former counsel and officials or employees.

III. Whether the respondent trial court committed reversible error when it ruled on the issue of prescription

IV. Whether it is state policy that GSIS funds are exempt from garnishment. Whether just claims of litigants should be decided in a way that does not conflict with such public policy.[36]

In claiming that "execution should harmonize with truth and equity,"[37] petitioner avers that finality of judgment is a principle needed in the administration of justice; however, in cases where gross injustice shall result from insistence on the principle, it has to be disregarded. Petitioner further avers that the present litigation is one such case. Petitioner alleges that the principle of law that the sacred principle of justice should not be sacrificed at the altar of technicalities has remained unchanged up to the present, and claims that it has been reiterated from time to time by this Honorable Court.

Petitioner argues that "substantive merit, not technicalities, should be considered by this honorable Court." [38] Under the November 20, 2006 Order of the respondent trial court, the sale by Jose Zulueta of the subject lots to his buyers may no longer be raised at this time, but petitioner urges this Court to hold otherwise. Petitioner likewise contends that a "final judgment may be modified or reversed,"[39] and cites cases where this Court allegedly ruled so. Petitioner argues that where there is deviation from a final judgment, as in the present case, and non-reopening will result in gross injustice to the petitioner and unjust enrichment to the respondent, the wrong decision can still be reconsidered and reversed.

Petitioner likewise alleges that it is not bound by the negligence of its lawyers, and claims that it is not true that it failed to raise the defense of previous reconveyance as the records of this case would easily bear out that petitioner mentioned during the proceedings held in the respondent trial court that there had already been reconveyance. Petitioner submits that any negligence of its former lawyers in not including the fact of reconveyance in their Answer or in not capitalizing upon it throughout the trial proceedings should not prejudice the interests of the 1,500,000 GSIS members and pensioners.

Petitioner reiterates its argument that "even if correct, the claim for reconveyance has prescribed." [40] Lastly, regarding the alleged "ethical dimensions" of the case, petitioner argues: "One Billion Pesos shortens the actuarial life of the GSIS by one full year. The amount represents the cash dividends of 621 policy holders for one and a

half years."[41] Even though private respondent's lawyers are highlighting her advanced age and failing health, petitioner points out that she had already agreed to pay 54% of the net benefits from the case to three of her lawyers. Petitioner quotes the September 12, 2006 Order of the RTC Pasig City where it stated, "The proceedings have become a fight among the lawyers for their alleged attorney's fees."[42]

Petitioner likewise claims that under Sec. 39 of Rep. Act No. 8291, the GSIS Act of 1997, its funds are exempt from taxes, legal processes, liens, attachments, garnishments, and executions, and such exemption is a state policy based on the Constitution under its social justice provisions.

Lastly, petitioner asks that this Court revisit the ruling in *Rubia v. GSIS*, [43] which held that the GSIS exemption from execution is not absolute. Petitioner makes the following averments regarding this issue:

Rubia distinguishes between GSIS funds to pay for benefits and funds intended for investments. There is no such distinction. All funds including those invested and the income derived from them are funds used to pay benefits. GSIS never views its income from investments as "profits". All income goes to benefit payments, if not current, then for the future when the billions now paid annually will multiply several times because most of the 1,200,000 current members and the employees succeeding them will have retired.

The amount involved in *Rubia* is relatively nominal. But when unlawful or unjustified claims like the Billion Peso garnishment in this case comes up, the true meaning and correct interpretation of the GSIS Charter become imperative.

x x x

GSIS respectfully submits that the trust funds under its stewardship have the same public character as funds of regular departments, bureaus, and offices of the Government. GSIS is not in business, in the commercial meaning of the word. GSIS tries to make its trust fund earn in order to meet the heavy demands and requirements of the future. In the same way as funds needed to construct school buildings or to buy tanks, helicopters, and other defense equipment may not be garnished to pay debts of the Department of Education and Culture or the Department of National Defense, so should funds intended for pensions of public servants, their death compensation or disability benefits be freed from the perils of execution and garnishment. Or defraudation as in this case.

x x x

The law provides for the exemption of GSIS funds from court processes, execution, garnishment, and other levies. It does not follow that parties with legitimate grievances cannot have any means of redress. The law provides for the handling of claims against regular departments, bureaus, and offices. The exemption of GSIS from court processes means that the same procedure for regular government offices should apply to it. Having removed regular procedures like attachment and garnishment, the law provides the mode of redress against exempt agencies and institutions for persons filing cases against GSIS.

x x x

Clearly, the forcible execution of the final judgment in this *Santiago* case will no doubt violate Section 39 of Section 1 of R.A. No. 8291 and the State policy relative to the preservation and maintenance of the actuarial solvency of the funds of petitioner GSIS.[44]

III. THEORY OF PRIVATE RESPONDENT

In her Consolidated Memorandum (in G.R. No. 175393) and Comment (in G.R. No. 177731) (With Motion Ad Cautelam For Leave To File),[45] private respondent avers that:

44. The issues tackled here can be divided into four (4) groups. The First Group, those which have been

already laid to rest by the finality of judgment of the RTC, 1st CA Decision and the 1st SC Decision but which petitioner GSIS is reviving in the current incidents of these proceedings. The Second Group consist of those raised in the Petition in GR No. 175393 (2nd SC Case). The Third Group are those raised in Petition in GR No. 177731 (3rd SC Case). The Fourth Group comprises the issue of "Reconveyance" and related matters.

45. The issues are therefore the following:

45. A. FIRST GROUP OF ISSUES

I. Whether or not there is forum shopping and therefore the petitions should already be dismissed;

II. Whether or not, the subject case having become final and executory, the instant two petitions should be dismissed;

III. Whether or not Prescription or Laches has set in;

IV. Whether or not petitioner GSIS funds or properties are exempt from execution;

Violation of other Rules

45. B. SECOND GROUP OF ISSUES (Raised in G.R. No. 175393, 2nd SC Case)

V. Whether or not the RTC Order dated 12 September 2006 sought to be reconsidered was, in fact, prematurely issued;

VI. Whether or not respondent RTC deviated from the final and executory judgment when it effectively ruled that the judgment against the petitioner GSIS should be satisfied through the alternative and secondary mode (i.e., payment of the fair market value of the 78 lots, computed at P12,000.00 per square meter) without according the petitioner GSIS the primary mode of satisfying the same judgment (i.e., reconveyance of the said lots);

VII. Whether or not in the absence of denial by the private respondent's lawyers, with the actual reconveyance to the latter of some 59 out of 78 lots in question, the petitioner GSIS should be deemed to have satisfied the judgment to the extent of the same approximately fifty nine (59) lots; otherwise, there would be a clear case of unjust enrichment and double indemnification;

VIII. Whether or not [the] Honorable Presiding Judge of the respondent RTC acted with obvious partiality toward respondent; and

IX. This Honorable Court, in G.R. No. 140393, entitled "Dela Merced vs. GSIS, et al" having also decreed the reconveyance of the lots to Dela Merced, which include at least one (1) of the subject 78 lots, the physical impossibility of the petitioner GSIS reconveying a singular lot to two different parties has to be clarified;

45. C. THIRD GROUP OF ISSUES (raised in G.R. No. 177731, 3rd SC Case). [Whether or not the Court of Appeals committed the following manifest reversible errors:]

X. [In] ordering respondent trial court to proceed with the second option of requiring the petitioner GSIS to pay the private [respondent] for the value of the lots initially pegged at P12,000.00 without affording petitioner GSIS the opportunity to show compliance with the first option of reconveyance of the lots;

XI. [In] ignoring the exemption from execution of the funds and assets of petitioner GSIS under Section 39 and Section 1 of the GSIS Act of 1997 (R.A. No. 8291); and

XII. In holding that petitioner GSIS is barred by estoppel from invoking the prior sale reconveyance and segregation of lots and double enumeration of two lots, because these allegedly delve into the correctness of

respondent trial court's decision.

45. D. FOURTH GROUP OF ISSUES ("Reconveyance" and related issues)

XIII. GR No. 177731 (3rd] SC Case) is not a petition for review - it is actually a camouflaged petition for re-opening of the case.

XIV. "Reconveyance" was introduced progressively in a creeping manner - from none or nothing to a bare allegation and now to a complete "defense". Hence, it should be dismissed for being unreliable.

XV. "Reconveyance" is no longer just a matter of defeating the execution. GR No. 177731 as made, is a matter of defense to be introduced in the RTC.

XVI. GSIS is not even consistent of how many lots have been "reconveyed".

XVII. "Reconveyance" has not been proved as fact, as petitioner GSIS would want to impress.

XVIII. The Honorable Court should not refer the case back to the RCT for the "... conduct of a hearing to determine the actual number of lots which have already been transferred or reconveyed".[46]

Private respondent claims that the issues expressly raised in G.R. No. 177731 were already tackled in G.R. No. 175393, and that the issue that GSIS was barred by estoppel from invoking the prior sale reconveyance and segregation of lots and double enumeration of two lots was already raised in the second CA case as well as the first and second SC cases. Private respondent also claims that all these prove that this Court had been right in dismissing the petition for forum shopping.

Private respondent notes that the body of the third SC Case (G.R. No. 177731), which should discuss matters taken up in the CA decision under review, actually contains an introduction of "new matters regarding the so-called prior 'reconveyance' allegedly made by GSIS to Zulueta"[47] that were not raised in the questioned CA decision.

Private respondent alleges that forum shopping is clearly present here. As the CA finally resolved the pending Motion for Reconsideration filed by petitioner in CA-G.R. SP No. 84079 by denying/ dismissing it, GSIS filed a Petition for Review on Certiorari of said CA decision to this Court (G.R. No. 177731), and then moved for consolidation of that case with G.R. No. 175393 because the issues were the same.

Private respondent contends that "[there] is no controversy at all that the RTC Decision has become final and executory." [48] She states that "the doctrine of finality of judgments is grounded on fundamental considerations of public policy and sound practice - once judgment becomes final and executory, the prevailing party should not be denied the fruits of his victory by some subterfuge devised by the losing party," citing *Quelnan v. VHF Philippines*. [49]

Regarding the issue of prescription or laches, private respondent argues that it should no longer be looked into again in this instance, as it had already been laid to rest when the RTC Decision, affirmed by both the CA and this Court, had become final and executory. In fact, private respondent points out that the issue of prescription or laches had been admitted by petitioner and was not raised in the petition itself, but was only raised again in the latter's Memorandum of Arguments in the second SC Case. This issue had thus been laid to rest when the decision in the first SC case became final and executory. As held in CA-G.R. CV No. 62309 dated February 22, 2002:

Neither is defendant-appellee guilty of laches. We agree with the ruling of the lower court that plaintiff and her predecessors cannot be held guilty of laches. There is no evidence that they actually slept on their rights. Lawful owners have a right to demand the return of property at anytime as long as possession was unauthorized or merely tolerated (*Quevada vs. Glorioso*, 294 SCRA 608). Besides, the essential elements of

laches are not present in this case, especially a delay in asserting plaintiff's right.

Anent petitioner's contention that the CA decision dissolving the TRO/injunction is not immediately executory, private respondent argues, among others, that the CA decision categorically called for its immediate implementation, and the RTC, being an inferior court, was not free to entertain a contrary view, until and unless the CA reverses itself.

As regards petitioner's claim that the RTC deviated from the final judgment sought to be executed when it failed to accord GSIS the "primary mode of satisfying the same judgment (i.e., reconveyance of the said lots)," private respondent counters, the alleged "primary" mode of execution had already been rendered impossible by petitioner's own acts, as found by the branch sheriff who attempted to execute on the subject real properties.

Private respondent points out that "it was GSIS itself claiming in October 11, 1996 yet (when the case was still being tried at the RTC) that it could no longer return the titles back to the then plaintiff" and that "although it had all the records even then, [petitioner] did not claim that it had already returned 58 lots to the plaintiff (as it is claiming now)."[50] Since it had already known fully well that it could not actually reconvey, it was thus "sophisticated misrepresentation" for petitioner to insist that reconveyance should first be effected and then claim that it had already been accomplished through some alleged dispositions even prior to the filing of the case.

With regard to petitioner's allegation that there had already been partial execution of the RTC decision by prior reconveyance, private respondent argues that the alleged sale by Zulueta is a matter of defense that could no longer be brought up at the execution stage. Private respondent contends that petitioner's allegation is preposterous, as reconveyance in satisfaction of the RTC decision is against reason and the natural order of things, for the past cannot come after the future, and execution cannot come before judgment or the filing of the case in the RTC.

Private respondent avers that petitioner, in reality, wants to re-open an "immutable final and executory decision of the courts," under a form of new trial not found in the Rules of Court, which if allowed would trivialize or even destroy other core procedural principles, which, due to their importance, actually overlap considerations for attainment of substantial justice.[51] Private respondent points out that petitioner's claims of previous reconveyance of subject properties to the former plaintiff's predecessor or his assignees are mere conjectures and broad allegation of facts, for while it says it has returned many lots to the old Zulueta or his assignees, it has not identified said lots, stated how many were supposed to have been reconveyed, or presented the deed of conveyances it alleged to have executed. These indefinite claims before this Court, which is not a trier of facts, cannot legally and rightfully be the basis for this Court to lend its extraordinary power in a petition for certiorari to review, modify or annul the RTC's Orders.

Private respondent submits that "the tentativeness of [the] GSIS claims, together with the said violation of the rule against forum shopping, should prompt the Honorable Court to dismiss the petition." [52] Petitioner uses an internal memorandum, which has no probative value, to bolster its claim of reconveyance. Said document was introduced for the first time in the second petition to this Court, and being a private document, it needs to be authenticated in court by a competent witness in order to be considered by the courts as evidence. Since this Court is not a trier of facts, it cannot for the first time consider evidence without the lower court having passed its judgment on it.

With regard to petitioner's contention that respondent judge acted with obvious partiality towards private respondent, the latter argues that the acts being questioned were all within the power of the RTC to do and were appropriate and proper for the occasion, but they happened to be adverse rulings in resolving issues raised by GSIS.

Anent petitioner's contention that "at least one" of the subject lots was involved in *Dela Merced v. GSIS, et al.*,^[53] thus making it physically impossible for GSIS to reconvey the same lot to two different parties, private respondent alleges that GSIS is not sure as to the identity of the alleged *Dela Merced* lot vis-à-vis the subject lots, and a mere conjecture cannot possibly be the basis for this Court to make the extraordinary order for the de facto re-opening of a final and executory judgment.^[54]

As to the fourth group of issues involving reconveyance and its related issues, private respondent avers that a major portion of the petition in G.R. No. 177731 (the third SC case) is devoted to a new statement of facts "enumerating, detailing and discussing the alleged incidents of 'reconveyance'," which were narrated as if they were part of the records of the case, when in truth they were never mentioned, discussed, introduced, much less proved in the four cases filed prior to this case. Private respondent further avers that a petition for review, by its very name and nature, "deals with what has been taken up in the court a quo."^[55]

Private respondent reiterates that the issue of "previous reconveyance" was only mentioned after the RTC decision, the first CA case, and the first SC case, respectively, had already become final and executory. This Court had thus been made to accept and appreciate allegations of facts directly introduced to it by petitioner GSIS. The alleged reconveyance may have been testified to in the RTC, but it was not put in issue in the proceedings and on appeal. This "prior reconveyance" of the subject lots to Zulueta was a matter of defense (not execution) that should have been presented in the trial court.^[56]

Private respondent contends that contrary to petitioner's claim, documents from the Register of Deeds^[57] show that it was GSIS, and not Zulueta, which had conveyed the lots to third parties.

Finally, private respondent avers that while petitioner says that the purpose of the referral back to the RTC is to make the mechanical act of determining the actual number of lots already reconveyed, it really will entail the presentation of evidence that indeed such lots were sold, transferred, or assigned by Zulueta himself, which in effect, would mean re-opening the case itself, a course of action that is incongruous to the finality of the decision, which has been admitted by the GSIS.

Private respondent prays that this Court render judgment in her favor by ordering as follows:

- a. Dismissing the instant petitions for violation of the rule against forum shopping and/or for lack of merit;
- b. In GR No. 175393, declaring the assailed RTC Order dated 12 September 2006 and the assailed RTC Order dated 20 November 2006 valid in so far as the same refer to the execution or garnishment of funds up to the extent of P399,828,000 (but the allocation of said amount to the plaintiff and the attorneys claiming attorney's fees or the entitlement of all or any of the latter to attorney's fees is left to the lower court/s to determine);
- c. Ordering the RTC to immediately implement and enforce the order or writ of execution and/or notice of garnishment; and
- d. Ordering the RTC to conduct proceedings to determine the market value of the subject 78 lots and thereafter execute or cause the execution of the remaining unsatisfied portion of the decision.^[58]

IV. DISCUSSION

The doctrine of finality of judgments accepts of exceptions only under certain circumstances, as we have held in *Spouses Gomez v. Correa, et al.*, ^[59]:

It is settled that when a final judgment is executory, it becomes immutable and unalterable. The judgment may no longer be modified in any respect, even if the modification is meant to correct what is perceived to be an erroneous conclusion of fact or law, and regardless of whether the modification is attempted to be made by the

court rendering it or by the highest Court of the land. The doctrine is founded on considerations of public policy and sound practice that, at the risk of occasional errors, judgments must become final at some definite point in time.

The only recognized exceptions are the correction of clerical errors or the making of so-called nunc pro tunc entries in which case there is no prejudice to any party, and where the judgment is void. None of these has been shown to be present to justify the "modification" of the judgment. Parenthetically, the modification was made not by the same court (CFI of Pasig) that rendered the judgment.

None of the exceptional circumstances to this doctrine exist in this case. The modification that would result should the petition be granted would not involve merely clerical errors, but would entail presentation of alleged newly-discovered evidence that should have been raised as affirmative defenses during trial. Moreover, the judgment involved herein has been upheld, and not declared void, by this Court. As correctly cited by private respondent, we have made the following pronouncements regarding this doctrine:

xxx Public policy and sound practice demand that at the risk of occasional errors, judgment of courts should become final at some definite date. The Court frowns upon frivolous appeals and any dilatory maneuver calculated to defeat or frustrate the ends of justice and fair play (*Philippine National Bank v. Court of Appeals*) [60].

xxx Once a decision is final and executory, it can no longer be attacked by any party or be modified directly or indirectly, even by the Court (*Philippine Commercial & Industrial Bank v. Court of Appeals*) [61].

xxx To once again re-open that issue through a different avenue would defeat the existence of our courts as final arbiters of legal controversies. Having attained finality, the decision is beyond review or modification even by this Court (*Toledo-Banaga v. Court of Appeals*) [62].

Nothing is more settled in law than that once a judgment attains finality it thereby becomes immutable and unalterable. It may no longer be modified in any respect, even if the modification is meant to correct what is perceived to be an erroneous conclusion of fact or law, and regardless of whether the modification is attempted to be made by the court rendering it or by the highest court of the land. Just as the losing party has the right to file an appeal within the prescribed period, the winning party also has the correlative right to enjoy the finality of the resolution of his case. The doctrine of finality of judgment is grounded on fundamental considerations of public policy and sound practice, and that, at the risk of occasional errors, the judgments or orders of courts must become final at some definite time fixed by law; otherwise, there would be no end to litigations, thus setting to naught the main role of courts of justice which is to assist in the enforcement of the rule of law and the maintenance of peace and order by setting justiciable controversies with finality (*Gallardo-Corro v. Gallardo*)[63].

What petitioner seeks to do is for this Court to now hold that there had already been reconveyance, conducted through various transactions, of the subject properties even before the commencement of the case with the RTC, and, in effect, for us to nullify a final and executory judgment that had been passed upon by the RTC, the CA, and this Court in the first SC case. This we cannot do; not with the submissions presented to us by petitioner; not during the execution stage of the proceedings; not even under the veiled threat that in failing to grant the petition, we will be deciding against the fate of the GSIS funds that exist for the service of government employees who deserve to be favored in law under the principles of social justice and equity.

Being government employees ourselves, we understand the need to preserve the actuarial solvency of the GSIS, especially at this time when, right after the series of calamities that have severely affected the country, GSIS needs to release funds for the various loan applications being made nationwide. Petitioner had already been subjected to much criticism caused by the delay in the processing and releasing of the loan proceeds due to

glitches in its computer system and the sheer volume of applications. The Court, in dismissing this petition, is aware of the predicament that petitioner finds itself in at this time, however, justice requires us to look at both sides and at the entirety of the case now before us. In doing so, we recognize that rights of private citizens had already arisen and we uphold such rights.

Even if petitioner claims that it recognizes the finality of the RTC decision, as affirmed by both the CA and this Court, and that it only wants that the execution be conducted properly, to grant the petition would be to negate the factual findings of the RTC and to render useless the conclusions reached in the three levels of the judiciary on the reconveyance of the subject properties.

Regarding the alleged exemption of the funds and properties of GSIS, we quote with approval pertinent portions of the Decision of the CA dated August 3, 2006 in CA-G.R. SP No. 84079:

The petition and pending incidents hinge on the principal issue of whether the exemption from execution and garnishment of the funds and properties of GSIS under Sec. 39 of Rep. Act No. 8291 may be invoked to quash the writ of execution issued pursuant to the final and executory judgment against it. We rule in the negative.

In *Rubia vs. GSIS* (432 SCRA 529), the Supreme Court ruled that the exemption from execution enjoyed by GSIS under Sec. 39 of Rep. Act No. 8291 is not absolute. The *Rubia* case stemmed from an action for specific performance and damages filed by Marino E. Rubia (or "Rubia") seeking refund of his overpayment on his housing loan with GSIS. The RTC of Laguna (San Pedro, Branch 93) ruled in favor of Rubia. The decision having become final and, upon Rubia's motion, the RTC issued a writ of execution, on the strength of which the sheriff served a notice of garnishment against the account of GSIS with LBP. GSIS filed a motion to quash the writ of execution but it was denied. Thus, GSIS' funds with LBP, to the extent of the amount of the judgment award in favor of Rubia, were garnished and turned over to him in satisfaction of the writ of execution. On the matter of GSIS' exemption from execution, the Supreme Court ratiocinated, thus:

In so far as Section 39 of the GSIS charter exempts the GSIS from execution, suffice it to say that such exemption is not absolute and does not encompass all the GSIS funds. By way of illustration and as may be gleaned from the Implementing Rules and Regulation of the GSIS Act of 1997, one exemption refers to social security benefits and other benefits of GSIS members under Republic Act No. 8291 in connection with financial obligations of the members to other parties. The pertinent GSIS Rule provides:

Rule XV. Funds of the GSIS

Section 15.7 Exemption of Benefits of Members from Tax, Attachment, Execution, Levy or other Legal Processes. -- The social security benefits and other benefits of GSIS members under R.A. 8291 shall be exempt from tax, attachment, garnishment, execution, levy or other processes issued by the courts, quasi-judicial agencies or administrative bodies in connection with all financial obligations of the member, including his pecuniary accountability arising from or caused or occasioned by his exercise or performance of his official functions or duties or incurred in connection with his position or work, as well as COA disallowances. Monetary liability in favor of the GSIS, however, may be deducted from the benefits of the member. x x x

The processual exemption of the GSIS funds and properties under Section 39 of the GSIS Charter, in our view, should be read consistently with its avowed principal purpose: to maintain actuarial solvency of the GSIS in the protection of assets which are to be used to finance the retirement, disability and life insurance benefits of its members. Clearly, the exemption should be limited to the purposes and objects covered. Any interpretation that would give it an expansive construction to exempt all GSIS assets from legal processes absolutely would be unwarranted.

Furthermore, the declared policy of the State in Section 39 of the GSIS Charter granting GSIS an exemption from tax, lien, attachment, levy, execution, and other legal processes should be read together with the grant of power to the GSIS to invest its "excess funds" under Section 36 of the same Act. Under Section 36, the GSIS is

granted the ancillary power to invest in business and other ventures for the benefit of the employees, by using its excess funds for investment purposes. In the exercise of such function and power, the GSIS is allowed to assume a character similar to a private corporation. Thus, it may sue and be sued, as also, explicitly granted by its charter. Needless to say, where proper, under Section 36, the GSIS may be held liable for the contracts it has entered into in the course of its business investments. For GSIS cannot claim a special immunity from liability in regard to its business ventures under said Section. Nor can it deny contracting parties, in our view, the right of redress and the enforcement of a claim, particularly as it arises from a purely contractual relationship, of a private character between an individual and the GSIS.

In the instant case, the final and executory judgment arose from loans extended by GSIS to private respondent's predecessors-in-interest in the course of its business and secured by a mortgage. As in *Rubia*, GSIS' relationship with private respondent's predecessors-in-interest is purely private and contractual in nature. As such, GSIS cannot claim immunity from the enforcement of the final and executory judgment against it.[64]

Petitioner is asking this Court to reverse our findings in *Rubia*, *supra*, and as a result, rule that the immunity granted to it by Rep. Act No. 8291 is absolute. We see no reason to depart from the conclusions reached in said case. In fact, all the more should GSIS not be allowed to hide behind such immunity in this case, where its obligation arises not just from a simple business transaction, but from its utter failure to return properties that it had wrongfully foreclosed. As we have held in the first SC case, G.R. No. 155206:

The Court agrees with the findings and conclusion of the trial court and the CA. The petitioner is not an ordinary mortgagee. It is a government financial institution and, like banks, is expected to exercise greater care and prudence in its dealings, including those involving registered lands.[65]

Petitioner questions the manner in which execution was conducted in this case, and insists that reconveyance should be the "primary mode" and then payment only a "secondary mode." We do not agree. We quote with approval the discussion of the second CA decision, where the court held:

x x x [There] is no need for respondent judge to first issue a writ of execution for the reconveyance of the subject lots. Such recourse would merely be an exercise in futility because as shown in the Sheriff's Partial Report dated May 3, 2004 x x x, reconveyance was not possible as of April 29, 2004 since the subject lots were no longer registered in the name of GSIS. To quote said partial report:

"That considering the seventy eight (78) excluded lots were already sold by the GSIS to third party buyers as stated and attested by Mr. Manuel Ibabao, GSIS Acquired Asset Officer IV, in his submission and presentation of List of Lots Excluded from Foreclosure to the Honorable Court and was marked as Exhibit 3, dated October 11, 1996, reconveyance of GSIS of said lots to the plaintiff is no longer possible; as verified and confirmed by the undersigned during his levy on said lots on April 29, 2004 together with Sheriff Marcial Estrellado, subject excluded lots are not only titled to individual buyers in good faith but they have also constructed their houses and buildings there and having [resided] therein for so many years with some other lots being sold and resold to other new buyers; for purposes of attaching/levying subject excluded lots now would be impossible and ineffective because the owners are in actual possession of their lots they being buyers in good faith with corresponding possession of titles to it. Reconveyance of the seventy eight (78) excluded lots mentioned in paragraph 1 (a to v) of the Decision dated December 17, 1997 is very impossible so that on paragraph 2, garnishment is resorted to."

Nevertheless, We find merit in GSIS' claim that the valuation of the subject lots at P35,000.00 per square meter has no factual and legal basis. While said valuation falls within the P10,000.00 to P45,000.00 range as the estimated market value of said properties per testimony of Eduardo M. Santiago, as alluded to by the RTC, it did not "set out in its decision the facts which had been proved and its conclusions culled therefrom" (*People vs. Lizada*, 396 SCRA 62). Indeed, "(t)rial courts should not merely reproduce the respective testimonies of witnesses

of both parties and come out with its decretal conclusion" (People vs. Lizada, supra).

Besides, the fair market value of the subject lots cannot be a mere ballpark figure. There should be some factual and legal basis for arriving at a reasonable valuation of the lots. Admittedly, the price range mentioned in the final and executory judgment against GSIS is too wide and encompassing that further analysis is necessary to establish with more exactitude the fair market value of the subject lots.

GSIS asserts that respondent sheriff committed grave abuse of discretion in serving the writ of execution prior to its receipt of an official copy of the order of execution, thereby depriving it of an opportunity to contest said order. Contrary to its claim, GSIS was given the opportunity to question the order of execution as, in fact, it filed an opposition and supplemental opposition to private respondent's motion for execution in the court below. Even supposing that GSIS was denied the opportunity to move for reconsideration of the order of execution, this was subsequently cured when it filed the motion to quash where it raised its objections to the issuance of the order and writ of execution.

x x x

Since GSIS did not deny the facts stated in the sheriff's partial report, We accord the same full faith and credit in keeping with the presumption of regularity in the performance of official duty.

GSIS further contends that instead of immediately serving the notices of garnishment on its banks, respondent sheriff should have effected the reconveyance of the subject lots to private respondent. As earlier discussed, respondent sheriff already made a determination in his partial report dated May 3, 2004 that reconveyance of the subject properties was no longer possible. Hence, he properly acted in proceeding to enforce the payment of the fair market value of the subject lots.

x x x

Based on GSIS' own appraisal of lands in San Antonio Vilalge as of December 18, 2003, the reasonable value of the subject lots ranged from P12,000.00 to P15,000.00 per square meter depending on the street where a particular lot is located (Annex "R", petition). Since GSIS itself has admitted that the reasonable value of the subject lots, which have an aggregate area of 33,319 square meters, was at least P12,000.00 per square meter or a total value of P399,828,000.00, partial execution may now proceed on the basis of said valuation. Any difference between the P12,000.00 per square meter valuation and the fair market value of the subject lots as of April 29, 2004, as may be finally determined by the court a quo, can be recovered later. It is the fair market value of the subject lots as of April 29, 2004 which must be reckoned for purposes of enforcing the judgment in question because it was on that date that it was ascertained that reconveyance of those lots was no longer possible.

This is as it should be in order to afford private respondent partial satisfaction of the judgment which she and her predecessors-in-interest have long sought. As found in said judgment, private respondent and her privies have been deprived of ownership and enjoyment of the subject lots since November 1975. To add insult to injury, it took them almost fourteen years to obtain a final and executory judgment against GSIS.

On the other hand, the quantity (78 lots) and area (33,319 square meters) of the lots adjudged to be reconveyed cannot be reduced. It is settled that final and executory judgment is immutable and cannot be altered except for correction of clerical errors or making of nunc pro tunc entries (Mayon Estate Corporation vs. Altrua, 440 SCRA 377).

Indeed, if we are to keep and sustain the people's faith in the judicial system, We must ensure that those who have won their cases on the merits will obtain the relief they patiently sought. Otherwise, our courts might as well be

decision mills churning out judgments which are nothing more than Pyrrhic victories for the prevailing parties.

The dispositive portion of the questioned CA decision reads:

WHEREFORE, premises considered, the instant petition is **PARTIALLY GRANTED**. The orders dated April 27, 2004 and May 13, 2004 and writ of execution dated April 28, 2004, all issued by the regional Trial Court of Pasig City (Branch 71) in Civil Case No. 59439 entitled "Eduardo M. Santiago, etc., vs. Government Service Insurance System", are **AFFIRMED** with **MODIFICATIONS** in (i) that said orders and writ shall be for the satisfaction of the decision dated December 17, 1997 rendered in said case to the extent of the sum of P399,828,000.99; and (ii) that said court is directed to immediately conduct a hearing for the purpose of determining the fair market value of the subject lots as of April 29, 2004 and, upon such determination, issue an order of execution and the corresponding writ for the unsatisfied portion of the decision, if any.

The motion for reconsideration of our resolution dated July 27, 2004 and motion to allow immediate partial execution filed by respondent Rosario Enriquez Vda. de Santiago are **PARTIALLY GRANTED** in that the writ of preliminary injunction heretofore issued by this Court is **PARTIALLY LIFTED**, such that execution of the decision in Civil Case No. 59439 for the amount of P399,828,000.00 may immediately proceed while the writ of preliminary injunction against the execution of the rest of the judgment award is made **PERMANENT** subject to the disposition in the preceding paragraph.

For lack of merit, the motion to cite GSIS and others for direct contempt is **DENIED**.

SO ORDERED.[66]

Since petitioner filed a Motion for Reconsideration of the above decision, the CA issued a Resolution in CA-G.R. SP NO. 84079[67] and held:

The asserted sale, reconveyance and segregation of lots, as well as the alleged double-enumeration of two lots (Lot 7, Block 2 and Lot 7, Block 3, with areas 396 and 389 square meters, respectively) delve into the correctness of the trial court's decision. However, an issue not timely presented in the proceedings before the lower court is barred by the principle of estoppel (*Springsun Management Systems Corporation vs. Camerino*, 449 SCRA 65).

It is too late for petitioner to seek modification of the trial court's decision which has already become final and executory. All that is needed to be done is to carry out the terms and conditions of said decision. This is consistent with the doctrine of finality of judgments (*Clavano, Inc. vs. Housing and Land Use Regulatory board*, 378 SCRA 172).

Consequently, no new and cogent reason as presented in the motion for reconsideration which would warrant reconsideration of Our decision.

On the other hand, Sec. 37, Rule 138 of the Revised Rules of Court provides that an attorney shall have a lien "upon all judgments for the payment of money, and executions issued in pursuance of such judgments, which he has secured in a litigation of his client, from and after the time when he shall have caused a statement of his claim of such lien to be entered upon the records of the court rendering such judgment, or issuing such execution, x x x. As the judgment involved in this case was rendered by the Regional Trial Court of Pasig City (Branch 71), it is in that court where the asserted charging lien should be recorded.

WHEREFORE, for lack of merit, the motion for reconsideration and notice of charging lien and motion for recording of charging lien are **DENIED**.

SO ORDERED.

It has not escaped our notice that petitioner deliberately filed two cases, herein consolidated, involving the same parties and issues, in its desperate attempt to stay the execution of the judgment against it. Petitioner should be

reminded that our rules on forum shopping are meant to prevent the possibility of conflicting decisions being rendered by different fora upon the same issues.[68] Petitioner is admonished from bending the rules of procedure to suit its purposes. Obedience to the rules promulgated by this Court to ensure the efficient administration of justice must be the norm, and not the exception.

Lastly, on petitioner's contention that it should not be bound by the failure of its former lawyers to timely raise the affirmative defense of reconveyance, we are not convinced. Clients are bound by the mistakes, negligence and omission of their counsel. While in exceptional circumstances, clients may be excused from the failure of counsel, the grounds raised in the present case do not persuade this Court to consider it as an exception to the rule. Indeed, as we have held in *Romago, Inc. v. Siemens Building Technologies, Inc.*:[69]

Public interest demands an end to every litigation and a belated effort to reopen a case that has already attained finality will serve no purpose other than to delay the administration of justice. To reverse the CA Decision denying petitioner's petition for relief from judgment would put a premium on the negligence of petitioner's former counsel and encourage endless litigation. If the negligence of counsel is generally admitted as a justification for opening cases, there would never be an end to a suit so long as a new counsel can be employed who could allege and show that prior counsel had not been sufficiently diligent, experienced or learned. We, therefore, write *finis* to this litigation. [70]

WHEREFORE, in view of the foregoing, the consolidated petitions docketed as G.R. Nos. 175393 and 177731 are hereby **DISMISSED**. The Decision of the Court of Appeals dated August 3, 2006 in CA-G.R. SP No. 84079 and Resolution dated April 27, 2007 modifying the Orders by respondent judge dated November 20, 2006 and September 12, 2006 issued in Civil Case No. 59439 are hereby **AFFIRMED**.

SO ORDERED.

Puno, C.J., (Chairperson), Carpio Morales, Bersamin, and Villarama, Jr., concur.

[1] Rollo, G.R. No. 177731, pp. 3-55.

[2] *Id.* at 17.

[3] *Id.* at 69.

[4] On July 2, 1980, TCT No. 23552 was issued canceling TCT No. 21926; TCT No. 23553 cancelled TCT No. 21925; and TCT No. 23554 cancelling TCT No. 21924, all in the name of GSIS.

[5] Rollo, G.R. No. 177731, p. 119.

[6] *Id.* at 110-125.

[7] *Id.* at 70-71.

[8] *Id.* at 477.

[9] *Id.* at 72.

[10] *Id.* at 176.

[11] GSIS attached an internal Memorandum (Annex "A") dated December 18, 2003 to its Motion to Quash, with subject "Appraisal of Property" (San Antonio Village), and provides:

2. Valuation

2.1 Pricing

The evaluation of the prices of lot (sic) was made on the basis of the zonal valuation costs prepared by the Bureau of Internal Revenue as certified by [the] Revenue District Officer of Pasig City, Metro Manila to insure viability, subject to the prevailing conditions.

2.2 Lot pricing

Prevailing prices at Malvar [St.] is xxx P12,000./sq. m. (zonal).

For Amber, Araneta, Atienza, Capinpin, [L]im, Lukban, [and] Segundo [Sts.], xxx price is P15,000/sq. m. (zonal).

[Per our] own appraisal, the price is reasonable and may therefore be adopted.

Remarks:

Appraisal was based on the street where the lots are situated for reasons of (sic) property lots [were] not listed on the appraisal request.

[12] Rollo, G.R. No. 177731, p. 194.

[13] Petitioner GSIS filed a Reply to the Opposition to Defendant's Motion to Quash Writ of Execution; rollo, G.R. No. 175393, pp. 198-209.

[14] Rollo, G.R. No. 177731, p. 73.

[15] Id. at 286-295.

[16] Id. at 298-299.

[17] Id. at 300.

[18] Supra note 16.

[19] Rollo, G.R. No. 177731, pp. 86-87.

[20] Rollo, G.R. No. 175393, pp. 224-237.

[21] Id. at 240-242

[22] Rollo, G.R. No. 177731, pp. 451-465.

[23] Id. at 89-95.

[24] Id. at 98-100.

[25] Id. at 59-73.

[26] Id. at 466-470.

[27] Rollo, G.R. No. 175393, p. 11.

[28] Rollo, G.R. No. 175393, p. 270.

[29] Id. at 322-324.

[30] Id. at 323-324.

[31] Rollo, G.R. No. 177731, pp. 472-473.

- [32] Id. at 474-476.
- [33] Rollo, G.R. No. 175393, p. 410.
- [34] Rollo, G.R. No. 177731, p. 44.
- [35] Rollo, G.R. No. 175393, pp. 605-670.
- [36] Id. at 618-619.
- [37] Id. at 634.
- [38] Id. at 636.
- [39] Id. at 638.
- [40] Id. at 643.
- [41] Id. at 646.
- [42] Id. at 647.
- [43] G.R. No. 151439, June 21, 2004, 432 SCRA 529.
- [44] Rollo, G.R. No. 175393, pp. 649-650.
- [45] Id. at 839-910.
- [46] Id. at 858-862.
- [47] Id. at 861-862.
- [48] Id. at 865.
- [49] G.R. No. 138500, September 16, 2005, 470 SCRA 73.
- [50] Rollo, G.R. No. 175393, p. 889.
- [51] Id. at 891.
- [52] Id. at 894.
- [53] G.R. No. 140393, September 11, 2001, 365 SCRA 1.
- [54] Rollo, G.R. No. 175393, p. 900.
- [55] Id. at 901-902.
- [56] Id. at 904-905.
- [57] Id. at 906-907.
- [58] Id. at 909-910.
- [59] G.R. No. 153923, October 2, 2009.
- [60] G.R. No. 81524, February 4, 2000, 324 SCRA 714, 726.
- [61] G.R. No. 120739, July 20, 2000, 336 SCRA 258, 265.
- [62] G.R. No. 127941, January 28, 1999, 302 SCRA 331, 341.

[63] G.R. No. 136228, January 30, 2001, 350 SCRA 568, 578. Emphasis ours.

[64] Rollo, G.R. No. 177731, pp. 79-81.

[65] GSIS v. Santiago, G.R. No. 155206, October 28, 2003, 414 SCRA 563, 570.

[66] Rollo, G.R. No. 177731, pp. 81-87.

[67] Id. at 89-91.

[68] Collantes v. Court of Appeals, G.R. No. 169604, March 6, 2007, 517 SCRA 561, 568.

[69] G.R. No. 181969, October 2, 2009.

[70] Ibid.

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