

**MARIA SUSAN L. RAÑOLA, ROSSAN DIOKLAN L. RAÑOLA &
ROSETTE L. RAÑOLA, ASSISTED BY HER MOTHER, MARIA SUSAN L.
RAÑOLA, PETITIONERS, VS. SPOUSES FERNANDO & MA.
CONCEPCION M. RAÑOLA,...**

G.R. No. 185095. July 31, 2009

Ponente: NACHURA, J.

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NACHURA, J.:

For our consideration is a Manifestation[1] dated June 27, 2009, informing the Court that the parties have already executed a Compromise Agreement[2] dated March 17, 2009 copy attached, and seeking the dismissal of this case. The Compromise Agreement is as follows:

COMPROMISE AGREEMENT

Parties assisted by their respective counsels, most respectfully submit the foregoing compromise agreement, the terms and conditions of which are:

1. That they now wish to put an end to the following legal cases now pending before the various courts and forum, namely:

(a) Civil Case No. 2352 (Declaration of Nullity of Contract, Cancellation of Certificate of Title, etc. pending before RTC, Branch 13, Ligao City.

(b) Civil Case No. 1304 (Unlawful Detainer) judgment of which had been affirmed by the Honorable Court of Appeals in CA-G.R. No. 98694 and by the Honorable Supreme Court in G.R. No. 185254.

(c) Special Proceedings No. 431 (Settlement of estate of the late Ronald O. Rañola) pending before RTC, Branch 13, Ligao City.

(d) Criminal Case No. 5500 (Estafa) now pending before RTC, Branch 13, Ligao City.

(e) Appeal before the Department of Justice (with pending motion for reconsideration) I.S. No. 13-06.

(f) Petition before the Supreme Court in G.R. No. 185095 entitled "Ma. Susan L. Rañola, et al. vs. Sps. Fernando and Ma. Concepcion Rañola.

(g) And all other cases necessarily connected with or arising from the various causes of action between and among the parties to these cases. For this purpose and to this end, parties agree to submit copies of this agreement to the various courts, government agencies and forum before which the said actions/proceedings are pending so that the corresponding orders of dismissal may already be promulgated and issued.

2. That Lot No. 759-B, covered by TCT No. 129660 of the Register of Deeds of Ligao City and presently registered in the exclusive names of the spouses FERNANDO & MA. CONCEPCION M. RAÑOLA, shall be divided into two, which shall be apportioned as follows: a portion of Lot. 759-B, with an area of 35,109 square meters (including all improvements and structures thereon found) shall remain to be the property of and titled

to the spouses FERNANDO & MA. CONCEPCION M. RAÑOLA, while the property with an area of 34,153 square meters, including the structures thereon found and improvements existing thereon shall be ceded to DIOKLAN L. RAÑOLA and ROSETTE L. RAÑOLA, as specified in the provisional sketch plan herewith attached to become [an] integral part hereof; provided that, within 30 days from the approval of this Compromise Agreement, a duly licensed geodetic engineer shall relocate Lot 759-B and prepare a subdivision plan and have the same approved by the Lands Management Bureau of the DENR which shall be the basis for the division and issuance of separate certificates of title over the same property. Expenses to be incurred for this shall be for the account of the spouses Fernando & Ma. Concepcion M. Rañola.

3. MARIA SUSAN L. RAÑOLA, DIOKLAN L. RAÑOLA, and ROSETTE L. RAÑOLA warrant that the property ceded to them shall be exclusively and solely used as a continuation of the piggery and hog business of the late Ronald O. Rañola, and should they (the former) decide to sell the property and the business, they shall respect the "right of first refusal" of the spouses FERNANDO & MA. CONCEPCION M. RAÑOLA. To this end, spouses FERNANDO & MA. CONCEPCION M. RAÑOLA hereby allow the free use of the water tank facility (built upon the portion of the property belonging to them) for as long as the water shall be exclusively used for piggery activities and enterprise by Dioklan and Rosette L. Rañola; provided that, if and when fencing shall be made, the said water tank and facility shall be temporarily possessed by Dioklan and Rosette during the times when they shall be using the same for the piggery; provided still further, that if Dioklan and Rosette would abandon the business, the water tank and facility shall be enclosed to form part of the property of the spouses Fernando and Ma. Concepcion Rañola; provided finally, that if and when there shall be changes in the use of the properties by either parties, then the primordial consideration is that the shift shall not endanger and put to risk the other's line of business and the parties undertake to spend time to talk and find ways to avoid any risks upon each others' line of business.

4. The hammer mill shall be relocated from where it now is installed to some _____ meters southwest of the "grower/finisher building" as appearing on the sketch plan so that the birds in the aviary shall not be disturbed by the noise emitted from [it] as a result of the operation of the same hammer mill. Immediately prior to the transfer, plaintiffs shall inform defendants of the exact location of the place of transfer.

5. All monies deposited with the Regional Trial Court, Branch 13 stationed at Ligao City, arising from or is necessarily connected with the suits enumerated in par. 1 hereof, shall all be given to MA. SUSAN L. RAÑOLA and the siblings of DIOKLAN & ROSETTE L. RAÑOLA.

6. The steel bars found at the gestating and farrowing building shall be taken therefrom without danger to the buildings' structures and be given to MA. SUSAN, DIOKLAN & ROSETTE, all surnamed RAÑOLA.

7. The four (4) residential lots in Legazpi City (covered by TCT Nos. 55015, 35205, 56211, and 56210) and which are all now in the names of DIOKLAN L. RAÑOLA, ROSETTE L. RAÑOLA, RAY RAÑOLA and RACHEL RAÑOLA shall be respected and any and all interested persons hereby waive and quit any and all claims as against these four aforementioned registered owners.

8. Simultaneously with the execution of this Agreement, MA. SUSAN L. RAÑOLA shall execute an Affidavit of Desistance with Motion to Dismiss Criminal Case I.S. No. 13-06 now pending before the Department of Justice and Criminal Case No. 5500, now pending before RTC, Branch 13, Ligao City, upon her and her daughters' express admission that the birds and fowls subject matter of that criminal case are all owned by the spouses FERNANDO & MA. CONCEPCION M. RAÑOLA.

9. In continuing on with the piggery business, MA. SUSAN, DIOKLAN & ROSETTE L. RAÑOLA hereby undertake not to raise, maintain, or have any other fowl in their property like, among others, chickens, turkeys, ducks, geese, fighting cocks, nor conduct any form of poultry business and the like to avoid any avian disease or flu that will cause any undue risk to the aviary owned and maintained by the spouses FERNANDO & MA. CONCEPCION M. RAÑOLA; provided further that no dogs or cats or any domesticated animals shall be allowed to stray near the aviary and must thus be caged, should there be any.

10. MA. SUSAN, DIOKLAN & ROSETTE L. RAÑOLA hereby undertake, within a period of ninety (90) days from the time of the approval of the Amicable Settlement, to transfer all personal properties or animals and/or stocks in trade still in the property adjudicated to the spouses Fernando and Ma. Concepcion Rañola to their own property.

11. Expenses relative to capital gains taxes, documentary stamp taxes, realty taxes, transfer taxes (BIR & local) and fees for documentation shall all [be] for the account of MA. SUSAN, DIOKLAN & ROSETTE L. RAÑOLA, provided that, the amount of FIVE HUNDRED THOUSAND PESOS (Php500,000.00) shall be withdrawn from the funds deposited with the RTC (mentioned in par. 5 hereof), to defray any and all expenses therefor.

12. The parties hereby waive all claims and counterclaim they may have as against each other, whether present, real or inchoate, and vow to abide by the terms and conditions herein stated and agreed upon. It is the essence of this agreement that the parties endeavor to maintain and bring back the good familial relations between and among them; to this end, the parties shall not file any action or proceedings as against each other rooted upon or connected with the issues raised in the enumerated cases in paragraph 1 hereof.

Wherefore, it is most respectfully prayed that a Decision be issued and promulgated approving this Amicable Settlement. Other reliefs and remedies as are just and equitable under the circumstances are here prayed for.

Ligao City, Philippines. 17 March, 2009.

(signed)

(signed)

(signed)

MA. SUSAN L. RAÑOLA

DIOKLAN L. RAÑOLA

ROSETTE L. RAÑOLA

Plaintiff

Plaintiff

Plaintiff

Assisted by:

(signed)

(signed)

Atty. JOSE VICENTE D. FERNANDEZ

Atty. RAMIRO BORRES, JR.

(signed)

(signed)

FERNANDO O. RAÑOLA

MA. CONCEPCION M. RAÑOLA

Defendant

Defendant

Assisted by:

(signed)

AVELINO V. SALES, JR.

For Himself and as counsel for the spouses

(signed)

ROSITA R. MILANTE

Defendant

(signed)

Atty. AILEEN ZAMORA

For Herself and as counsel of Ms. Milante

Article 1306 of the Civil Code of the Philippines provides that contracting parties may establish such stipulations, clauses, terms, and conditions, as they may deem convenient, provided that they are not contrary to law, morals, good customs, public order, or public policy. A compromise agreement is a contract whereby the parties make reciprocal concessions, avoid litigation, or put an end to one already commenced.[3] It is an accepted, even desirable and encouraged, practice in courts of law and administrative tribunals.[4]

A compromise agreement intended to resolve a matter already under litigation is a judicial compromise. Having judicial mandate and entered as its determination of the controversy, such judicial compromise has the force and effect of a judgment. It transcends its identity as a mere contract between the parties, as it becomes a judgment that is subject to execution in accordance with the Rules of Court. Thus, a compromise agreement that has been made and duly approved by the court attains the effect and authority of *res judicata*, although no execution may be issued unless the agreement receives the approval of the court where the litigation is pending and compliance with the terms of the agreement is decreed.[5]

Finding the Manifestation to be meritorious, and the Compromise Agreement dated March 17, 2009 to be validly executed and not contrary to law, morals, good customs, public order or public policy; we therefore, accept and approve the same.

WHEREFORE, the Manifestation dated June 27, 2009 informing this Court that the parties had already arrived at an agreement to settle their legal controversies and praying for the dismissal of this case is GRANTED. Judgment is hereby rendered in accordance with the Compromise Agreement dated March 17, 2009. The instant case is DISMISSED. No pronouncement as to costs.

SO ORDERED.

Ynares-Santiago, (Chairperson), Chico-Nazario, Velasco, Jr., and Peralta, JJ., concur.

[1] Rollo, p. 434.

[2] *Id.* at 435-438.

[3] Article 2028, Civil Code of the Philippines; *Harold v. Aliba*, G.R. No. 130864, October 2, 2007, 534 SCRA 478, 486.

[4] *DMG Industries, Inc. v. Philippine American Investments Corporations*, G.R. No. 174114, July 6, 2007, 526 SCRA 682, 687.

[5] Viesca v. Gilinsky, G.R. No. 171698, July 4, 2007, 526 SCRA 533, 557-558.

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