

BANCO FILIPINO SAVINGS AND MORTGAGE BANK, PETITIONER, V. BANGKO SENTRAL NG PILIPINAS AND THE MONETARY BOARD, RESPONDENTS.

G.R. No. 200678. June 04, 2018

Ponente: LEONEN, J.

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LEONEN, J.:

A bank which has been ordered closed by the Bangko Sentral ng Pilipinas (Bangko Sentral) is placed under the receivership of the Philippine Deposit Insurance Corporation. As a consequence of the receivership, the closed bank may sue and be sued only through its receiver, the Philippine Deposit Insurance Corporation. Any action filed by the closed bank without its receiver may be dismissed.

This is a Petition for Review on Certiorari[1] assailing the Court of Appeals July 28, 2011 Decision[2] and February 16, 2012 Resolution[3] in CA-G.R. SP No. 116905, which dismissed Civil Case No. 10-1042 and held that the trial court had no jurisdiction over Bangko Sentral and the Monetary Board.

On December 11, 1991, this Court promulgated *Banco Filipino Savings & Mortgage Bank v. Monetary Board and Central Bank of the Philippines*,[4] which declared void the Monetary Board's order for closure and receivership of Banco Filipino Savings & Mortgage Bank (Banco Filipino). This Court also directed the Central Bank of the Philippines and the Monetary Board to reorganize Banco Filipino and to allow it to resume business under the comptrollership of both the Central Bank and the Monetary Board.[5]

Banco Filipino subsequently filed several Complaints before the Regional Trial Court, among them a claim for damages in the total amount of P18,800,000,000.00.[6]

On June 14, 1993, Congress passed Republic Act No. 7653,[7] providing for the establishment and organization of Bangko Sentral as the new monetary authority.

On November 6, 1993, pursuant to this Court's 1991 Banco Filipino Decision, the Monetary Board issued Resolution No. 427, which allowed Banco Filipino to resume its business.[8]

In 2002, Banco Filipino suffered from heavy withdrawals, prompting it to seek the help of Bangko Sentral. In a letter dated October 9, 2003, Banco Filipino asked for financial assistance of more than P3,000,000,000.00 through emergency loans and credit easement terms.[9] In a letter[10] dated November 21, 2003, Bangko Sentral informed Banco Filipino that it should first comply with certain conditions imposed by Republic Act No. 7653 before financial assistance could be extended. Banco Filipino was also required to submit a rehabilitation plan approved by Bangko Sentral before emergency loans could be granted.

In a letter[11] dated April 14, 2004, Banco Filipino submitted its Long--Term Business Plan to Bangko Sentral. It also claimed that Bangko Sentral already extended similar arrangements to other banks and that it was still awaiting the payment of P18,800,000,000.00 in damage claims, "the entitlement to which the Supreme Court has already decided with finality." [12]

In response, Bangko Sentral informed Banco Filipino that its business plan could not be acted upon since it was neither "confirmed nor approved by [Banco Filipino's Board of Directors]."[13]

On July 8, 2004, Banco Filipino filed a Petition for Revival of Judgment with the Regional Trial Court of Makati to compel Bangko Sentral to approve its business plan. The case was docketed as Civil Case No. 04-823 and was raffled to Branch 62.[14]

During the pendency of its Petition, Banco Filipino entered into discussions and negotiations with Bangko Sentral, which resulted to seven (7) revisions in the business plan. Thus, Banco Filipino filed a Proposal for Settlement dated September 21, 2007 before Branch 62, Regional Trial Court, Makati City to settle the issues between the parties.[15]

On April 8, 2009, Banco Filipino submitted its 8[th] Revised Business Plan to Bangko Sentral for evaluation.[16] In this business plan, Banco Filipino requested, among others, a P25,000,000,000.00 income enhancement loan. Unable to come to an agreement, the parties constituted an Ad Hoc Committee composed of representatives from both parties to study and act on the proposals. The Ad Hoc Committee produced an Alternative Business Plan, which was accepted by Banco Filipino, but was subject to the Monetary Board's approval.[17]

In a letter[18] dated December 4, 2009, Bangko Sentral informed Banco Filipino that the Monetary Board issued Resolution No. 1668 granting its request for the P25,000,000,000.00 Financial Assistance and Regulatory Reliefs to form part of its Revised Business Plan and Alternative Business Plan. The approval was also subject to certain terms and conditions, among which was the withdrawal or dismissal with prejudice to all pending cases filed by Banco Filipino against Bangko Sentral and its officials.[19] The terms also included the execution of necessary quitclaims and commitments to be given by Banco Filipino's principal stockholders, Board of Directors, and duly authorized officers "not to revive or refile such similar cases in the future." [20]

In a letter[21] dated January 20, 2010, Banco Filipino requested reconsideration of the terms and conditions of the P25,000,000,000.00 Financial Assistance and Regulatory Reliefs package, noting that the salient features of the Alternative Business Plan were materially modified.[22] However, in a letter[23] dated April 8, 2010, Banco Filipino informed Bangko Sentral that it was constrained to accept the "unilaterally whittled down version of the [P25,000,000,000.00] Financial Assistance Package and Regulatory Reliefs." [24] It, however, asserted that it did not agree with the condition to dismiss and withdraw its cases since this would require a separate discussion.[25]

In a letter[26] dated April 19, 2010, Bangko Sentral informed Banco Filipino that it was surprised by the latter's hesitation in accepting the terms and conditions, in particular, the withdrawal of the cases against it, since this condition had already been discussed from the start of the negotiations between the parties.[27]

In a letter[28] dated June 21, 2010, Banco Filipino informed Bangko Sentral that it never accepted the condition of the withdrawal of the cases in prior negotiations but was willing to discuss this condition as a separate and distinct matter.

In a letter[29] dated August 10, 2010, Bangko Sentral and the Monetary Board, through counsel CVC Law, informed Banco Filipino that its rejection of certain portions of Resolution No. 1668, particularly its refusal to withdraw all cases filed against Bangko Sentral, was deemed as a failure to reach a mutually acceptable settlement.

In a letter[30] dated August 13, 2010, Banco Filipino questioned the legality of referring the matter to private counsel and stated that it had not been notified of the action taken on the acceptance of its Business Plan.

In a letter[31] dated September 13, 2010, CVC Law told Banco Filipino that the matter was referred to it as an

incident of Civil Case No. 04-823, which it was handling on behalf of Bangko Sentral. It also informed Banco Filipino that the latter's rejection of the terms and conditions of Resolution No. 1668 made this Resolution legally unenforceable.

Banco Filipino sent letters[32] dated September 22, 2010 and September 28, 2010, questioning the legality of Bangko Sentral's referral to private counsel and reiterating that the terms and conditions embodied in Resolution No. 1668 were not meant to be a settlement of its P18,800,000,000.00 damage claim against Bangko Sentral.

In a letter[33] dated October 4, 2010, Bangko Sentral reiterated that its referral of the matter to CVC Law was due to the matter being incidental to the civil case pending before the Regional Trial Court.

On October 20, 2010, Banco Filipino filed a Petition For Certiorari and Mandamus with prayer for issuance of a temporary restraining order and writ of preliminary injunction[34] before Branch 66, Regional Trial Court, Makati City, docketed as Civil Case No. 10-1042. It assailed the alleged "arbitrary, capricious and illegal acts"[35] of Bangko Sentral and of the Monetary Board in coercing Banco Filipino to withdraw all its present suits in exchange of the approval of its Business Plan. In particular, Banco Filipino alleged that Bangko Sentral and the Monetary Board committed grave abuse of discretion in imposing an additional condition in Resolution No. 1668 requiring it to withdraw its cases and waive all future cases since it was unconstitutional and contrary to public policy. It prayed that a writ of mandamus be issued to compel Bangko Sentral and the Monetary Board to approve and implement its business plan and release its Financial Assistance and Regulatory Reliefs package.[36]

The trial court issued a Notice of Hearing on the prayer for a temporary restraining order on the same day, setting the hearing on October 27, 2010.[37]

On October 27, 2010, Bangko Sentral and the Monetary Board filed their Motion to Dismiss Ad Cautelam,[38] assailing the Regional Trial Court's jurisdiction over the subject matter and over the persons of Bangko Sentral and the Monetary Board. Banco Filipino, on the other hand, filed its Opposition[39] to this Petition.

In its October 28, 2010 Order,[40] the Regional Trial Court granted the request for the issuance of a temporary restraining order against Bangko Sentral and the Monetary Board. The dispositive portion of this Order read:

WHEREFORE, premises considered and pursuant to Rule 58 of the Revised Rules of Court, Petitioner's prayer for a Temporary Restraining Order is hereby GRANTED. Respondent[s] Ban[*gk*]o Sentral ng Pilipinas and [t]he Monetary Board, as well as [their] representatives, agents, assigns and/or third person or entity acting for and [their] behalf are hereby enjoined from (a) employing acts inimical to the enforcement and implementation of the approv[*ed*] Business Plan, (b) continuing and committing acts prejudicial to Petitioner's operations, (c) withdrawing or threatening to withdraw the approval of the Business Plan containing financial assistance, and package of regulatory reliefs, and (d) otherwise enforcing other regulatory measures and abuses calculated to coerce Banco Filipino Savings and Mortgage Bank into agreeing to drop and/or withdraw its suits and damage claims against BSP and MB, and to waive future claims against Respondents or their official[s] and employees.

Further, the Court directs Sheriff Leodel N. Roxas to personally serve a copy of this Order to the herein Respondent Ban[*gk*]o Sentral ng Pilipinas and [t]he Monetary Board. Finally, let this case be set on November 11, 2010 and November 12, 2010 both at 2:00 in the afternoon for hearing on the prayer for issuance of a Writ of Preliminary Mandatory Injunction.

SO ORDERED.[41]

On the same day or on October 28, 2010, summons was served on Bangko Sentral through a staff member of the Office of the Governor, as certified by the Process Server's Return dated November 4, 2010.[42]

On November 5, 2010, Bangko Sentral and the Monetary Board filed a Petition For Certiorari with prayer for

temporary restraining order and/or writ of preliminary injunction[43] with the Court of Appeals, assailing the Regional Trial Court's October 28, 2010 Order for having been issued without jurisdiction. The Petition was docketed as CA-G.R. SP No. 116627.[44]

On November 17, 2010, the trial court issued an Order[45] denying the Bangko Sentral and the Monetary Board's Motion to Dismiss *Ad Cautelam*, stating that the acts complained of pertained to Bangko Sentral's regulatory functions, not its adjudicatory functions.[46] It likewise stated that as requested in the handwritten letter[47] dated October 21, 2010 by Bangko Sentral's general counsel requesting for an advanced copy of Banco Filipino's Petition, it furnished Bangko Sentral a copy of the Petition. It also held that Bangko Sentral's subsequent participation in the preliminary hearing and its receipt of the summons on October 28, 2010 satisfied the requirements of procedural due process.[48]

The trial court likewise found that *litis pendencia* and forum shopping were not present in the case, that Bangko Sentral's verification and certification of non-forum shopping were validly signed by the Executive Committee, and that Banco Filipino's Petition did not fail to state a cause of action.[49]

On November 25, 2010, Bangko Sentral and the Monetary Board filed another Petition for Certiorari[50] with prayer for temporary restraining order and writ of preliminary injunction with the Court of Appeals, this time assailing the November 17, 2010 Order. The case was docketed as CA-G.R. SP No. 116905. However, the trial court issued a writ of preliminary injunction on November 18, 2010[51] so they filed their Urgent Motion to Admit Attached Amended Petition[52] with the Court of Appeals to include the Issuance.

In the meantime, or on November 23, 2010, Bangko Sentral and the Monetary Board filed a Motion to Admit Attached Supplemental Petition for Certiorari with Application for Interim Relief[53] in CA-G.R. SP No. 116627 seeking to include the trial court's October 28, 2010 Order.

In its December 28, 2010 Resolution,[54] the Court of Appeals granted[55] Bangko Sentral and the Monetary Board's Urgent Motion to Admit Attached Amended Petition in CA-G.R. SP No. 116905.

Meanwhile, Banco Filipino filed its Opposition dated January 18, 2011 in CA-G.R. SP No. 116905.[56]

After oral arguments were held on February 7, 2011,[57] the Court of Appeals issued its February 14, 2011 Resolution[58] in CA-G.R. SP No. 116905. It granted the application for a writ of preliminary injunction and enjoined the trial court from conducting further proceedings in Civil Case No. 10-1042 pending a decision on the merits.

On February 16, 2011, Banco Filipino filed an Urgent Motion for Consolidation[59] in CA-G.R. SP No. 116905, requesting for the consolidation of the two (2) Petitions for Certiorari filed by Bangko Sentral and the Monetary Board before the Court of Appeals. On March 1, 2011, it also filed a Motion for Reconsideration[60] of the Court of Appeals February 14, 2011 Resolution.

In its June 2, 2011 Resolution,[61] the Court of Appeals in CA-G.R. SP No. 116905 denied Banco Filipino's Motion for Reconsideration, holding that special civil actions against quasi-judicial agencies should be filed before the Court of Appeals, not before a trial court.[62] The Court of Appeals also denied the Urgent Motion for Consolidation for the following reasons:

- 1) [I]t would cause not only further congestion of the already congested docket of the ponente of CA-G.R. SP No. 116627, but also in the delay in the disposition of both cases; 2) the subject matters and issues raised in the instant petition are different from those set forth in CA-G.R. SP No. 116627, hence, they can be the subject of separate petitions; and 3) Since a writ of preliminary injunction was earlier issued, Section 2 (d), Rule VI of the 2009 IRCA requires that the instant petition remain with the undersigned ponente for decision on the merits

with dispatch.[63]

On July 28, 2011, the Court of Appeals rendered its Decision[64] in CA-G.R. SP No. 116905 granting Bangko Sentral and the Monetary Board's Amended Petition. According to the Court of Appeals, the trial court had no jurisdiction over the Petition for Certiorari and Mandamus filed by Banco Filipino since special civil actions against quasi-judicial agencies are only cognizable by the Court of Appeals.[65] It also found that the trial court gravely abused its discretion in acquiring jurisdiction over Bangko Sentral and the Monetary Board by reason of their voluntary appearance in the preliminary hearing since their counsel had made it clear that the appearance was specifically to question the absence of a service of summons.[66]

The Court of Appeals likewise found that the delegation of authority from Banco Filipino's Board of Directors to the Executive Committee to sign pleadings on its behalf validated the verification and certification of non-forum shopping signed only by the Executive Vice Presidents.[67] It also ruled that there was no *litis pendencia* or forum shopping in the case docketed as Civil Case No. 10-1042 despite the pendency of Civil Case No. 04-823 since the causes of action and the reliefs prayed for were not the same.[68] The dispositive portion of the Court of Appeals July 28, 2011 Decision read:

WHEREFORE, the petition is GRANTED. The Order dated November 17, 2010 issued by respondent Judge Joselito C. Villarosa of the Regional Trial Court (RTC), Branch 66, Makati City, in Civil Case No. 10-1042, is ANNULLED and SET ASIDE. In lieu thereof, judgment is hereby rendered. DISMISSING Civil Case No. 10-1042 on the ground of the RTC's lack of jurisdiction over the same.

Accordingly, the writ of preliminary injunction issued by this Court on February 14, 2011, enjoining respondent Judge, private respondent and their representatives from conducting further proceedings in Civil Case No. 10-1042, is hereby made PERMANENT.

SO ORDERED.[69]

Banco Filipino filed a Motion for Reconsideration,[70] which was denied by the Court of Appeals in its February 16, 2012 Resolution.[71] Hence, it filed this Petition[72] on April 10, 2012 against Bangko Sentral and the Monetary Board before this Court.

Petitioner claims that it had the authority to file this Petition since the Court of Appeals promulgated its January 27, 2012 Decision in CA-G.R. SP No. 118599, finding petitioner's closure and receivership to have been illegal.[73] It argues that to dismiss its Petition now pending before this Court for lack of authority from its receiver Philippine Deposit Insurance Corporation would be "an absurd and unjust situation." [74] Petitioner admits, however, that this decision was eventually overturned on reconsideration[75] in the Court of Appeals November 21, 2012 Amended Decision.[76]

Petitioner points out that there was nothing in the Philippine Deposit Insurance Corporation Charter or in Republic Act No. 7653 that precludes its Board of Directors from suing on its behalf. It adds that there was an obvious conflict of interest in requiring it to seek Philippine Deposit Insurance Corporation's authority to file the case considering that Philippine Deposit Insurance Corporation was under the control of herein respondent Monetary Board.[77]

Petitioner asserts that the trial court had jurisdiction over special civil actions against respondents, accordingly with *Merchants Rural Bank of Talavera v. Monetary Board, et al.*, [78] a decision promulgated by the Court of Appeals in 2006.[79]

Petitioner likewise argues that the trial court acquired jurisdiction over respondents considering that they were able to participate in the summary hearing. It points out that respondents questioned before the trial court the

service of the petition on October 21, 2010 but never actually questioned the service of summons on October 28, 2010 until it filed its petition with the Court of Appeals.[80] It argues that respondents' private counsel was present during the raffle of the case on October 21, 2010 and even assisted respondents' general counsel in receiving copies of the petition that the latter requested, showing that respondents' due process was never violated.[81] It asserts that the Court of Appeals should have dismissed outright respondents' Petition for Certiorari for "maliciously omitt[ing]" the handwritten letter dated October 21, 2010 of their general counsel.[82] It likewise points out that respondents failed to file a motion for reconsideration before the trial court before filing their petition for certiorari with the Court of Appeals.[83]

Respondents, on the other hand, counter that the Petition should be dismissed outright for being filed without Philippine Deposit Insurance Corporation's authority. It asserts that petitioner was placed under receivership on March 17, 2011, and thus, petitioner's Executive Committee would have had no authority to sign for or on behalf of petitioner absent the authority of its receiver, Philippine Deposit Insurance Corporation.[84] They also point out that both the Philippine Deposit Insurance Corporation Charter and Republic Act No. 7653 categorically state that the authority to file suits or retain counsels for closed banks is vested in the receiver.[85] Thus, the verification and certification of non-forum shopping signed by petitioner's Executive Committee has no legal effect.[86]

Respondents likewise claim that the Court of Appeals did not err in finding that the trial court had no jurisdiction over respondents. It cited this Court's ruling in *United Coconut Planters Bank v. E. Ganzon, Inc.*[87] and *National Water Resources Board v. A. L. Ang Network*,[88] where this Court categorically stated that special civil cases filed against quasi-judicial agencies must be filed before the Court of Appeals.[89] They argue that there was no showing that Merchants Rural Bank of Talavera was ever upheld by this Court.[90] They contend that petitioner should be estopped from raising the issue of jurisdiction considering that during the pendency of this case, or on March 21, 2011 and November 20, 2011, it filed two (2) separate petitions for certiorari against respondent Monetary Board directly before the Court of Appeals.[91]

Respondents maintain that the trial court did not acquire jurisdiction over them since there was no valid service of summons. They argue that when they filed their Motion to Dismiss on October 27, 2010, they could not have validly argued the propriety of the summons on them on October 28, 2010.[92] They likewise contend that their voluntary appearance in the summary hearing before the trial court was not a submission to the trial court's jurisdiction since they consistently manifested that their appearance would be special and limited to raise the issues of jurisdiction.[93] They also assert that the service of summons to a staff member of the Office of the Governor General is not equivalent to the service of summons to the Governor General, making the service of summons ineffective.[94]

Respondents likewise claim that their filing of their Petition before the Court of Appeals without a prior motion for reconsideration was justified by certain exceptional circumstances. They mention, among others, the trial court's lack of jurisdiction, the fact that the issues have already been raised and passed upon by the trial court, the prejudice to government interest in delaying the case, and their denied due process because of the improper service of summons.[95] They further argue that the only significance of the October 21, 2010 handwritten letter was to show that respondents were informed that a Petition was filed, and not that the trial court had already acquired jurisdiction over their persons.[96]

From the arguments of the parties, this Court is asked to resolve the following issues:

First, whether or not trial courts have jurisdiction to take cognizance of a petition for certiorari against acts and omissions of the Monetary Board;

Second, whether or not respondents Bangko Sentral ng Pilipinas and the Monetary Board should have filed a motion for reconsideration of the trial court's denial of their motion to dismiss before filing their petition for certiorari before the Court of Appeals; and

Finally, whether or not the trial court validly acquired jurisdiction over respondents Bangko Sentral ng Pilipinas and the Monetary Board.

However, before any of these issues can be addressed, this Court must first resolve the issue of whether or not petitioner Banco Filipino, as a closed bank under receivership, could file this Petition for Review without joining its statutory receiver, the Philippine Deposit Insurance Corporation, as a party to the case.

I

A closed bank under receivership can only sue or be sued through its receiver, the Philippine Deposit Insurance Corporation.

Under Republic Act No. 7653,[97] when the Monetary Board finds a bank insolvent, it may "summarily and without need for prior hearing forbid the institution from doing business in the Philippines and designate the Philippine Deposit Insurance Corporation as receiver of the banking institution." [98]

Before the enactment of Republic Act No. 7653, an insolvent bank under liquidation could not sue or be sued except through its liquidator. In *Hernandez v. Rural Bank of Lucena*: [99]

[A]n insolvent bank, which was under the control of the finance commissioner for liquidation, was without power or capacity to sue or be sued, prosecute or defend, or otherwise function except through the finance commissioner or liquidator. [100]

This Court in *Manalo v. Court of Appeals* [101] reiterated this principle:

A bank which had been ordered closed by the monetary board retains its juridical personality which can sue and be sued through its liquidator. The only limitation being that the prosecution or defense of the action must be done through the liquidator. Otherwise, no suit for or against an insolvent entity would prosper. [102]

Under the old Central Bank Act, or Republic Act No. 265, [103] as amended, [104] the same principle applies to the receiver appointed by the Central Bank. The law explicitly stated that a receiver shall "represent the [insolvent] bank personally or through counsel as he [or she] may retain in all actions or proceedings for or against the institution." Section 29 of the old law states:

Section 29. Proceedings upon insolvency. — Whenever, upon examination by the head of the appropriate supervising or examining department or his examiners or agents into the condition of any bank or non-bank financial intermediary performing quasi-banking functions, it shall be disclosed that the condition of the same is one of insolvency, or that its continuance in business would involve probable loss to its depositors or creditors, it shall be the duty of the department head concerned forthwith, in writing, to inform the Monetary Board of the facts. The Board may, upon finding the statements of the department head to be true, forbid the institution to do business in the Philippines and designate an official of the Central Bank or a person of recognized competence in banking or finance, as receiver to immediately take charge of its assets and liabilities, as expeditiously as possible collect and gather all the assets and administer the same for the benefit of its creditors, and represent the bank personally or through counsel as he [or she] may retain in all actions or proceedings for or against the institution, exercising all the powers necessary for these purposes including, but not limited to, bringing and foreclosing mortgages in the name of the bank or non-bank financial intermediary performing quasi-banking functions.

In Republic Act No. 7653, this provision is substantially altered. Section 30 now states, in part:

The receiver shall immediately gather and take charge of all the assets and liabilities of the institution, administer the same for the benefit of its creditors, and exercise the general powers of a receiver under the Revised Rules of Court but shall not, with the exception of administrative expenditures, pay or commit any act that will involve the transfer or disposition of any asset of the institution: Provided, That the receiver may deposit or place the funds of the institution in non-speculative investments. The receiver shall determine as soon as possible, but not later than ninety (90) days from take-over, whether the institution may be rehabilitated or otherwise placed in such a condition so that it may be permitted to resume business with safety to its depositors and creditors and the general public: Provided, That any determination for the resumption of business of the institution shall be subject to prior approval of the Monetary Board.

If the receiver determines that the institution cannot be rehabilitated or permitted to resume business in accordance with the next preceding paragraph, the Monetary Board shall notify in writing the board of directors of its findings and direct the receiver to proceed with the liquidation of the institution. The receiver shall:

(1) file ex parte with the proper regional trial court, and without requirement of prior notice or any other action, a petition for assistance in the liquidation of the institution pursuant to a liquidation plan adopted by the Philippine Deposit Insurance Corporation for general application to all closed banks. In case of quasi-banks, the liquidation plan shall be adopted by the Monetary Board. Upon acquiring jurisdiction, the court shall, upon motion by the receiver after due notice, adjudicate disputed claims against the institution, assist the enforcement of individual liabilities of the stockholders, directors and officers, and decide, on other issues as may be material to implement the liquidation plan adopted. The receiver shall pay the cost of the proceedings from the assets of the institution.

(2) convert the assets of the institution to money, dispose of the same to creditors and other parties, for the purpose of paying the debts of such institution in accordance with the rules on concurrence and preference of credit under the Civil Code of the Philippines and he may, in the name of the institution, and with the assistance of counsel as he may retain, institute such actions as may be necessary to collect and recover accounts and assets of, or defend any action against, the institution. The assets of an institution under receivership or liquidation shall be deemed in custodia legis in the hands of the receiver and shall, from the moment the institution was placed under such receivership or liquidation, be exempt from any order of garnishment, levy, attachment, or execution. (Emphasis supplied)

The relationship between the Philippine Deposit Insurance Corporation and a closed bank is fiduciary in nature. Section 30 of Republic Act No. 7653 directs the receiver of a closed bank to "immediately gather and take charge of all the assets and liabilities of the institution" and "administer the same for the benefit of its creditors." [105]

The law likewise grants the receiver "the general powers of a receiver under the Revised Rules of Court." [106] Under Rule 59, Section 6 of the Rules of Court, "a receiver shall have the power to bring and defend, in such capacity, actions in his [or her] own name." [107] Thus, Republic Act No. 7653 provides that the receiver shall also "in the name of the institution, and with the assistance of counsel as [it] may retain, institute such actions as may be necessary to collect and recover accounts and assets of, or defend any action against, the institution." [108] Considering that the receiver has the power to take charge of all the assets of the closed bank and to institute for or defend any action against it, only the receiver, in its fiduciary capacity, may sue and be sued on behalf of the closed bank.

In *Balayan Bay Rural Bank v. National Livelihood Development Corporation*, [109] this Court explained that a receiver of a closed bank is tasked with the duty to hold the assets and liabilities in trust for the benefit of the bank's creditors.

As fiduciary of the insolvent bank, Philippine Deposit Insurance Corporation conserves and manages the assets of

the bank to prevent the assets' dissipation. This includes the power to bring and defend any action that threatens to dissipate the closed bank's assets. Balayan Bay Rural Bank explained that Philippine Deposit Insurance Corporation does so, not as the real party-in-interest, but as a representative party, thus:

As the fiduciary of the properties of a closed bank, the PDIC may prosecute or defend the case by or against the said bank as a representative party while the bank will remain as the real party in interest pursuant to Section 3, Rule 3 of the Revised Rules of Court which provides:

SEC. 3. Representatives as parties. — Where the action is allowed to be prosecuted or defended by a representative or someone acting in a fiduciary capacity, the beneficiary shall be included in the title of the case and shall be deemed to be the real party in interest. A representative may be a trustee of an express trust, a guardian, an executor or administrator, or a party authorized by law or these Rules. An agent acting in his own name and for the benefit of an undisclosed principal may sue or be sued without joining the principal except when the contract involves things belonging to the principal.

The inclusion of the PDIC as a representative party in the case is therefore grounded on its statutory role as the fiduciary of the closed bank which, under Section 30 of R.A. 7653 (New Central Bank Act), is authorized to conserve the latter's property for the benefit of its creditors.[110] (Citation omitted)

For this reason, Republic Act No. 3591,[111] or the Philippine Deposit Insurance Corporation Charter, as amended,[112] grants Philippine Deposit Insurance Corporation the following powers as a receiver:

(c) In addition to the powers of a receiver pursuant to existing laws, the Corporation is empowered to:

(1) bring suits to enforce liabilities to or recoveries of the closed bank;

....

(6) hire or retain private counsels as may be necessary;

....

(9) exercise such other powers as are inherent and necessary for the effective discharge of the duties of the Corporation as a receiver.[113]

Balayan Bay Rural Bank summarized, thus:

[T]he legal personality of the petitioner bank is not ipso facto dissolved by insolvency; it is not divested of its capacity to sue and be sued after it was ordered by the Monetary Board to cease operation. The law mandated, however, that the action should be brought through its statutory liquidator/receiver which in this case is the PDIC. The authority of the PDIC to represent the insolvent bank in legal actions emanates from the fiduciary relation created by statute which reposed upon the receiver the task of preserving and conserving the properties of the insolvent for the benefit of its creditors.[114]

Petitioner contends that it was not a closed bank at the time of the filing of this Petition on April 10, 2012 since the Court of Appeals January 27, 2012 Decision, docketed as CA-G.R. SP No. 118599, found the closure to have been illegal.[115]

This Court of Appeals Decision, however, was not yet final since the Monetary Board filed a timely motion for reconsideration.[116] There is also nothing in its dispositive portion which states that it was immediately executory.[117] Through its November 21, 2012 Amended Decision, the Court of Appeals reversed its January 27, 2012 Decision,[118] confirming petitioner's status as a closed bank under receivership. It was, therefore, erroneous for petitioner to presume that it was not a closed bank on April 10, 2012 when it filed its Petition with this Court considering that there was no final declaration yet on the matter.

Petitioner should have attempted to comply after the promulgation of the November 21, 2012 Amended Decision. Its substantial compliance would have cured the initial defect of its Petition.

Petitioner likewise claims that there was "an obvious conflict of interest"[119] if it was required to sue respondents only through Philippine Deposit Insurance Corporation, considering that respondent Monetary Board appointed Philippine Deposit Insurance Corporation as petitioner's receiver. This is a fact, however, that petitioner failed to address when it filed its Petition, signifying that petitioner had no intention of complying with the law when it filed its Petition or anytime after.

It was speculative on petitioner's part to presume that it could file this Petition without joining its receiver on the ground that Philippine Deposit Insurance Corporation might not allow the suit. At the very least, petitioner should have shown that it attempted to seek Philippine Deposit Insurance Corporation's authorization to file suit. It was possible that Philippine Deposit Insurance Corporation could have granted its permission to be joined in the suit. If it had refused to allow petitioner to file its suit, petitioner still had a remedy available to it. Under Rule 3, Section 10 of the Rules of Court,[120] petitioner could have made Philippine Deposit Insurance Corporation an unwilling co-petitioner and be joined as a respondent to this case.

Petitioner's suit concerned its Business Plan, a matter that could have affected the status of its insolvency. Philippine Deposit Insurance Corporation's participation would have been necessary, as it had the duty to conserve petitioner's assets and to examine any possible liability that petitioner might undertake under the Business Plan.

Philippine Deposit Insurance Corporation also safeguards the interests of the depositors in all legal proceedings. Most bank depositors are ordinary people who have entrusted their money to banks in the hopes of growing their savings. When banks become insolvent, depositors are secure in the knowledge that they can still recoup some part of their savings through Philippine Deposit Insurance Corporation.[121] Thus, Philippine Deposit Insurance Corporation's participation in all suits involving the insolvent bank is necessary and imbued with the public interest.

In any case, petitioner's verification and certification of non-forum shopping was signed by its Executive Vice Presidents Maxy S. Abad and Atty. Francisco A. Rivera, as authorized by its Board of Directors.[122] Under Section 10(b) of the Philippine Deposit Insurance Corporation Charter, as amended:

b. The Corporation as receiver shall control, manage and administer the affairs of the closed bank. Effective immediately upon takeover as receiver of such bank, the powers, functions and duties, as well as all allowances, remunerations and prerequisites of the directors, officers, and stockholders of such bank are suspended, and the relevant provisions of the Articles of Incorporation and By-laws of the closed bank are likewise deemed suspended.[123] (Emphasis supplied)

When petitioner was placed under receivership, the powers of its Board of Directors and its officers were suspended. Thus, its Board of Directors could not have validly authorized its Executive Vice Presidents to file the suit on its behalf. The Petition, not having been properly verified, is considered an unsigned pleading.[124] A defect in the certification of non-forum shopping is likewise fatal to petitioner's cause.[125]

Considering that the Petition was filed by signatories who were not validly authorized to do so, the Petition does not produce any legal effect.[126] Being an unauthorized pleading, this Court never validly acquired jurisdiction over the case. The Petition, therefore, must be dismissed.

II

Even assuming that the Petition did not suffer from procedural infirmities, it must still be denied for lack of merit.

Unless otherwise provided for by law and the Rules of Court, petitions for certiorari against a quasi-judicial agency are cognizable only by the Court of Appeals. The Regional Trial Court had no jurisdiction over the Petition for Certiorari filed by petitioner against respondents.

Pursuant to Article XII, Section 20 of the Constitution,[127] Congress constituted Bangko Sentral[128] as an independent central monetary authority. As an administrative agency, it is vested with quasi-judicial powers, which it exercises through the Monetary Board. In *United Coconut Planters Bank v. E. Ganzon, Inc.*:[129]

A quasi-judicial agency or body is an organ of government other than a court and other than a legislature, which affects the rights of private parties through either adjudication or rule-making. The very definition of an administrative agency includes its being vested with quasi-judicial powers. The ever increasing variety of powers and functions given to administrative agencies recognizes the need for the active intervention of administrative agencies in matters calling for technical knowledge and speed in countless controversies which cannot possibly be handled by regular courts. A "quasi-judicial function" is a term which applies to the action, discretion, etc., of public administrative officers or bodies, who are required to investigate facts, or ascertain the existence of facts, hold hearings, and draw conclusions from them, as a basis for their official action and to exercise discretion of a judicial nature.

Undoubtedly, the BSP Monetary Board is a quasi-judicial agency exercising quasi-judicial powers or functions. As aptly observed by the Court of Appeals, the BSP Monetary Board is an independent central monetary authority and a body corporate with fiscal and administrative autonomy, mandated to provide policy directions in the areas of money, banking and credit. It has power to issue subpoena, to sue for contempt those refusing to obey the subpoena without justifiable reason, to administer oaths and compel presentation of books, records and others, needed in its examination, to impose fines and other sanctions and to issue cease and desist order. Section 37 of Republic Act No. 7653, in particular, explicitly provides that the BSP Monetary Board shall exercise its discretion in determining whether administrative sanctions should be imposed on banks and quasi-banks, which necessarily implies that the BSP Monetary Board must conduct some form of investigation or hearing regarding the same. [130]

Bangko Sentral's Monetary Board is a quasi-judicial agency. Its decisions, resolutions, and orders are the decisions, resolutions, and orders of a quasi-judicial agency. Any action filed against the Monetary Board is an action against a quasi-judicial agency.

This does not mean, however, that Bangko Sentral only exercises quasi-judicial functions. As an administrative agency, it likewise exercises "powers and/or functions which may be characterized as administrative, investigatory, regulatory, quasi-legislative, or quasi-judicial, or a mix of these five, as may be conferred by the Constitution or by statute." [131]

In this case, the issue between the parties was whether the trial court had jurisdiction over petitions for certiorari against Bangko Sentral and the Monetary Board. Rule 65, Section 4 of the Rules of Court provides:

Section 4. Where and when petition to be filed. — The petition shall be filed not later than sixty (60) days from notice of the judgment, order or resolution. In case a motion for reconsideration or new trial is timely filed, whether such motion is required or not, the sixty (60) day period shall be counted from notice of the denial of said motion.

The petition shall be filed in the Supreme Court or, if it relates to the acts or omissions of a lower court or of a corporation, board, officer or person, in the Regional Trial Court exercising jurisdiction over the territorial area

as defined by the Supreme Court. It may also be filed in the Court of Appeals whether or not the same is in aid of its appellate jurisdiction, or in the Sandiganbayan if it is in aid of its appellate jurisdiction. If it involves the acts or omissions of a quasi-judicial agency, unless otherwise provided by law or these Rules, the petition shall be filed in and cognizable only by the Court of Appeals. (Emphasis supplied)

The Rules of Court categorically provide that petitions for certiorari involving acts or omissions of a quasi-judicial agency "shall be filed in and cognizable only by the Court of Appeals."

As previously discussed, respondent Bangko Sentral exercises a myriad of functions, including those that may not be necessarily exercised by a quasi-judicial agency. It is settled, however, that it exercises its quasi-judicial functions through respondent Monetary Board. Any petition for certiorari against an act or omission of Bangko Sentral, when it acts through the Monetary Board, must be filed with the Court of Appeals. Thus, this Court in *Vivas v. Monetary Board and Philippine Deposit Insurance Corporation*[132] held that the proper remedy to question a resolution of the Monetary Board is through a petition for certiorari filed with the Court of Appeals.

The Court of Appeals, therefore, did not err in dismissing the case before the Regional Trial Court since the trial court did not have jurisdiction over the Petition for Certiorari filed by petitioner against respondents.

This Court cannot subscribe to petitioner's contention that a Court of Appeals decision already provided for an exception to Rule 65. A Court of Appeals decision, no matter how persuasive or well written, does not function as *stare decisis*. [133] Neither can a Court of Appeals decision amend the Rules of Court. [134] As it stands, Rule 65 and jurisprudence hold that petitions for certiorari against the Monetary Board must be filed with the Court of Appeals.

III

While this Petition is considered dismissed, this Court takes the opportunity to address other lingering procedural issues raised by the parties in their pleadings.

Petitioner assails respondents' failure to file a motion for reconsideration of the trial court's denial of its motion to dismiss before filing a petition for certiorari with the Court of Appeals. [135]

Rule 65, Section 1 of the Rules of Court requires that there be "no appeal, or any plain, speedy, and adequate remedy in the ordinary course of law" available before a petition for certiorari can be filed. An order denying a motion to dismiss is merely an interlocutory order of the court as it does not finally dispose of a case. [136] In *BA Finance Corporation v. Pineda*, [137] a case citing the 1964 Rules of Court:

It must be remembered that, normally, when an interlocutory order is sought to be reviewed or annulled by means of any of the extra legal remedies of prohibition or certiorari, it is required that a motion for reconsideration of the question[ed] order must first be filed, such being considered a speedy and adequate remedy at law which must first be resorted to as a condition precedent for filing of any of such proceedings (Secs. 1 and 2, Rule 65, Rules of Court). [138]

In contrast, Rule 41, Section 1(c) of the Revised Rules of Court now provides:

Section 1. Subject of appeal. — An appeal may be taken from a judgment or final order that completely disposes of the case, or of a particular matter therein when declared by these Rules to be appealable.

No appeal may be taken from:

....

(c) An interlocutory order;

....

In all the above instances where the judgment or final order is not appealable, the aggrieved party may file an appropriate special civil action under Rule 65.

It would appear that the Revised Rules of Court allow a direct filing of a petition for certiorari of an interlocutory order without need of a motion for reconsideration. However, in *Estate of Salvador Serra v. Primitivo Hernaez*,^[139] a case decided after the Rules of Court were revised in 1997:

The settled rule is that a motion for reconsideration is a sine qua non condition for the filing of a petition for certiorari. The purpose is to grant an opportunity to public respondent to correct any actual or perceived error attributed to it by the re-examination of the legal and factual circumstances of the case.^[140]

This rule evolved from several labor cases of this Court. *Estate of Salvador Serra* cited *Interior Maritime Enterprises v. National Labor Relations Commission*^[141] as basis for this rule, which in turn, cited *Palomado v. National Labor Relations Commission*^[142] and *Pure Foods Corporation v. National Labor Relations Commission*.^[143] This Court, in formulating the rule in *Palomado*, declared:

The unquestioned rule in this jurisdiction is that certiorari will lie only if there is no appeal or any other plain, speedy and adequate remedy in the ordinary course of law against the acts of public respondent. In the instant case, the plain and adequate remedy expressly provided by [Sec. 9, Rule X, New Rules of the National Labor Relations Commission] was a motion for reconsideration of the assailed decision, based on palpable or patent errors, to be made under oath and filed within ten (10) calendar days from receipt of the questioned decision.^[144]

Pure Foods Corporation, on the other hand, stated:

In the present case, the plain and adequate remedy expressly provided by law was a motion for reconsideration of the assailed decision and the resolution thereof, which was not only expected to be but would actually have provided adequate and more speedy remedy than the present petition for certiorari. This remedy was actually sought to be availed of by petitioner when it filed a motion for reconsideration albeit beyond the 10-day reglementary period. For all intents and purposes, petitioner cannot now be heard to say that there was no plain, speedy and adequate remedy available to it and that it must, therefore, be allowed to seek relief by certiorari. This contention is not only untenable but would even place a premium on a party's negligence or indifference in availing of procedural remedies afforded by law.^[145]

In labor cases, it was necessary to first file a motion for reconsideration before resorting to a petition for certiorari since the National Labor Relations Commission's rules of procedure provided for this remedy. The same rule has since applied to civil cases through *Estate of Salvador Serra*, regardless of the absence of a provision in the Rules of Court requiring a motion for reconsideration even for interlocutory orders.

Thus, the general rule, in all cases; "is that a motion for reconsideration is a sine qua non condition for the filing of a petition for certiorari."^[146] There are, however, recognized exceptions to this rule, namely:

(a) where the order is a patent nullity, as where the Court a quo had no jurisdiction; (b) where the questions raised in the certiorari proceeding have been duly raised and passed upon by the lower court, or are the same as those raised and passed upon in the lower court; (c) where there is an urgent necessity for the resolution of the question and any further delay would prejudice the interests of the Government or of the petitioner or the subject matter of the action is perishable; (d) where, under the circumstances, a motion for reconsideration would be useless; (e) where petitioner was deprived of due process and there is extreme urgency for relief; (f) where, in a criminal case, relief from an order of arrest is urgent and the granting of such relief by the trial court is improbable; (g) where the proceedings in the lower court are a nullity for lack of due process; (h) where the proceedings [were] ex parte or in which the petitioner had no opportunity to object; and (i) where the

issue raised is one purely of law or where public interest is involved.[147] (Citations omitted)

In this instance, the trial court had no jurisdiction over the petition filed by petitioner against respondents, an issue which respondents properly asserted before the Court of Appeals when they filed their Petition for Certiorari.[148] They were, thus, excused from filing the requisite motion for reconsideration.

Considering that there is sufficient basis to dismiss this Petition outright, this Court finds it unnecessary to address the other issues raised.

In sum, this Court holds that petitioner did not have the legal capacity to file this Petition absent any authorization from its statutory receiver, Philippine Deposit Insurance Corporation. Even assuming that the Petition could be given due course, it would still be denied. The Court of Appeals did not err in dismissing the action pending between the parties before the trial court since special civil actions against quasi-judicial agencies must be filed with the Court of Appeals.

WHEREFORE, the Petition is DISMISSED on the ground of petitioner's lack of capacity to sue.

SO ORDERED.

Velasco, Jr., (Chairperson), Bersamin, Martires, and Gesmundo, JJ., concur.

[1] Rollo, pp. 38-82.

[2] Id. at 8-33. The Decision was penned by Associate Justice Hakim S. Abdulwahid and concurred in by Associate Justices Noel G. Tijam (now an Associate Justice of this Court) and Ricardo R. Rosario of the Former Special Tenth Division, Court of Appeals, Manila.

[3] Id. at 35-36. The Resolution was penned by Associate Justice Hakim S. Abdulwahid and concurred in by Associate Justices Noel G. Tijam (now an Associate Justice of this Court) and Ricardo R. Rosario of the Former Special Tenth Division, Court of Appeals, Manila.

[4] 281 Phil. 847 (1991) [Per J. Medialdea, En Banc].

[5] Id. at 893.

[6] Rollo, p. 9. The various Complaints are outlined in *Central Bank Board of Liquidators v. Banco Filipino*, G.R. No. 173399, February 21, 2017 < <http://sc.judiciary.gov.ph/pdf/web/viewer.html?file=/jurisprudence/2017/february2017/173399.pdf> > [Per C.J. Sereno, En Banc].

[7] Rep. Act No. 7653 (1993). The New Central Bank Act.

[8] Rollo, p. 9.

[9] Id.

[10] Id. at 112-114.

[11] Id. at 115-116.

[12] Id. at 115. The damages suit is still pending before the Regional Trial Court of Makati, Branch 136 as per *Central Bank Board of Liquidators v. Banco Filipino*, G.R. No. 173399, February 21, 2017 < <http://sc.judiciary.gov.ph/pdf/web/viewer.html?file=/jurisprudence/2017/february2017/173399.pdf> > 4 [Per CJ Sereno, En Banc].

- [13] Id.at 117.
- [14] Id. at 10
- [15] Id. at 10-11.
- [16] Id. at 144.
- [17] Id. at 11.
- [18] Id. at 160.
- [19] Id. at 161-166.
- [20] Id. at 165.
- [21] Id. at 167-168.
- [22] Id. at 167.
- [23] Id. at 176-177.
- [24] Id. at 176.
- [25] Id. at 177.
- [26] Id. at 178-179.
- [27] Id. at 179.
- [28] Id. at 180-181.
- [29] Id. at 186-187.
- [30] Id. at 188-192.
- [31] Id. a 193-195.
- [32] Id. at 196-203.
- [33] Id. at 204-205.
- [34] Id. at 207-253.
- [35] Id. at 207.
- [36] Id. at 227.
- [37] Id. at 13.
- [38] Id. at 257-301.
- [39] Id. at 394-412.
- [40] Id. at 303-305. The Order was penned by Judge Joselito C. Villarosa of the Regional Trial Court of Makati City, Branch 66.
- [41] Id. at 305.
- [42] Id. at 302.

[43] Id. at 306-393.

[44] Id. at 21.

[45] Id. at 417-420. The Order, docketed as Civil Case No. 10-1042, was penned by Presiding Judge Joselito C. Villarosa of Branch 66, Regional Trial Court, Makati City.

[46] Id. at 417.

[47] Id. at 413-415.

[48] Id. at 418.

[49] Id. at 418-420.

[50] Id. at 421-505.

[51] Id. at 596-598. The Order was penned by Judge Joselito C. Villarosa of the Regional Trial Court of Makati City, Branch 66.

[52] Id. at 506-594.

[54] Id. at 4073-4074. The Resolution was penned by Associate Justice Hakim S. Abdulwahid and concurred in by Associate Justices Ricardo R. Rosario and Samuel H. Gaerlan of the Tenth Division, Court of Appeals, Manila.

[54] Id. at 4073-4074. The Resolution was penned by Associate Justice Hakim S. Abdulwahid and concurred in by Associate Justices Ricardo R. Rosario and Samuel H. Gaerlan of the Tenth Division, Court of Appeals, Manila.

[55] Id. at 14.

[56] Id. at 732-803.

[57] Id. at 804-845.

[58] Id. at 847-851. The Resolution was penned by Associate Justice Hakim S. Abdulwahid and concurred in by Associate Justice Noel G. Tijam (now an Associate Justice of this Court) and Ricardo R. Rosario of the Special Tenth Division, Court of Appeals, Manila.

[59] Id. at 852-860.

[60] Id. at 861-871.

[61] Id. at 873-881. The Resolution was penned by Associate Justice Hakim S. Abdulwahid and concurred in by Associate Justices Noel G. Tijam (now an Associate Justice of this Court) and Associate Justice Ricardo R. Rosario of the Special Tenth Division, Court of Appeals, Manila.

[62] Id. at 876-877.

[63] Id. at 877-878.

[64] Id. at 8-33. The Decision was penned by Associate Justice Hakim S. Abdulwahid (Chair) and concurred in by Associate Justice Noel G. Tijam (now an Associate Justice of this Court) and Associate Justice Ricardo R. Rosario of the Former Special Tenth Division.

[65] Id. at 21-24.

[66] Id. at 24-27.

[67] Id. at 27-28.

[68] Id. at 28-30.

[69] Id. at 31-32.

[70] Id. at 882-897.

[71] Id. at 35-36. The Resolution was penned by Associate Justice Hakim S. Abdulwahid and concurred in by Associate Justices Noel G. Tijam (now an Associate Justice of this Court) and Ricardo R. Rosario of the Former Special Tenth Division, Court of Appeals, Manila.

[72] Id. at 38-82. Respondents were ordered to comment on April 25, 2012 (Rollo, pp. 1035-1036). On May 8, 2012, however, respondents filed a Motion for Leave to File and to Admit Attached Motion to Dismiss (Rollo, pp. 898-902) and a Motion to Dismiss (Rollo, pp. 903-915) assailing the Petition for having been filed without authority from the Philippine Deposit Insurance Corporation. On July 11, 2012, this Court granted the Motion for Leave and ordered petitioner to comment on the Motion to Dismiss (Rollo, pp. 1036-A-1036-B). Respondents filed their Comment Ad Cautelam (Rollo, pp. 1407-1465) on August 1, 2012. Petitioner, meanwhile, filed its Opposition to the Motion to Dismiss (Rollo, pp. 3618-3622) on October 25, 2012 and a Motion for Leave to Admit Attached Reply (Rollo, pp. 3625-3628) and Reply (Rollo, pp. 3629-3643) on November 20, 2012. The parties were directed to file their respective Memoranda (Rollo, pp. 3649-3708 and 4245-4284) on January 30, 2013 (Rollo, pp. 3647-3648).

[73] Id. at 4278.

[74] Id.

[75] Id. at 4279-4280.

[76] Id. at 4219-4236. The Amended Decision was penned by Associate Justice Noel G. Tijam (now an Associate Justice of this Court) and concurred in by Associate Justices Ramon A. Cruz and Eduardo B. Peralta, Jr. of the Special Seventh Division, Court of Appeals, Manila.

[77] Id. at 4280-4281.

[78] CA-G.R. SP No. 93118, August 3, 2006.

[79] Rollo, pp. 4268-4270.

[80] Id. at 4271-4274.

[81] Id. at 4274-4275.

[82] Id. at 4276.

[83] Id. at 4267-4268.

[84] Id. at 3668-3670.

[85] Id. at 3671-3673.

[86] Id. at 3676-3680.

[87] 609 Phil. 104 (2009) [Per J. Chico-Nazario, Third Division].

[88] 632 Phil. 22 (2010) [Per J. Carpio Morales, First Division].

[89] Rollo, pp. 3681-3684.

[90] Id. at 3685-3686.

[91] Id. at 3688-3689.

[92] Id. at 3680-3683.

[93] Id. at 3690-3696.

[94] Id. at 3697-3699.

[95] Id. at 3701-3703.

[96] Id. at 3704-3705.

[97] Rep. Act No. 7653 (1993). The New Central Bank Act.

[98] Rep. Act No. 7653 (1993), sec. 30(d).

[99] 171 Phil. 70 (1978) [Per J. Aquino, Second Division].

[100] Id. at 84, citing *Wauer vs. Bank of Pendleton*, 65 S.W. 2nd 167 228 Mo. App. 1150.

[101] 419 Phil. 215 (2001) [Per J. Puno, First Division].

[102] Id. at 230-231, citing *Hernandez v. Rural Bank of Lucena, Inc.*, 171 Phil. 70 (1978) [Per J. Aquino, Second Division] and *Wauer v. Bank of Pendleton*, 65 S.W. 2nd 167.

[103] Republic Act No. 265 (1948). An Act Establishing The Central Bank Of The Philippines, Defining Its Powers In The Administration Of The Monetary And Banking System, Amending The Pertinent Provisions Of The Administrative Code With Respect To The Currency And The Bureau Of Banking, And For Other Purposes, as amended by Exec. Order No. 289 (1987).

[104] See Exec. Order No. 289 (1987).

[105] Rep. Act No. 7653 (1993), sec. 30.

[106] Rep. Act No. 7653 (1993), sec. 30.

[107] RULES OF COURT, Rule 59, sec. 6 provides:

Section 6. General powers of receiver. — Subject to the control of the court in which the action or proceeding is pending, a receiver shall have the power to bring and defend, in such capacity, actions in his own name; to take and keep possession of the property in controversy; to receive rents; to collect debts due to himself as receiver or to the fund, property, estate, person, or corporation of which he is the receiver; to compound for and compromise the same; to make transfers; to pay outstanding debts; to divide the money and other property that shall remain among the persons legally entitled to receive the same; and generally to do such acts respecting the property as the court may authorize. However, funds in the hands of a receiver may be invested only by order of the court upon the written consent of all the parties to the action.

[108] Rep. Act No. 7653 (1993), sec. 30.

[109] 770 Phil. 30 (2015) [Per J. Perez, First Division].

[110] Id. at 35.

[111] Rep. Act No. 3591 (1963). An Act Establishing the Philippine Deposit Insurance Corporation, Defining Its

Powers And Duties And For Other Purposes.

[112] See Rep. Act No. 9302 (2004).

[113] Rep. Act No. 9302 (2004), sec. 10, amending Rep. Act No. 3591 (1963), sec. 9-A.

[114] *Balayan Bay Rural Bank v. National Livelihood Development Corporation*, 770 Phil. 30, 39 (2015) [Per J. Perez, First Division].

[115] *Rollo*, pp. 4278-4280.

[116] *Id.* at 3674-3675.

[117] *Id.* at 4278-4279.

[118] *Id.* at 3674-3675.

[119] *Id.* at 4280.

[120] RULES OF COURT, Rule 3, sec. 10 provides:

Section 10. Unwilling co-plaintiff. — If consent of any party who should be joined as plaintiff cannot be obtained, he may be made a defendant and the reason therefor shall be stated in the complaint.

[121] See Rep. Act No. 9302 (2004), sec. 16.

[122] *Rollo*, pp. 79-80.

[123] See Rep. Act No. 9302.(2004), sec. 10, amending Rep. Act No. 3591 (1963).

[124] See RULES OF COURT, Rule 7, sec. 4, which provides:

Section 4. Verification. — Except when otherwise specifically required by law or rule, pleadings need not be under oath, verified or accompanied by affidavit.

A pleading is verified by an affidavit that the affiant has read the pleading and that the allegations therein are true and correct of his personal knowledge or based on authentic records.

A pleading required to be verified which contains a verification based on "information and belief," or upon "knowledge, information and belief," or lacks a proper verification, shall be treated as an unsigned pleading.

[125] See *Altres v. Empleo*, 594 Phil. 246 (2008) [Per J. Carpio Morales, En Banc].

[126] See *Tamondong v. Court of Appeals*, 486 Phil. 730 (2004) [Per J. Callejo, Sr., Second Division].

[127] CONST., art. XII, sec. 20 provides:

Section 20. The Congress shall establish an independent central monetary authority, the members of whose governing board must be natural-born Filipino citizens, of known probity, integrity, and patriotism, the majority of whom shall come from the private sector. They shall also be subject to such other qualifications and disabilities as may be prescribed by law. The authority shall provide policy direction in the areas of money, banking, and credit. It shall have supervision over the operations of banks and exercise such regulatory powers as may be provided by law over the operations of finance companies and other institutions performing similar functions.

Until the Congress otherwise provides, the Central Bank of the Philippines, operating under existing laws, shall function as the central monetary authority.

[128] See Rep. Act No. 7653 (1993).

[129] 609 Phil. 104 (2009) [Per J. Chico-Nazario, Third Division].

[130] Id. at 122-124, citing *The Presidential Anti-Dollar Salting Task Force v. Court of Appeals*, 253 Phil. 344 (1989) [Per J. Sarmiento, En Banc]; *Tropical Homes, Inc. v. National Housing Authority*, 236 Phil. 580 (1987) [Per J. Gutierrez Jr., En Banc]; *Villarosa v. Commission on Elections*, 377 Phil. 497, 506 (1999) [Per J. Gonzaga-Reyes, En Banc]; Rep. Act No. 7653 (1993), Ch. I, art. I, sec. 3; Rep. Act No. 7653 (1993), Ch. I, art. IV, sec. 23; Rep. Act No. 7653 (1993) Ch. I, art. IV, sec. 25; Rep. Act No. 7653 (1993), Ch. I, art. IV, secs. 36-37.

[131] *Bank of Commerce v. Planters Development Bank and Bangko Sentral Ng Pilipinas*, 695 Phil. 627, 660 (2012) [Per J. Brion, Second Division].

[132] 716 Phil. 132 (2013) [Per J. Mendoza, Third Division].

[133] See *Government Service Insurance System v. Cadiz*, 453 Phil. 384 (2003) [Per J. Ynares-Santiago, First Division].

[134] CONST., art. VIII, sec. 5(5) provides:

Section 5. The Supreme Court shall have the following powers:

(5) Promulgate rules concerning the protection and enforcement of constitutional rights, pleading, practice, and procedure in all courts, the admission to the practice of law, the Integrated Bar, and legal assistance to the underprivileged. Such rules shall provide a simplified and inexpensive procedure for the speedy disposition of cases, shall be uniform for all courts of the same grade, and shall not diminish, increase, or modify substantive rights. Rules of procedure of special courts and quasi-judicial bodies shall remain effective unless disapproved by the Supreme Court.

[135] Rollo, pp. 4267-4268.

[136] See *Rayos v. City of Manila*, 678 Phil. 952 (2011) [Per J. Carpio, Second Division].

[137] 204 Phil. 813 (1982) [Per J. Vasquez, First Division].

[138] Id. at 824.

[139] 503 Phil. 736 (2005) [Per J. Ynares-Santiago, First Division].

[140] Id. at 743 citing *Interorient Maritime Enterprises, Inc. v. National Labor Relations Commission*, 330 Phil. 493 (1996) [Per J. Panganiban, Third Division].

[141] 330 Phil. 493 (1996) [Per J. Panganiban, Third Division].

[142] 327 Phil. 472 (1996) [Per J. Panganiban, Third Division].

[143] 253 Phil. 411 (1989) [Per J. Regalado, Second Division].

[144] *Palomado v. National Labor Relations Commission*, 327 Phil. 281 (1996) [Per J. Panganiban, Third Division].

[145] *Pure Foods Corporation v. National Labor Relations Commission*, 253 Phil. 411, 420 (1989) [Per J. Regalado, Second Division] citing *Plaza v. Mencias*, 116 Phil. 875 (1962) [Per J. Labrador, En Banc].

[146] *Estate of Salvador Serra Serra v. Heirs of Hernaez*, 503 Phil. 736, 743 (2005) [Per J. Ynares-Santiago, Third Division]

[147] Tan v. Court of Appeals, 341 Phil. 576 (1997) [Per J. Francisco, Third Division].

[148] Rollo, p. 3703.

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