

PHILIPPINE NATIONAL BANK, PETITIONER, VS. HEIRS OF THE LATE IRENEO AND CARIDAD ENTAPA, NAMELY: ROSARIO ENTAPA-ORPEZA, JULIANNE E. HAMM, CERINA G. ENTAPA, WINSTON G. ENTAPA (DECE...

G.R. No. 215072. September 07, 2016

Ponente: LEONEN, J.

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LEONEN, J.:

The Constitution requires that a court must state the factual and legal grounds on which its decisions are based. Any decision that fails to adhere to this mandate is void.

The Philippine National Bank, through a Petition for Review on Certiorari,[2] assails the Decision[3] dated June 4, 2013 and Resolution[4] dated October 2, 2014 of the Court of Appeals, which nullified the Decision[5] of Branch 54 of the Regional Trial Court of Bacolod City. The Court of Appeals nullified the Regional Trial Court Decision for failing to state the facts and law on which it was based.[6]

On December 5, 1973, Caridad Entapa (Entapa) and her children, Julianna E. Hamm and Winston Entapa, executed a Special Power of Attorney authorizing Joseph Gonzaga (Gonzaga) to enter into legal transactions on their behalf.[7]

Entapa owned Lot No. 2665 with an area of 16.067 hectares and covered by Original Certificate of Title No. P-6497.[8] On January 3, 1974,[9] Gonzaga executed a real estate mortgage over Lot No. 2665 in favor of the Philippine National Bank to guarantee his loan of P30,600.00.[10]

Gonzaga failed to pay the loan.[11] The property was foreclosed and was sold at a public auction. The Philippine National Bank emerged as the winning bidder.[12] A Certificate of Sale was issued in the bank's favor on December 29, 1983.[13]

Entapa's other heirs had no knowledge of Gonzaga's Special Power of Attorney. They learned of the foreclosure sale only after the public auction.[14]

Rosario Entapa Orpeza (Orpeza), representing Entapa's other heirs, went to the Philippine National Bank at Lacson Street, Bacolod City to ask about the repurchase of the property.[15] Despite knowledge that the property had already been foreclosed, she wrote a letter dated March 15, 1995 to Raul Topacio, Assistant Vice President and Branch Manager, requesting a restructuring and recomputation of Gonzaga's loan in accordance with the guidelines of Republic Act No. 7202.[16]

On May 2, 1996, the Philippine National Bank informed Orpeza that its Branch Credit Committee approved her request and stated the terms and conditions of the Thirteen-Year Plan of Payment.[17] Two (2) of the seven (7) conditions were to deposit 20% of the total recomputed amount and to pay the arrears of the realty taxes on the property.[18]

In compliance, Orpeza sent a bank transfer of 9,797 German Deutschmark equivalent to P178,336.19, 20% of the recomputed amount.[19] She also paid the realty taxes on the property.[20]

Orpeza alleged that after she deposited the amount, she discovered that five (5) families were already residing and planting crops on Lot No. 2665, by virtue of Certificates of Land Ownership (CLOA) issued by the Department of Agrarian Reform.[21] She went to the Philippine National Bank to ask for an explanation and to request the bank to file a case to annul the CLOAs.[22] The bank did not offer an explanation but only issued a certification declaring that according to their records, there had been no transfer of Lot No. 2665 to the Department of Agrarian Reform.[23]

Orpeza went to the Department of Agrarian Reform, where she was able to secure copies of the Deed of Sale, Deed of Transfer, and Voluntary Offer of Sale of Lot No. 2665 by the Philippine National Bank to the Department of Agrarian Reform.[24] Moreover, she was informed by Assistant Regional Director Homer Tobias that Lot No. 2665 was already covered by the Comprehensive Agrarian Reform Program, and CLOAs had been issued according to the law.[25] He also explained that the lot was voluntarily offered for Comprehensive Agrarian Reform Program coverage by Philippine National Bank on September 30, 1989.[26]

As a result, Orpeza demanded the return of the downpayment she made with the Philippine National Bank and asked for the annulment of the CLOAs.[27] "[The Philippine National Bank] did not take any action." [28] As the bank still refused to refund the amount despite demand, Orpeza and her siblings instituted a complaint for collection of sum of money against the Philippine National Bank on October 5, 1998.[29]

In its defense, the Philippine National Bank insisted that before it approved Orpeza's request for restructuring and recomputation, it verified that Lot No. 2665 was not included in the transfer of properties to the Department of Agrarian Reform.[30] It also alleged that when Lot No. 2665 was offered to the Department of Agrarian Reform on September 30, 1989, it had no knowledge nor information as to the status of its application as it had not received any payment from the Land Bank of the Philippines.[31]

The Philippine National Bank alleged that while there was a Voluntary Offer to Sell Lot No. 2665, it did not acquire a record of the Voluntary Offer to Sell until 1998 and only came to know of the existence of the CLOAs when Orpeza informed its officers.[32]

On April 31, 2006, the Regional Trial Court of Bacolod City ordered the Philippine National Bank to return the initial downpayment of P178,336.10, realty taxes of P56,421.30, exemplary damages at P50,000.00, moral damages at P50,000.00, and attorney's fees of 15% of the amount due, with legal interest.[33]

The Regional Trial Court Decision reads:

This is a case for collection of sum of money with claims for damages, instituted by the heirs of Ireneo and Caridad Entapa, namely: Rosario Entapa-Oropeza [sic], Julianna E. Warn, Cerina G. Entapa, Winston G. Entapa represented . . . by his Spouse Ninfa Lamistoza-Entapa, Franklin G. Entapa, Marina E. Schacht and Elvira Entapa.

Ireneo Entapa, deceased, died on December 7, 1967 in the city of Bago, survived by his widow, Caridad Entapa and legitimate children herein before named. Ireneo Entapa was the registered owner of two parcels of lands located in Barangay Ilijan, City of Bago, denominated as Lot No. 2664 covered by TCT No. T- and Lot No. 2666 covered by TCT No. T-[sic]. The wife and widow, Caridad Entapa, now deceased was also a registered owner of Lot No. 2665, covered by TCT OCT No. R-6497.

When Ireneo Entapa died, the lands devolved upon his heirs, the surviving wife, Caridad Entapa, and their children.

During the lifetime of the wife, Caridad Entapa, together with the children: namely, Juliana E. Ham and Winston Entapa as heirs-owners of the aforementioned lots, executed a Special Power of Attorney in favor of Joseph Gonzaga, to mortgage the lot to banking institutions.

Joseph Gonzaga mortgaged the properties to the Philippine National Bank-Bacolod Branch.

The other children except the two who signed the Special Power of Attorney were working abroad and they were unaware of the execution of the Special Power of Attorney in favor of Joseph Gonzaga.

The loan was not paid by Joseph Gonzaga and the Philippine National Bank sold the lands in a public auction. The bid was awarded to the mortgagee-bank, the Philippine National Bank. A certificate of Sale issued to the Philippine National Bank marked in evidence as Exhibit [sic].

When the children heirs learned of the foreclosure of the properties while they were abroad, the heirs headed by Rosario Entapa Orpeza, made representation with the Philippine National Bank to purchase back the properties via restructuring of the loan under Republic Act No. 7202 otherwise known as the Sugar Restitution Law.

Pursuant to the Sugar Restitution Law, the Philippine National Bank through its Vice President[,] Mr. Topacio[,] accepted in principle the restructuring of the loan and for the heirs to purchase back the properties with 20% percent [sic] down payment of the recomputed value which amounted to Php 178,336.50. In addition, the heirs were also required to update the realty taxes of the lots. The heirs obliged by paying the realty taxes. The heirs through Rosario Entapa Orpeza paid the required deposit of Php 178,336.50. It was paid in German Currency converted to Philippine peso prevailing at the time. The heirs were happy that they could get back their ancestral lots where they grew up.

Rosario Entapa Orpeza who spearheaded the repurchase of the properties was based in the United States of America working as an accountant. She stayed in the country abandoning meanwhile her work in the USA just to consummate the repurchase of the properties and she lost income while staying in the Philippines.

When Rosario Entapa Orpeza had paid for the realty taxes and the 20% downpayment for the repurchase, she wanted to visit the lands located on the mountainside in Upper Maa, Bago City. She discovered that the properties are occupied by several families who are CARP beneficiaries and are holding CLOA[s] issued by the Department of Agrarian Reform.

She confronted the PNB official, Mr. Raul Topacio on the alleged CARP coverage of the lots but she was reassured that the PNB shall take care of it.

It was sometime on March 15, 1995 when Rosario Entapa Orpeza formally applied for restructuring under the Sugar Restitution Law. On May 22, 1995, the Assistant Vice President Raul G. Topacio informed Rosario Entapa Orpeza of the total obligations which required twenty (20%) percent down payment and the account shall be payable in [] 13 years.

The restructuring of the loan was officially approved by the Branch Committee on April 16, 1996.

Before approving the restructuring of the Entapa loan, the PNB verified if the properties have been turned over to the Department of Agrarian Reform as required by [] law on acquired agricultural assets of the bank. There was a list of properties transferred to the DAR (Exhibit 7) and the properties of Caridad Entapa were not in the list indicating that the subject properties have not been transferred for CARP coverage. The owner's duplicate of the title is still with the PNB.

Rosario Entapa Orpeza signed "ACCEPTANCE" in the May 1996 letter of the PNB on the terms of restructuring of the loan.

When the alleged CARP coverage was verified with the Department of Agrarian Reform, documents cropped

up indicating that the lot was sold by the PNB to the Department of Agrarian Reform way back on September 30, 1989. The DAR sent a notice of Land Valuation (Exhibit 0) dated March 6, 1992. The Department of Agrarian Reform processed the awards of the land and CLOA[s] were issued and given to the beneficiaries.

From the evidence adduced, it appears that the Philippine National Bank was not meticulous in allowing the Entapa Heirs to avail of the Sugar Restitution Law to repurchase their property. The PNB agreed to grant the restitution because from the record they looked into, the Entapa property was not among those transferred to the Department of Agrarian Reform, actually the property had been offered to the DAR under the Voluntary Offer to Sell (VOS), and the valuation [had] been determined and communicated to the Philippine National Bank as shown by subsequent check of record.

The Certificate of Land Ownership Award (CLOA) have [sic] been issued and distributed to the awardees; thus, it became legally impossible to go on with the repurchase of the property by the Entapa Heirs under the Sugar Restitution Law or plain repurchase of the property.

With the situation that the Entapa Heirs could no longer work and hope to reacquire their property, the plaintiffs-heirs formally demanded for the return of the 20% initial deposit paid to the PNB and also the real property taxes paid when the property had already been divided and awarded to the beneficiaries covered by CLOA[s].

The Philippine National Bank did not return the amount paid by the Entapa Heirs which led to the filing of the instant case. Likewise, the Entapa Heirs suffered for the vain hope that they could get back the properties with so much attachment or sentimental value.

The repurchase had not materialized; thus, the demand to return the amounts paid.

In a nutshell, the Entapa Heirs, who were working abroad in the United States and Germany, came to know that the lot of the mother had been foreclosed and the redemption period had lapsed. The heirs wanted to recover the property and one option was to repurchase the property under the Sugar Restitution Law. The heirs were allowed in principle to repurchase the property under the Restitution Law. The Philippine National Bank was under the impression that the subject property still belonged to the PNB because the owner's duplicate of the title was still on file and a check on the list of properties transferred to the Department of Agrarian Reform, the Entapa property was not among them — the acquired agricultural lands shall be turned over to the DAR for purposes of the Land Reform program. The Philippine National Bank formally communicated to the Entapa Heirs of the approval of the repurchase and the valuation wherein the former owners were required initially the 20% of the valuation and the Entapa heirs did pay. The heirs were likewise required to update the real property taxes which they complied.

When the Entapa heirs came to know that the subject lot had been earlier offered to the Department of Agrarian Reform under the Voluntary Offer to Sell (VOS) scheme of the CARP, they were aghast and their hope to be able to get back the property came to naught. The PNB tried to reassure the heirs that the Certificate of Title is still in the name of the PNB and it would push through the repurchase under the Sugar Restitution Law.

With the granting of the CLOA[s] to the beneficiaries who had been in actual occupation and cultivation, there was no more possibility for the heirs to get back the land.

The Entapa heirs demanded for the return of the money they had paid for the value of the land and the real property taxes they paid, for they could not repurchase the land. The PNB refused to timely return the amounts paid by the heirs which finally led to the instant suit. Rosario Entapa Orpeza had to delay her return to her work to the United States of America in order to consummate the repurchase and getting back of the property. In the USA, she had a work which earned regularly for her in dollars. Rosario claims moral and actual damages for the failure to get back the property which has sentimental value to the children.

With the repurchase not carried, there is the duty to return the amounts paid by the Entapa heirs.

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

- The defendant is ordered to return to the plaintiff the following amounts:
- Php 178,336.10 - representing initial downpayment for the repurchase of the lot plus legal interests until paid;
- Php 56,421.30 representing realty taxes paid on the lot plus legal interests until paid;
- Php 50,000.00 as exemplary damages;
- Php 50,000.00 as moral damages; and
- Attorney's fees of 15% of the amount due; and
- To pay the costs of suit.

SO ORDERED.[34]

The Philippine National Bank appealed to the Court of Appeals and argued that (1) the trial court's Decision violated the Constitution and the Rules of Civil Procedure when it failed to state the facts and law on which its ruling was based, and (2) the trial court erred in ordering it to return the payments.[35]

On June 4, 2013, the Court of Appeals nullified the Regional Trial Court Decision and remanded the case to it for the rendition of judgment under the Constitution and Rules of Court.[36]

The Court of Appeals found that after a careful reading of the trial court's Decision, the Decision did not contain analysis of the evidence of the parties or reference to any legal basis to reach its conclusions, contrary to the requirements of Article VIII, Section 14[37] of the Constitution and Rule 36, Section 1[38] of the Rules of Court.[39]

However, the Court of Appeals also pointed out that the Philippine National Bank could not raise new arguments on appeal as its argument that it was entitled to apply Orpeza's downpayment to Gonzaga's outstanding loan constituted a change of theory, which should be disallowed on appeal.[40] The dispositive portion of the Court of Appeals Decision reads:

WHEREFORE, in view of all the foregoing, the appeal is GRANTED. The assailed 31 August 2006 Decision of the Regional Trial Court Branch 54 of Bacolod City in Civil Case No. 98-10510 is NULLIFIED as it does not conform with Section 14 Article VII [sic] of the 1987 Constitution and Section 1 Rule 36 of the Rules of Court.

The records of the case are hereby remanded to the said Regional Trial Court for the rendition of judgment in accordance with the mandate of the Constitution and the Rules of Court, with dispatch.

SO ORDERED.[41] (Emphasis in the original)

The Philippine National Bank moved for reconsideration, but the Motion was denied in the Resolution dated October 2, 2014.[42]

Aggrieved, petitioner Philippine National Bank filed before this Court a Petition for Review on Certiorari arguing that the Court of Appeals erred in rendering judgment on the merits despite nullifying the Regional Trial Court Decision and remanding the case.[43] It also argues that the Court of Appeals should not have held them liable to pay respondents Heirs of Ireneo and Caridad Entapa:

II. The Court of Appeals seriously erred when it held petitioner PNB liable to return the amount of

Php178,336.10 representing initial downpayment of respondents plus legal interest effective 14 October 1998 until paid.

III. The Court of Appeals seriously erred when it held petitioner PNB liable to return the amount of Php56,421.30 representing the realty taxes paid by respondents plus legal interest until paid.

....

IV. The Court of Appeals seriously erred when it held the Bank liable to pay moral damages, exemplary damages, attorney's fees and cost of suit to respondents.[44]

In their Comment,[45] respondents argue that the Court of Appeals did not make any adjudication on the merits of the case since the dispositive portion of the Decision did not actually state that petitioner was liable to respondents for the stated amounts.[46] Respondents further assert that the Court of Appeals discussed the other issues because petitioner raised these issues before the Court of Appeals, and if petitioner did not want the Court of Appeals to discuss these issues, then it should not have raised them.[47] Respondents argue that even assuming that there was an adjudication on the merits, the Court of Appeals would not have erred in finding petitioner liable since its bad faith was clear from the facts and the evidence.[48]

The issues before this Court are:

First, whether the Court of Appeals erred in nullifying the Regional Trial Court Decision; and

Second, whether the Court of Appeals adjudicated on the merits of the case despite ordering its remand to the trial court.

The Petition is denied.

A court must state the factual and legal basis for its decisions; otherwise, its decisions are void.

Article VIII, Section 14 of the Constitution provides:

ARTICLE VIII
Judicial Department
....

SECTION 14. No decision shall be rendered by any court without expressing therein clearly and distinctly the facts and the law on which it is based.

No petition for review or motion for reconsideration of a decision of the court shall be refused due course or denied without stating the legal basis therefor.

Rule 36, Section 1 of the Rules of Court provides:

RULE 36
Judgments, Final Orders and Entry Thereof

SECTION 1. Rendition of judgments and final orders. — A judgment or final order determining the merits of the case shall be in writing personally and directly prepared by the judge, stating clearly and distinctly the facts and the law on which it is based, signed by him, and filed with the clerk of the court.

The Court of Appeals, in nullifying the Decision of the trial court, stated that it "contained no reference to any legal basis in reaching its conclusions"[49] nor did it "cite any legal authority or principle to support its conclusion that [the] bank is liable."[50] The Court of Appeals found that the "trial court merely narrated the factual circumstances of the case and directly declared the liability of the [bank] to pay [respondents] the amount

she paid as downpayment for the re-purchase of the subject land."[51]

The Regional Trial Court Decision[52] dated August 31, 2006 is four (4) pages long. Its first three (3) pages state the facts of the case. The fourth page states:

The Entapa heirs demanded for the return of the money they had paid for the value of the land and the real property taxes they paid, for they could not repurchase the land. The PNB refused to timely return the amounts paid by the heirs which finally led to the instant suit. Rosario Entapa Orpeza had to delay her return to her work to the United States of America in order to consummate the repurchase and getting back of the property. In the USA, she had a work which earned regularly for her in dollars. Rosario claims moral and actual damages for the failure to get back the property which has sentimental value to the children.

With the repurchase not carried, there is the duty to return the amounts paid by the Entapa heirs.

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- Php 50,000.00 as exemplary damages;
- Php 50,000.00 as moral damages; and
- Attorney's fees of 15% of the amount due; and
- To pay the costs of suit.

SO ORDERED.[53]

The trial court failed to cite any legal basis for declaration of petitioner's liability. The Decision merely contained a recitation of facts and a dispositive portion. *Yao v. Court of Appeals*[54] nullified a similar decision for failure of the court to state the legal basis for its ruling:

Faithful adherence to the requirements of Section 14, Article VIII of the Constitution is indisputably a paramount component of due process and fair play. It is likewise demanded by the due process clause of the Constitution. The parties to a litigation should be informed of how it was decided, with an explanation of the factual and legal reasons that led to the conclusions of the court. The court cannot simply say that judgment is rendered in favor of X and against Y and just leave it at that without any justification whatsoever for its action. The losing party is entitled to know why he lost, so he may appeal to the higher court, if permitted, should he believe that the decision should be reversed. A decision that does not clearly and distinctly state the facts and the law on which it is based leaves the parties in the dark as to how it was reached and is precisely prejudicial to the losing party, who is unable to pinpoint the possible errors of the court for review by a higher tribunal. More than that, the requirement is an assurance to the parties that, in reaching judgment, the judge did so through the processes of legal reasoning. It is, thus, a safeguard against the impetuosity of the judge, preventing him from deciding *ipse dixit*. Vouchsafed neither the sword nor the purse by the Constitution but nonetheless vested with the sovereign prerogative of passing judgment on the life, liberty or property of his fellowmen, the judge must ultimately depend on the power of reason for sustained public confidence in the justness of his decision.

Thus the Court has struck down as void, decisions of lower courts and even of the Court of Appeals whose careless disregard of the constitutional behest exposed their sometimes cavalier attitude not only to their

magisterial responsibilities but likewise to their avowed fealty to the Constitution.[55] (Emphasis supplied, citations omitted)

In Yao, the assailed decision was nullified and the records of the case were remanded to the trial court. The Court of Appeals in this case did the same.

The constitutional requirement that the basis of the decision of our courts should be clearly articulated and made legible to the parties does not merely assure fairness It is likewise crucial to assure the public that the judiciary arrives at its conclusions on the basis of reasonable inference from credible and admissible evidence and the text of law and our jurisprudence. Decisions of all courts should not be based on any other considerations. Not only will fully coherent and cogent reasons have greater chances to convince the litigants of their chances on appeal; they also make appeals possible. After all, appellate courts cannot be assumed to have so much omniscience that they can read what the trial judge has not written.

Petitioner likewise argues that the Court of Appeals should not have ruled that it was liable to respondents.

This is erroneous.

Nothing in the Court of Appeals Decision ordered petitioner to return to respondents their downpayment and pay them damages. Petitioner brought the appeal before the Court of Appeals, arguing, among others, that it should not have been held liable since it already applied Orpeza's downpayment to Gonzaga's outstanding loan.[56] The Court of Appeals, in addressing petitioner's arguments, explained that it could not rule on these arguments since it was brought for the first time on appeal:

While it is true that [petitioner] has the right to recover the deficiency of Gonzaga's loan obligation under the well-entrenched rule that a creditor is not precluded from recovering any unpaid balance on the principal obligation if the extrajudicial foreclosure sale of the property subject of the real estate mortgage results in a deficiency, still, such defenses could not be countenanced because it was belatedly raised only on appeal, not during the trial before the court a quo.

Added to that, [petitioner] did not present any proof to substantiate its allegations. Their factual allegations clearly required the presentation of additional evidence in order to properly address the issues raised in the new theory. This, [petitioner] failed to do. Hence, this Court cannot give due course to the new issues raised in the appeal for lack of evidence. Justice and fair play dictate that [petitioner's] change of theory of their case on appeal be disallowed.[57] (Emphasis supplied)

Strangely, petitioner now comes before this Court and argues that the Court of Appeals should not have adjudicated on the arguments that it had raised before it.

Even if the Court of Appeals had adjudicated upon the merits of the case, any discussion would have been considered obiter dictum since the entire case was remanded to the trial court.

Obiter dictum is "an opinion expressed by a court upon some question of law which is not necessary to the decision of the case before it." [58] It is a "a remark made, or opinion expressed . . . upon a point not necessarily involved in the determination of the cause, or introduced by way of illustration, or analogy or argument." [59] It "lacks the force of an adjudication and should not ordinarily be regarded as such." [60]

It was not necessary for the Court of Appeals to discuss the other issues that petitioner raised in order to determine that the case must be remanded to the trial court. In any case, petitioner is not precluded from presenting the same arguments before the trial court.

We take this opportunity to remind judges and justices of their solemn duty to uphold and defend the Constitution

and the principles it embodies. This duty is so basic that it appears in the Oath of Office of every public officer and employee^[61] and is stated only in the third whereas clause of the New Code of Judicial Conduct.^[62] When the law is basic and the rules are elementary, the duty of a judge is simply to apply it.^[63] Failure to do so constitutes gross ignorance of the law.^[64] It entails additional expenses on the part of the party-litigants and creates an undeserved public impression of the lack of competence of the entire judiciary.

WHEREFORE, the Petition is DENIED. The Decision dated June 4, 2013 and the Resolution dated October 2, 2014 of the Court of Appeals in CA-G.R. CV No. 01895 are AFFIRMED.

A copy of this Decision shall be served on the Office of the Court Administrator, who is DIRECTED to initiate proceedings against Presiding Judge Demosthenes L. Magallanes of Branch 54 of the Regional Trial Court of Bacolod City for gross ignorance of the law and any other violation of our Rules.

SO ORDERED.

Carpio, (Chairperson), Del Castillo, and Mendoza, JJ., concur.
Brion, J., on leave.

[1] Julianne E. Hamm's name also appears as "Juliana Perez-Hamm" (rollo, p. 12), "Julianna E. Wam" (CA rollo, p. 22), "Juliana E. Ham" (CA rollo, p. 22), "Julianna E. Ham" (RTC records, p. 1), and "Juliana E. Perez" (RTC records, p. 7). For consistency, "Julianna E. Hamm" will be used in this Decision.

[2] Rollo, pp. 32-64. The Petition was filed under Rule 45 of the Rules of Court.

[3] Id. at 10-25. The Decision was penned by Associate Justice Carmelita Salandanan-Manahan and concurred in by Associate Justices Ramon Paul L. Hernando and Ma. Luisa Quijano-Padilla of the Twentieth Division, Court of Appeals, Cebu.

[4] Id. at 26-27. The Resolution was penned by Associate Justice Ramon Paul L. Hernando and concurred in by Associate Justices Ma. Luisa C. Quijano-Padilla and Jhosep Y. Lopez of the Special Former Twentieth Division, Court of Appeals, Cebu.

[5] CA rollo, pp. 22-25. The Decision was penned by Presiding Judge Demosthenes L. Magallanes of Branch 54, Regional Trial Court, Bacolod City, Negros Occidental.

[6] Id. at 23.

[7] Rollo, p. 12.

[8] Id. at 11-12.

[9] The Court of Appeals Decision states the date as January 3, 1973 but the Deed of Real Estate Mortgage (RTC records, p. 8) states the date as January 3, 1974.

[10] Rollo, p. 12.

[11] Id.

[12] Id.

[13] Id.

[14] Id.

[15] Id.

[16] CA rollo, p. 23. See Rep. Act No. 7202 (1992), An Act Authorizing the Restitution of Losses Suffered by Sugar Producers from Crop Year 1974-1975 to Crop Year 1984-1985 due to the Actions of Government Owned and Controlled Agencies.

[17] Rollo, p. 12.

[18] Id. at 12-13.

[19] Id. at 13.

[20] Id.

[21] Id.

[22] Id.

[23] Id.

[24] Id. at 14.

[25] Id.

[26] Id.

[27] Id.

[28] Id.

[29] Id.

[30] Id. at 15.

[31] Id.

[32] Id. at 15-16.

[33] CA rollo, p. 25.

[34] Id. at 22-25.

[35] Rollo, p. 16.

[36] Id. at 24.

[37] CONST., art. VIII, sec. 14 provides:

SECTION 14. No decision shall be rendered by any court without expressing therein clearly and distinctly the facts and the law on which it is based.

No petition for review or motion for reconsideration of a decision of the court shall be refused due course or denied without stating the legal basis therefor.

[38] RULES OF COURT, Rule 36, sec. 1 provides:

SECTION 1. Rendition of judgments and final orders. — A judgment or final order determining the merits of the case shall be in writing personally and directly prepared by the judge, stating clearly and distinctly the facts and the law on which it is based, signed by him, and filed with the clerk of the court.

[39] Rollo, pp. 17-19.

[40] Id. at 24.

[41] Id. at 24-25.

[42] Id. at 26-28.

[43] Id. at 43-45.

[44] Id. at 46 and 57.

[45] Id. at 89-107.

[46] Id. at 95.

[47] Id. at 95-96.

[48] Id. at 97-107.

[49] Rollo, pp. 17-18.

[50] Id. at 18.

[51] Id.

[52] CA rollo, pp. 22-25.

[53] Id. at 25.

[54] 398 Phil. 86 (2000) [Per C.J. Davide, Jr., First Division].

[55] Id. at 105-106.

[56] CA rollo, p. 79.

[57] Rollo, p. 24.

[58] *Auyong Hian v. Court of Tax Appeals*, 158 Phil. 123, 135 (1974) [Per J. Zaldivar, Second Division], citing *BOUVIER'S LAW DICTIONARY* 863 (3rd ed).

[59] *Delta Motors Corporation v. Court of Appeals*, 342 Phil. 173, 186 (1997) [Per J. Davide, Jr., Third Division], citing *BLACK'S LAW DICTIONARY* 967 (5th ed., 1979).

[60] *Morales v. Paredes*, 55 Phil. 565, 567 (1930) [Per J. Ostrand, First Division].

[61] See CONST., art. IX (B), sec. 4 provides:

SECTION 4. All public officers and employees shall take an oath or affirmation to uphold and defend this Constitution.

[62] A.M. No. 03-05-01-SC (2004), third whereas clause provides:

WHEREAS, the Bangalore Draft is founded upon a universal recognition that a competent, independent and impartial judiciary is essential if the courts are to fulfill their role in upholding constitutionalism and the rule of law; that public confidence in the judicial system and in the moral authority and integrity of the judiciary is of utmost importance in a modern democratic society; and that it is essential that judges, individually and collectively, respect and honor judicial office as a public trust and strive to enhance and-maintain confidence in

the judicial system[.]

[63] See *Balanay v. Judge Adalim White*, A.M. No. RTJ-16-2443, January 11, 2016 <<http://sc.judiciary.gov.ph/pdf/web/viewer.html?file=/jurisprudence/2016/january2016/RTJ-16-2443.pdf>> 7 [Per J. Del Castillo, Second Division], citing *Atty. Adalim-White v. Judge Bugtas*, 511 Phil. 615, 627 (2005) [Per J. Austria-Martinez, En Banc].

[64] *Id.*

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