CHRISTIAN B. GUILLERMO AND VICTORINO B. GUILLERMO PETITIONERS, VS. ORIX METRO LEASING AND FINANCE CORPORATION RESPONDENT.

G.R. No. 237661. September 07, 2020

Ponente: CARANDANG, J.

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CARANDANG, J.:

Before Us is a Petition for Review on Certiorari[1] assailing the Decision[2] dated June 29, 2017 and the Resolution[3] dated February 19, 2018 of the Court of Appeals (CA) in CA-G.R. SP No. 145809. The CA annulled and set aside the Orders dated December 17, 2015[4] and March 4, 2016[5] of the Regional Trial Court (RTC) of Makati City, Branch 58, in Civil Case No. 10-1064, a complaint for replevin, sum of money, and damages.

On October 29, 2009 and November 26, 2009, EMC Northstar Transport, Inc. (EMC Northstar), represented by spouses Edwin and Margarita Cando (Sps. Cando), obtained loans from respondent Orix Metro Leasing and Finance Corporation (Orix) in the amounts of P6,374,328.00 and P2,012,952.00, respectively. Each loan is evidenced by a promissory note, providing that the loaned amount is payable in 24 successive monthly installments. In case of nonpayment of any amount which EMC Northstar is obliged to pay under the note, the entire balance of the obligation then remaining unpaid shall become due and demandable. The first loaned amount was secured by a chattel mortgage on two units of Daewoo air--conditioned buses, while the second loaned amount was secured by another Daewoo air-conditioned bus. Sps. Cando, in their personal capacity, also executed a Continuing Surety where they undertook to guarantee the punctual payment of all loans which are now or may hereafter become due or owing to Orix.[6]

EMC Northstar defaulted in its obligations and refused to relinquish possession of the mortgaged properties, prompting Orix to file Civil Case No. 10-1064 before the RTC on October 20, 2010. Orix impleaded EMC Northstar and Sps. Cando as defendants in the case. As of September 6, 2010, the total outstanding debt of EMC Northstar was P6,034,974.00 inclusive of interest and penalty charges.[7]

In their Answer (with Compulsory Counterclaim), EMC Northstar and Sps. Cando did not deny that they were indebted to Orix but they argued that they are entitled to know the exact amount of their debt because Orix failed and refused to give updated the statement of accounts. They asserted that in July 2010, Orix already agreed to the restructuring of their loans. The latter demanded immediate payment for the mortgaged vehicles, which EMC Northstar and Sps. Cando promptly paid. Hence, they believed that the filing of the complaint in court was done in haste, since the matter could be threshed out in a conference between the parties.[8]

Consequently, EMC Northstar, Sps. Cando, and Orix entered into a compromise agreement, which the RTC approved in its Compromise Judgment[9] dated February 9, 2012. The Compromise Judgment stated that EMC Northstar and Sps. Cando admit their outstanding obligation to Orix in the amount of P9,019,500.00 inclusive of interest, penalties, and expenses. To pay for the said amount, EMC Northstar and Sps. Cando undertook to deliver

24 post-dated checks in the amount of P100,000.00 each and 36 post-dated checks in the amount of P185,808.00 each commencing on July 15, 20ll until June 15, 2016. Should they fail to comply fully with the schedule, Orix shall be entitled to an immediate Writ of Execution for the recovery of the total unpaid balance as of the date of default plus penalty charges at the rate of 5% per month until fully paid and attorney's fees equivalent to 30% of the total amount still due and owing to Orix.[10]

EMC Northstar and Sps. Cando failed to comply with the compromise agreement. They defaulted in the payment of their monthly installments for September 20ll, October 2011, and the succeeding months. Repeated demands for payment were futile, hence, Orix moved for the issuance of a Writ of Execution for the recovery of the total outstanding balance of P8,424,036.33.[11] The RTC granted the motion for execution in its Order[12] dated July 23, 2012. It directed the Branch Clerk of Court to issue a Writ of Execution in favor of Orix to implement and enforce the Compromise Judgment[13] dated February 9, 2012.

On August 3, 2012, Deputy Sheriff Antonio Mendoza (Sheriff Mendoza) served the Writ of Execution,[14] the RTC Order[15] dated July 23, 2012, and the Compromise Judgment[16] upon EMC Northstar and the Sps. Cando. On August 17, 2012, Sheriff Mendoza served upon the Registry of Deeds of Quezon City (RD of QC) a copy of the Notice of Levy upon Real Property pursuant to the Writ of Execution.[17] The levy was made upon a parcel of land owned by Sps. Cando covered by Transfer Certificate of Title (TCT) No. N-328930[18] (property) with an area of 1,383 square meters.[19]

On September 18, 2012, Christian Guillermo and Victorino Guillermo (collectively, petitioners) filed a Third-Party Claim with Motion to Lift Notice of Levy on Execution upon TCT No. 004-2012009967[20] (Third-Party Claim) in Civil Case No. 10-1064. They alleged that they are the owners of the property levied upon by Sheriff Mendoza. They narrated that Sps. Cando made fuel purchases from their corporation, World Fuel Philippines, Inc. As part of their settlement agreement, petitioners agreed to buy Sps. Cando's property in Barrio Pasong Putik, Quezon City, which was then mortgaged to BPI Family Savings Bank (BPI) to secure a P9,921,600.00 loan.[21] Petitioners, with the consent of the bank, fully paid the loan of Sps. Cando, causing the cancellation of the real estate mortgage over the property on January 31, 2012.[22] Recognizing petitioners' right over the property, Sps. Cando executed a Contract of Lease[23] with themselves as the lessees and petitioners as the lessors for a term of one year from February 10, 2012 to February 10, 2013, without renewal.[24] On June 5, 2012, Sps. Cando executed a Deed of Absolute Sale[25] over the property in favor of petitioners. After payment of capital gains tax on June 5, 2012 and transfer tax on July 13, 2012, the pertinent transfer documents were filed on July 26, 2012 in the RD of QC.[26] However, the RD of QC took an unreasonable length of time to effect the transfer of title in the name of petitioners. It was only on September 3, 2012 that TCT No. N-328930 was cancelled and TCT No. 004-2012009967[27] was issued in petitioners' name. Petitioners were surprised that a Notice of Levy[28] dated August 17, 2012 was annotated in their title. On July 26, 2012, Edwin Cando died before the levy on execution over the property was effected.[29]

Petitioners alleged that the levy on the property was invalid, and its registration was ineffective for failure of Sheriff Mendoza to give a copy of the notice of levy to the occupant. The levy was also improper because the property does not belong to the estate of the Sps. Cando but is owned by the petitioners in fee simple. Thus, petitioners asked the RTC to direct Sheriff Mendoza to release and cancel the notice of levy on execution upon TCT No. 004-2012009967.[30]

Orix filed an Opposition to the Third-Party Claim,[31] arguing that the levy on execution was annotated and registered prior to petitioners' Deed of Absolute Sale. The levy through the Writ of Execution was annotated in the Memorandum of Encumbrances of TCT No. N-328930 on August 17, 2012, while the Deed of Absolute Sale was registered on September 3, 2012. Orix insisted that at the time of levy, the property was still owned by Sps.

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Cando with no liens and encumbrances existing thereon as to affect the primacy of the levy on execution. Citing relevant jurisprudence, Orix argued that a levy on execution duly registered takes preference over a prior unregistered sale, otherwise the preference created by the levy would be meaningless and illusory. Meanwhile, any defect in the levy by lack of notice is cured by service of notice of sale upon the judgment debtor prior to the sale. However, the Sheriff's Partial Report dated August 28, 2012 stated that Sheriff Mendoza served on August 3, 2012 copies of the Writ of Execution dated July 13, 2012, Orders dated February 3, 2012, July 23, 2012, Compromise Agreement dated February 9, 2012, and Notice of Demand to Pay upon EMC Northstar and Sps. Cando.[32]

Petitioners filed a Reply with Motion to Set Case for Evidentiary Hearing,[33] alleging that they are the assignees of the credit of BPI, having paid the loan of Sps. Cando. As such, they stepped into the shoes of the bank. The mortgage lien of BPI annotated in the title of the property as Entry No. 7185 dated April 28, 2009 constituted a prior and superior claim in time than the Notice of Levy on execution as Entry No. 2012023646 dated August 17, 2012. Petitioners reiterated that they filed for registration of their transfer documents with the Register of Deeds of QC as early as July 26, 2012 evidenced by the Registration Application Acknowledgment and Claim Form/Assessment Form and Payment Order of the same date at 1:47:08 pm. However, the RD of QC only issued a new TCT in their favor on September 3, 2012.[34]

Ruling of the Regional Trial Court

In its Order[35] dated December 17, 2015, the RTC granted the Third--Party Claim and ordered Sheriff Mendoza to release and cancel the notice of levy on execution upon TCT No. 004-2012009967.

The RTC noted that the Deed of Absolute Sale of the property was executed by the Sps. Cando on June 5, 2012, while the notice of levy was served to the RD of QC on August 17, 2012 or when the property was no longer owned by the Sps. Cando but by the petitioners.[36]

Orix moved for reconsideration[37] which the RTC denied in its Order[38] dated March 4, 2016. It elevated the case to the CA via Petition for Certiorari with application for issuance of a Temporary Restraining Order TRO and/or Writ of Preliminary Prohibitory Injuction.[39]

Ruling of the Court of Appeals

In its Decision[40] dated June 29, 2017, the CA annulled and set aside the Order of the RTC, directing Sheriff Mendoza to proceed with the completion of the execution proceedings.

The CA held that Rule 39, Section 12 of the 1997 Rules of Court (1997 Rules) states that "[t]he levy on execution shall create a lien in favor of the judgment obligee over the right, title and interest of the judgment obligor in such property at the time of the levy, subject to liens and encumbrances then existing."[41] Here, when the notice of levy was annotated on August 17, 2012, TCT No. N-328930 then registered in the name of Sps. Cando had no previous encumbrances and liens. It was a clean title. Hence, the levy on execution effectively created a lien on the land without it being subject and subordinate to the claim of any third person. The Deed of Absolute Sale was executed on June 5, 2012 but it was registered only on September 3, 2012. Under Section 51[42] of Presidential Decree No. (PD) 1529 or the Property Registration Decree, the act of registration shall be the operative act to convey or affect the land insofar as third persons are concerned. Since the Deed of Absolute Sale was unrecorded at the time the property was levied on execution, it merely operates as a contract between the petitioners and the Sps. Cando. On the other hand, the registration and annotation of the Notice of Levy on the title amounts to a constructive notice to all persons, whether or not party to the original case filed before the RTC.[43]

Citing Uy v. Spouses Medina,[44] the CA ruled that levy on attachment duly registered takes preference over a

prior unregistered sale. This result is a necessary consequence of the fact that the property involved was duly covered by the Torrens system which works under the principle that registration is the operative act which gives validity to the transfer or creates a lien upon the land.[45]

As a final note, the CA stated that object of the Deed of Absolute Sale executed by Sps. Cando in favor of the petitioners is not the property in question but a condominium unit, which is not even described in the Deed. Petitioner Christian Guillermo admitted this in the February 12, 2013 hearing for the reception of evidence on their Third-Party Claim.[46]

Petitioners filed a Motion for Reconsideration,[47] which the CA denied in its Resolution[48] dated February 19, 2018. Aggrieved, they filed this petition before Us.

Issue

Whether the CA erred in declaring that the registered levy on execution in favor of Orix takes precedence over the prior sale of the property to the petitioners.

Arguments of Petitioners

In their Petition for Review[49] dated April 13, 2018, petitioners argued that the doctrine that "a levy on execution duly registered takes precedence over a prior unregistered sale"[50] and the case of Uy v. Spouses Medina[51] are inapplicable in this case. Petitioners emphasized that prior to the issuance of Writ of Execution in favor of Orix, they already filed and perfected an application for registration of the sale as evidenced by the Assessment Form and Payment Order[52] dated July 26, 2012. This was weeks before the RD's receipt of the Notice of Levy on August 17, 2012.[53] The case of Uy v. Spouses Medina does not apply because there the Deed of Absolute Sale was registered after the annotation of the levy on execution.[54] Here, the Deed of Absolute Sale executed by the Sps. Cando should be deemed registered after the petitioners completed all documentary requirements[55] and paid all the taxes and fees for registration on July 26, 2012. Petitioners averred that they should not be penalized for the delay in the issuance of a new title by the RD of QC. They further alleged that to apply Uy v. Spouses Medina would run afoul of the terceria doctrine, which allows third-party claimants to challenge the levy made on their property. They further claimed that they were deprived of due process because of the summary levy on execution.[56]

Petitioners maintained that they were purchasers in good faith because no levy was annotated in the title of the property at the time of their purchase. They pointed out that the loans in this case were secured by a chattel mortgage but Orix did not go after the buses with plate nos. NMQ-191, NMO-121, and NOQ-106. The compromise agreement and the execution thereof is exclusive to Orix and the Sps. Cando. Those should not burden third parties and the properties owned by them.[57]

Lastly, petitioners argued that the issuance of title should have retroactive effect to the date of application.[58] Constructive notice to third persons should have taken effect when petitioners submitted all the required documents and paid for the taxes and fees on July 26, 2012, On this date, Orix should be considered notified of the transfer of the property to the petitioners, hence it may no longer levy on the property.[59]

Accordingly, petitioners pray for the reinstatement of the RTC Decision[60] dated December 17, 2015 and the cancellation of the levy on their property.[61]

Arguments of Orix

In its Comment,[62] Orix alleged that the principle of primus tempore, potior jure applies in the case. Prior registration of a lien (that is, the notice of levy on execution) creates a preference in favor of the registrant as the

act of registration is the operative act that conveys or affects the property.[63]

Orix claimed that Atty. Carlo B. Alcantara (Atty. Alcantara), the Acting RD of QC, testified that the cancellation of the real estate mortgage and registration of the Deed of Absolute Sale were initially entered on July 26, 2012 under Entry No. 21579 and 21682 upon application of Lilibeth Crisostomo (Crisostomo). However, Crisostomo subsequently withdrew the transaction form the Primary Entry Book. A handwritten notation appears on the Assessment Form and Payment Order[64] by the Deeds Examiner Merceles, which reads: "BIR/Transfer tax computations-defers." Due to this notation, the registration would be denied based on the rules of the Register of Deeds. The registration of the cancellation of the real estate mortgage and the Deed of Absolute Sale were withdrawn from the system on August 22, 2012 after the withdrawal of Crisostomo. The Assessment Form and Payment Form filed by Crisostomo only reached the stage of claim assessment wherein after the entries were made, the computer-generated assessment would be issued. The stage of payment of registration and IT fees was not reached because of the withdrawal of the application, which is tantamount to abandonment of said application. The cancellation of real estate mortgage and registration of the Deed of Absolute Sale were annotated in the title of the property only on September 3, 2012 upon application of Gladys Tanguilan, which again started the entire process of applying for registration. Atty. Alcantara noted that the date of the effectivity of the registration of a transaction in the Registry is the date of entry in the Electronic Primary Entry Book. Even if the actual registration may take later, the annotation in the title would retroact to the date of entry in the Electronic Primary Entry Book. Atty. Alcantara confirmed that the levy on execution was annotated on August 17, 2012 before the September 3, 2012 entry of the Cancellation of the Real Estate Mortgage and the Deed of Absolute Sale. Orix claimed that the petitioners neither disputed nor rebutted the testimony of Atty. Alcantara on the withdrawal of the application for registration.[65]

Subsequently, Orix argued that the CA did not err in applying Uy v. Spouses Medina[66] because the facts of that case are similar with the present case. There, the notice of levy was annotated and registered prior to the earlier executed but unrecorded Deed of Sale. More, Orix alleged that the mere submission of the documentary requirements and payment of taxes and fees for registration cannot be equated to registration itself since this would be contrary to Section 51 of PD 1529. The conveyance between the vendor and the vendee will only be valid and binding against third persons upon the registration of the sale. Here, it was undisputed that at the time the levy on execution was registered, the title of the property was clean. The sale between petitioners and Sps. Cando was not yet annotated in the title. Thus, the sale is not binding to Orix. The right of petitioners to the property is subordinate and subject to the preference created over the earlier annotate levy in favor of Orix.[67]

Petitioners filed a Reply,[68] reiterating their arguments in the petition. They hastened to add that the person and authority of Crisostomo had never been discussed nor had been addressed by the CA. Without proof that Crisostomo was indeed a representative of petitioners, the alleged withdrawal, assuming arguendo it happened, would have been invalid in the first place. The authority of Crisostomo must first be established before the court could conclude that there was a withdrawal made. Petitioners asserted that they do not know Crisostomo and they were not aware of the alleged withdrawal of application until the presentation of the RD during the trial in the RTC. They claimed that the withdrawal was merely an excuse on the part of the RD to cover the delay and its adverse effects.[69]

Ruling of the Court

The petition is impressed with merit.

At the outset, We note that, as a rule, petitions for review under Rule 45 should raise only pure questions of law. The Court is not a trier of facts. Factual findings of the appellate courts will not be reviewed nor disturbed on

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appeal to this Court. However, the rule admits of exceptions, such as in this case, when the findings of fact of the RTC and the CA are conflicting and when the judgment of the CA is based on misapprehension of facts.[70] The RTC found that petitioners have preferential right over the property by virtue of the Deed of Absolute Sale dated June 5, 2012, while the CA declared that the registered levy on execution in favor of Orix enjoys preference over the prior but unregistered sale to petitioners. Thus, We shall delve into the record of the case to resolve the issue on who has preferential right over the property.

BPI's mortgage lien is superior over Orix's levy on execution

The following are the material facts and chronology of events as borne by the evidence on record. Spouses Edwin B. Cando and Margarita R. Cando were the registered owners of the property covered by the TCT No. N-328930[71] with an area of 1,383 square meters located in Quezon City.[72] The property was mortgaged to BPI by virtue of a Real Estate Mortgage[73] dated April 27, 2009 as a guarantee for a loan obligation in the amount of P9,921,600.00. Said mortgage was annotated in TCT No. N-328930 per Entry No. 7185[74] inscribed on April 28, 2009. Sps. Cando made fuel purchases on World Fuels Philippines, Inc., a company owned by petitioners. To settle payment for the same, petitioners agreed to purchase the property covered by TCT No. N-328930, which was then about to be foreclosed by BPI.[75] After securing the consent of BPI, petitioners fully paid the loan, thus on January 30, 2012, the bank issued a Cancellation of Real Estate Mortgage.[76] On February 10, 2012, petitioners and the Sps. Cando entered into a Contract of Lease[77] of the land covered by TCT No. N-328930, with the former as the lessors and the latter as the lessees, for a term of one year commencing on the date of execution of the lease until February 10, 2013, without renewal.[78] On June 5, 2012, Sps. Cando, as vendors, executed a Deed of Absolute Sale[79] over the property covered by TCT No. N-328930 in favor of the petitioners, as vendees, in consideration of P3,042,600.00.[80]

Meanwhile, on July 23, 2012, the RTC issued a Writ of Execution[81] in Civil Case No. 10-1064 in favor of Orix. Recall that in said case, EMC Northstar and the Sps. Cando entered into a Compromise Agreement with Orix for the payment of two loans. The Compromise Agreement was approved by the RTC in its Compromise Judgment[82] dated February 9, 2012. EMC Northstar and the Sps. Cando defaulted in their obligation under the compromise, hence a Writ of Execution was issued against them upon motion[83] of Orix. Three days later or on July 26, 2012, petitioners filed before the RD of QC, the necessary transfer documents for the registration of the Cancellation of Real Estate Mortgage and Deed of Absolute Sale, which include copies of the: (1) Release of Mortgage Contract; (2) Owner's Duplicate Copy of Title; (3) Deed of Absolute Sale; (4) BIR CAR/Tax Clearance Certificate; (5) Realty Tax Clearance; (6) Tax Declaration; and (7) Transfer Tax Receipt/Clearance. The application was evidenced by the Assessment Form and Payment Order[84] with Electronic Primary Entry Book (EPEB) dated July 26, 2012 at 13:35. The Cancellation of Real Estate Mortgage was numbered as EPEB 2012021579, while the Deed of Absolute Sale was numbered as EPEB 2012021582. The name of the presenter is Lilibeth Crisostomo.[85]

On August 17, 2012, Sheriff Mendoza served to the RD of QC a Notice of Levy upon Real Property pursuant to a Writ of Execution[86] upon TCT No. N-328930. On even date, the levy was annotated in the title per Entry No. 2012023646 at 2:25 p.m.[87] On September 3, 2012, a certain Gladys Tanguilan applied for registration of the Cancellation of Real Estate Mortgage[88] and Deed of Absolute Sale[89] upon TCT No. N-328930, submitting the same requirements[90] filed during the July 26 Application. The application was numbered EPEB 2012024862 for the Cancellation of Real Estate Mortgage and EPEB 2012024863 for the Deed of Absolute Sale at 8:45. These two transactions were annotated in TCT No. N-328930 on the same day.[91] Consequently, by

virtue of the Deed of Absolute Sale, TCT No. N-328930[92] was cancelled, and TCT No. 004-2012009967[93] was issued in the name of petitioners on September 3, 2012. Carried over and annotated in TCT No. 004-2012009967 was Entry No. 2012023646 or the Notice of Levy on Execution in favor of Orix.[94]

From the foregoing established facts, it is evident that the CA erred when it declared that TCT No. N-328930 was a clean title, that is, without any previous liens and encumbrances at the time when the Notice of Levy in favor of Orix was annotated on August 17, 2012.[95] The Real Estate Mortgage in favor of BPI was annotated in TCT No. N-328930 on April 28, 2009[96] or three years prior to the registration of the Notice of Levy. Assuming We agree with Orix that the Cancellation of Real Estate Mortgage and Deed of Absolute Sale was registered on September 3, 2012, it means that when Sheriff Mendoza levied upon the property on August 17, 2012, the mortgage in favor of BPI was still existing. BPI's mortgage lien is therefore a senior encumbrance on the property superior to the claim of Orix. Under Section 12, Rule 39 of the 1997 Rules,[97] a levy on execution shall create a lien in favor of the judgment obligee over the right, title, and interest of the judgment obligor at the time of the levy, subject to the liens and encumbrances then existing. In this case, the levy on execution in favor of Orix is subject to the existing senior lien of BPI. The annotation of BPI's mortgage constituted a constructive notice to Orix and Sheriff Mendoza that the property they sought to levy upon on execution was encumbered by a prior mortgage.[98]

Significantly, when the petitioners fully paid the loan obligation of Sps. Cando to BPI, they stepped into the shoes of BPI and acquired whatever rights and obligations appertaining thereto, such as being of the holder of a senior lien. Necessarily, before Orix may lay any claim over the property covered by TCT No. N-328930, it must first pay petitioners the total amount of P9,921,600.00 or the amount that petitioners paid to BPI. Circumstances will simply not allow Orix to have preferential right over the property, considering that its lien is subordinate to that of BPI and/or the petitioners.

The Cancellation of Real Estate Mortgage and Deed of Absolute Sale are deemed registered on July 26, 2012

The records show that Sps. Cando sold the property covered by TCT No. N-328930 to the petitioners by virtue of the Deed of Absolute Sale[99] dated June 5, 2012. Its registration was however made only on September 3, 2012 despite petitioners' application for registration as early as July 26, 2012.[100] In the interim, the Notice of Levy on Execution in favor of Orix was registered on August 17, 2012.[101] Thus, it appeared that the levy was made while the property is still in the name of the Sps. Cando. Petitioners thus pray that We consider July 26, 2012 as the date of registration of their transfer documents, considering that as of such date they had already submitted all the documentary requirements and paid all the required fees. It was the RD of QC who took an unreasonable length of time in effecting the transfer.[102] We agree with the petitioners.

Sections 51, 53, 56, and 57 of PD 1529 outline the procedure in effecting the registration of conveyances and other dealings by a registered owner, to wit:

> Section 51. Conveyance and Other Dealings by Registered Owner. - An owner of registered land may convey, mortgage, lease, charge or otherwise deal with the same in accordance with existing laws. He may use such forms of deeds, mortgages, leases or other voluntary instruments as are sufficient in law. But no deed, mortgage, lease, or other voluntary instrument, except a will purporting to convey or affect registered land shall take effect as a conveyance or bind the land, but shall operate only as a contract between the parties and as evidence of authority to the Register of Deeds to make registration.
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> x x x x
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> Section 53. Presentation of Owner's Duplicate Upon Entry of New Certificate. - No voluntary instrument shall

> be registered by the Register of Deeds, unless the owner's duplicate certificate is presented with such instrument, except in cases expressly provided for in this Decree or upon order of the court, for cause shown.
>
> The production of the owner's duplicate certificate, whenever any voluntary instrument is presented for registration, shall be conclusive authority from the registered owner to the Register of Deeds to enter a new certificate or to make a memorandum of registration in accordance with such instrument, and the new certificate or memorandum shall be binding upon the registered owner and upon all persons claiming under him, in favor of every purchaser for value and in good faith.
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> x x x x
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> Section 56. Primary Entry Book; Fees; Certified Copies. - Each Register of Deeds shall keep a primary entry book in which, upon payment of the entry fee, he shall enter, in the order of their reception, all instruments including copies of writs and processes filed with him relating to registered land. He shall, as a preliminary process in registration, note in such book the date, hour and minute of reception of all instruments, in the order in which they were received. They shall be regarded as registered from the time so noted, and the memorandum of each instrument, when made on the certificate of title to which it refers, shall bear the same date: Provided, that the national government as well as the provincial and city governments shall be exempt from the payment of such fees in advance in order to be entitled to entry and registration.
>
> Every deed or other instrument, whether voluntary or involuntary, so filed with the Register of Deeds shall be numbered and indexed and endorsed with a reference to the proper certificate of title. All records and papers relative to registered land in the office of the Register of Deeds shall be open to the public in the same manner as court records, subject to such reasonable regulations as the Register of Deeds, under the direction of the Commissioner of Land Registration, may prescribe.
>
> All deeds and voluntary instruments shall be presented with their respective copies and shall be attested and sealed by the Register of Deeds, endorsed with the file number, and copies may be delivered to the person presenting them.
>
> Certified copies of all instruments filed and registered may also be obtained from the Register of Deeds upon payment of the prescribed fees.
>
> Section 57. Procedure in Registration of Conveyances. - An owner desiring to convey his registered land in fee simple shall execute and register a deed of conveyance in a form sufficient in law. The Register of Deeds shall thereafter make out in the registration book a new certificate of title to the grantee and shall prepare and deliver to him an owner's duplicate certificate. The Register of Deeds shall note upon the original and duplicate certificate the date of transfer, the volume and page of the registration book in which the new certificate is registered and a reference by number to the last preceding certificate. The original and the owner's duplicate of the grantor's certificate shall be stamped "cancelled". The deed of conveyance shall be filed and indorsed with the number and the place of registration of the certificate of title of the land conveyed. (Emphasis supplied)

Hence, an owner of a registered land who conveys his/her property in fee simple shall execute a deed of conveyance or a deed of sale in favor of the purchaser. For the conveyance to be registered, the deed together with the owner's duplicate certificate of title must be presented to the Register of Deeds. The production of the owner's duplicate certificate of title serves as a conclusive proof from the registered owner to the Register of Deeds to enter a new certificate of title or to make a memorandum of registration in the instrument. Upon payment of the entry fee, the Register of Deeds shall enter in his/her primary entry book or day book all the deeds/instruments that he/she received, in the order of his/her reception, noting the date, hour, and minute of receipt. The instrument shall be deemed registered from the time it is noted in the primary entry book, and the memorandum of each instrument, when made on the certificate of title to which it refers, shall bear the same date.

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In Saberon v. Ventanilla, Jr.[103] (Saberon), We held that in cases of voluntary registration of documents, an innocent purchaser for value becomes the registered owner, and, in contemplation of the law the holder of a certificate of title, the moment he/she presents a duly notarized and valid deed of sale and the same is entered in the day book and at the same time he/she surrenders or presents the owners duplicate certificate of title covering the land sold and pays for the registration fees, because what remains to be done lies not within his/her power to perform. The Register of Deeds is duty bound to perform it.[104] Thus, the prevailing rule is that there is effective registration once the registrant has fulfilled all that is needed of him/her for purposes of entry and annotation, so that what is left to be accomplished lies solely in the Register of Deeds.

Applying Saberon, We rule that the Cancellation of the Real Estate Mortgage and the Deed of Absolute Sale should be deemed registered as of July 26, 2012. On said date, the petitioners had fulfilled all that are needed of them for the registration and annotation of their transfer documents. This was evidenced by the completed checklist appearing in the Assessment Form and Payment Order Form[105] dated July 26, 2012. Petitioners presented the following documents to the RD of QC: (1) Release of Mortgage Contract; (2) Owner's Duplicate Copy of Title; (3) Deed of Absolute Sale; (4) BIR CAR/Tax Clearance Certificate; (5) Realty Tax Clearance; (6) Tax Declaration; and (7) Transfer Tax Receipt/Clearance. Atty. Alcantara, the acting RD of QC, admitted before the RTC that the Cancellation of Real Estate Mortgage and the Deed of Absolute Sale was entered in the Electronic Primary Entry Book on July 26, 2012 with Electronic Primary Entry Nos. 21579 and 21582, respectively.[106] If this were the case, how come TCT No. 004-2012009967 in the name of petitioners was issued only on September 3, 2012, and why was the Cancellation of Real Estate Mortgage and Deed of Absolute Sale annotated only in TCT No. N-328930 on September 3, 2012?

Atty. Alcantara claimed that the two transactions were subsequently withdrawn by Lilibeth Crisostomo from the Primary Entry Book and there was no reason cited for the withdrawal of the documents, except that it was requested; and that the registration of the Cancellation of Real Estate Mortgage and Deed of Absolute Sale was effected anew by virtue of a new application made on September 3, 2012.[107]

Atty. Alcantara's explanation for the delay in the issuance of a new TCT in favor of petitioners is suspect. The record is bereft of evidence of the said withdrawal of application by Lilibeth Crisostomo. Also, it was not established that Crisostomo was authorized by petitioners to make such withdrawal. It is contrary to human experience that an application for registration would be withdrawn just because, and with no apparent reason, especially since all the required documents were already submitted. In his Judicial Affidavit,[108] petitioner Christian Guillermo narrated that almost every day since July 26, 2012, he and his brother followed up the transfer of title in their names but the RD of QC had a lot of reasons in delaying the registration of the title in their names like computerization, overpayment of transfer tax, and the asking of facilitation fee of P35,000.00 by one of the Register of Deeds Examiner.[109] The duty to annotate rests with the Register of Deeds and not with the registrant.[110] Hence, petitioners should not be penalized for the unreasonable delay on the part of the RD of QC.

Pursuant to Section 52[111] of PD 1529, the registration of the Cancellation of the Real Estate Mortgage and the Deed of Absolute Sale on July 26, 2012 in the primary entry book or day book of the Register of Deeds operates as a constructive notice to the whole world that the property covered by TCT No. N-328930 is no longer owned by the Sps. Cando. As such, the property can no longer be answerable to any judgment against Sps. Cando because it is now owned by the petitioners.

The Notice of Levy on Execution cannot be validly annotated in the title of petitioners on August 17, 2012. While Section 9(b), Rule 39 of the 1997 Rules[112] authorizes satisfaction by levy upon the properties of the judgment obligor of every kind and nature if he/she cannot pay all or part of his/her obligation, this presupposes that the

property to be levied upon belongs to and is owned by the judgment debtor.[113] The RTC is therefore correct in granting the third-party claim and in ordering Sheriff Mendoza to release and cancel the notice of levy on execution.

Ownership of the property was transferred to the petitioners by actual and constructive delivery before the registration of the levy in favor of Orix

Even assuming that the Notice of Levy was registered first before the Cancellation of Real Estate Mortgage and Deed of Absolute Sale, still Orix cannot have a preferential right over the property. The case of Miranda v. Spouses Mallari[114] teaches that the jurisprudential rule that preference is to be given to a duly registered levy or execution over a prior unregistered sale is circumscribed by the settled rule that a judgment debtor can only transfer property in which he/she has interest to the purchaser at a public execution sale. The former rule applies in case ownership has not vested in favor of the buyer in the prior unregistered sale before the registered levy on attachment or execution, and the latter applies when, before the levy, ownership of the subject property has already been vested in favor of the buyer in the prior unregistered sale.[115]
In Miranda, the property subject of the case was levied upon on execution by the judgment obligee, Sps. Mallari, having obtained a favorable ruling against Sps. Reyes, the original owner of the property, in a case for damages. Sps. Mallari won as the highest bidder in the public auction of the property. The levy and certificate of sale were annotated in the title of the property on April 3, 2003 and September 17, 2003, respectively. However, upon inspection of the property, it appeared that it was in the possession of Miranda who claimed ownership over the same by virtue of Deed of Sale executed by Sps. Reyes on March 20, 1996. Miranda failed to register the Deed of Sale because he lost the owner's copy of the TCT. Despite the prior registration of the levy on execution, We ruled in favor of Miranda. We found that ownership of the property was transferred from Sps. Reyes to Miranda as early as March 1996 through constructive delivery when the Deed of Absolute Sale, a public instrument, was executed conformably with Article 1498 of the Civil Code, and through real delivery when actual possession of the property was turned over to Miranda pursuant to Article 1497 of the Civil Code. Thus, on April 3, 2003 or at the time of the registration of the levy in favor of Sps. Mallari, the property was no longer owned by the judgment obligor, Sps. Reyes. A judgment creditor or purchaser at an execution sale acquires only whatever rights that the judgment obligor may have over the property at the time of levy. Thus, if the judgment obligor has no right, title or interest over the levied property, there is nothing for him/her to transfer.[116]

Similar to Miranda, the ownership of the property in the case before Us vested to the petitioners before the registration of the levy on execution in favor of Orix. Article 1477 of the Civil Code provides that "the ownership of the thing sold shall be transferred to the vendee upon the actual or constructive delivery thereof."[117] There is actual delivery when the thing sold is placed in the control and possession of the vendee,[118] while there is constructive delivery when the sale is made through the execution of a public instrument, unless the contrary appears in the deed.[119] Ownership of the property was constructively delivered by the Sps. Cando to the petitioners upon the execution of the Deed of Absolute Sale on June 5, 2012. There was also an actual delivery of the property on February 10, 2012 when petitioners and the Sps. Cando entered into a Contract of Lease of the property, where petitioners were referred as the lessors and Sps. Cando as the lessees, for a term of one year commencing on the date of execution of the lease until February 10, 2013, without renewal. The characterization of the petitioners as the lessors of the property means that they already have actual possession of the property even before the execution of the sale contract.

Accordingly, the governing rule in this case is, a judgment debtor can only transfer property in which he/she has

interest to the purchaser at a public execution sale. Considering that Sps. Cando no longer owns the property as early as February 10, 2012, there can be no lien that may be created in favor of Orix by reason of the levy dated August 17, 2012.

In fine, the CA committed a reversible error when it held that the registered levy on execution in favor of Orix takes precedence over the sale of the subject property to the petitioners.

The Deed of Absolute Sale pertains to the parcel of land in Brgy. Pasong Putik, Quezon City

At the end of its assailed Decision,[120] the CA declared that the Deed of Absolute Sale executed by Sps. Cando in favor of the petitioners refers to a condominium unit and not the property covered by TCT No. N-328930.[121] The CA is mistaken.

The confusion as to the object of the Deed of Absolute Sale[122] arose from the apparent clerical error in the face of the Deed. The Deed provides:

> WITNESSETH:
>
> That the VENDOR is the registered owner of several parcels of land located in Barangay Pasong Putik, Quezon City, Manila, and embraced in and covered by Transfer Certificate of Title No. N-328930, more particularly described as follows:
>
> TCT No. N-328930
>
> A parcel of land (Lot 3-B-1 of the subdivision plan (LRA) Psd-399359 as approve as nonsubdivision. Project, being a portion of Lot 3-B, Psd-007494-032007-D, LRC Rec. No. 6563), situated in Bo. Of Pasong Putik, Quezon City, M-Mla., Island of Luzon x x x; containing an area of ONE THOUSAND THREE HUNDRED EIGHTY THREE (1,383) SQ. METERS, more or less.
>
> x x x x
>
> NOW, THEREFORE, for and in consideration of the premises and sum of Three Million Forty-Two Thousand Six Hundred Pesos Only (P3,042,600.00), Philippine Currency, receipt whereof in full is hereby acknowledged by the VENDOR from the VENDEES, the VENDOR does hereby SELL, CEDE, TRANSFER and ASSIGN, absolutely and forever, in favor of the VENDEES, their heirs, executors, administrators and assigns the above-described condominium unit and all the improvements found therein, free from any and all lines and encumbrances whatsoever and whomsoever.[123] (Underscoring supplied)

Hence, while the first paragraph of the Deed referred to and described only a parcel of land, the second paragraph mentioned "the above-described condominium unit"[124] as the one being conveyed by the Sps. Cando. As between the two, We are inclined to believe that the object of the sale is the land stated in the first paragraph. There is clearly no condominium unit described in any part of the Deed. Moreover, the Acknowledgment part of the Deed stated that: "[t]his instrument refers to a DEED OF ABSOLUTE SALE, pertaining to TCT No. N-328930 x x x."[125]

Final note

Rule 39, Section 9 of the 1997 Rules,[126] as amended, provides the order by which the property of a judgment debtor may be executed upon for the satisfaction of a money judgment. First is by immediate payment on demand by means of cash or certified bank check payable to the judgment obligee, or any other form of payment acceptable to the latter. Second is through satisfaction by levy upon the properties of the judgment obligor of

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every kind and nature, giving the latter the option to choose which property or a part thereof to be levied upon. In case the judgment obligor does not exercise the option, the sheriff shall first levy on the personal properties, if any, and then on the real properties if the personal properties are insufficient to answer for the judgment. Third is garnishment of the debts due the judgment obligor and other credits, including bank deposits, financial interests, royalties, commissions and other personal property not capable of manual delivery in the possession or control of third parties.

In this case, it did not escape Our attention that there is a dearth of evidence showing that the sheriff first levied upon the personal property of EMC Northstar or the Sps. Cando. There was only a Notice of Demand to Pay[127] dated August 2, 2012, Notice of Levy Upon Real Property[128] dated August 2, 2012, and Notice of Garnishment[129] dated August 3, 2012. Orix did not dispute the claim of petitioners that EMC Northstar has buses with plate nos. NMQ-191, NMO-121, and NOQ-106. Yet these were not levied upon execution. Hence, Sps. Cando were deprived of the opportunity to have their personal properties levied upon first before their real property. There was also no showing that the garnishee made a written report to the court that EMC Northstar or the Sps. Cando has no sufficient funds or credits to satisfy the money judgment. This makes the levy on the subject real property improper.[130]

WHEREFORE, premises considered, the petition is GRANTED. The Decision dated June 29, 2017 and the Resolution dated February 19, 2018 of the Court of Appeals in CA-G.R. SP No. 145809 are hereby REVERSED and SET ASIDE. The Order dated December 17, 2015 of the Regional Trial Court of Makati City, Branch 58 in Civil Case No. 10-1064 is REINSTATED. Deputy Sheriff Antonio O. Mendoza is DIRECTED to release and cancel the notice of levy on execution upon Transfer Certificate of Title No. 004-2012009967.

SO ORDERED.

Leonen, Gesmundo, Zalameda, and Gaerlan, JJ., concur.

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[1] Rollo, pp. 33-65.

[2] Penned by Justice Elihu A. Ybañez, with the concurrence of Associate Justices Magdangal M. De Leon and Ma. Luisa C. Quijano-Padilla; id. at 73-87.

[3] Id. at 89-90.

[4] Penned by Presiding Judge Eugene C. Paras; id. at 91-92.

[5] Id. at 293.

[6] Id. at 74.

[7] Id. at 75.

[8] Id.

[9] Penned by Presiding Judge Eugene C. Paras; id. at 107-109.

[10] Id.

[11] Id. at 110-113.

[12] Penned by Presiding Judge Eugene C. Paras; id. at 114.

[13] Id.

[14] Id. at 115-116.

[15] Supra note 16.

[16] Supra note 13.

[17] Rollo, p. 119.

[18] Id. at 121.

[19] Id.

[20] Id. at 129-135.

[21] Id. at 164.

[22] Id. at 136.

[23] Id. at 137-139.

[24] Id. at 137.

[25] Id. at 140-141.

[26] Id. at 130.

[27] Id. at 142.

[28] Id. at 144.

[29] Id. at 19.

[30] Id. at 132-133.

[31] Id. at 148-156.

[32] Id. at 151-156.

[33] Id. at 163-170.

[34] Id. at 164-168.

[35] Supra note 4.

[36] Rollo, pp. 91-92.

[37] Id. at 285-292.

[38] Supra note 5.

[39] Rollo, pp. 294-319.

[40] Supra note 2.

[41] Rollo, p. 82.

[42] Section 51. Conveyance and Other Dealings by Registered Owner. - x x x.

The act of registration shall be the operative act to convey or affect the land insofar as third persons are concerned x x x.

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[43] Rollo, pp. 82-85.

[44] 641 Phil. 368 (2010).

[45] Rollo, pp. 83-84.

[46] Id. at 87.

[47] Id. at 380-386.

[48] Supra note 3.

[49] Supra note 1.

[50] Rollo, p. 42.

[51] Supra note 43.

[52] Rollo, pp. 412-413.

[53] Id. at 44.

[54] Id.

[55] Referring to Release of Mortgage Contract, Owner's Duplicate of Title TCT No. N-328930, Deed of Sale dated June 5, 2012, Tax Declaration, and Transfer Tax Receipt/Clearance.

[56] Rollo, pp. 48-51.

[57] Id. at 56-58.

[58] Id. at 59-60.

[59] Id. at 64.

[60] Supra note 4.

[61] Rollo, p. 64.

[62] Id. at 472-485.

[63] Id. at 472.

[64] Id. at 412-413.

[65] Id. at 477-479.

[66] Supra note 48.

[67] Rollo, pp. 480-484.

[68] Id. at 457-460.

[69] Id. at 458-459.

[70] See Neri v. Yu, G.R. No. 230831, September 5, 2018.

[71] Rollo, p. 220.

[72] Id.

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[73] Id. at 232-235.

[74] Id. at 221.

[75] Id. at 129.

[76] Id. at 136.

[77] Id. at 137-139.

[78] Id. at 137.

[79] Id. at 236-237.

[80] Id.

[81] Supra note 18.

[82] Supra note 13.

[83] Rollo, pp. 110-112.

[84] Id. at 196-197.

[85] Id. at 196.

[86] Id. at 119-120.

[87] Id. at 222.

[88] Id. at 136.

[89] Id. at 140-141.

[90] Referring to Release of Mortgage Contract, Owner's Duplicate of Title TCT No. N-328930, Deed of Sale dated June 5, 2012, Tax Declaration, and Transfer Tax Receipt/Clearance.

[91] Rollo, p. 222.

[92] Id. at 220.

[93] Id. at 142-144.

[94] Id. at 144.

[95] Supra note 2 at 82-83.

[96] Said mortgage was annotated in TCT No. N-328930 per Entry No. 7185. Exhibit 2-C of Petitioners' Formal Offer of Evidence, rollo, p. 221.

[97] Section 12. Effect of levy on execution as to third person. - The levy on execution shall create a lien in favor of the judgment obligee over the right, title and interest of the judgment obligor in such property at the time of the levy, subject to liens and encumbrances then existing.

[98] See Martinez v. Garcia, 625 Phil. 377 (2010).

[99] Rollo, pp. 140-141.

[100] Id. at 130-131.

[101] Id.

[102] Id. at 53-55.

[103] 733 Phil. 275 (2014). In Saberon, the RD of QC inadvertently failed to carry over a notice of levy on execution (dated May 31, 1991) in favor of the Ventanillas upon the titles of Manila Remnant Inc. (MRCI). As a result, when MRCI sold the property to Marquez, the title appeared to be a clean title. Marquez subsequently sold the property to the Saberons, who now claims that they are purchasers in good faith. While the levy was not annotated in the title of the property, the same was entered in the entry book of the RD of QC prior to the issuance of the TCT in the name of the Saberons. Thus, the Supreme Court accorded superiority and preference in rights to the registration of the levy on attachment. In cases of involuntary registration, an entry in the day book is a sufficient notice to all persons even if the owner's duplicate certificate of title is not presented to the register of deeds.

[104] Id. at 300.

[105] Rollo, pp. 174-175.

[106] See Memorandum for the Third-Party Claimants, p. 257, citing TSN dated 29 April 2013, pp. 24-26.

[107] Id. at 39.

[108] Rollo, pp. 177-187.

[109] Id. at 180-181.

[110] Mendoza v. Spouses Garana, 765 Phil. 744, 755 (2015).

[111] Constructive notice upon registration. - Every conveyance, mortgage, lease, lien, attachment, order, judgment, instrument or entry affecting registered land shall, if registered, filed or entered in the office of the Register of Deeds for the province or city where the land to which it relates lies, be constructive notice to all persons from the time of such registering, filing or entering.

[112] Section 9. Execution of judgments for money, how enforced. - x x x x

(b) Satisfaction by levy. - If the judgment obligor cannot pay all or part of the obligation in cash, certified bank check or other mode of payment acceptable to the judgment obligee, the officer shall levy upon the properties of the judgment obligor of every kind and nature whatsoever which may be disposed of for value and not otherwise exempt from execution giving the latter the option to immediately choose which property or part thereof may be levied upon, sufficient to satisfy the judgment If the judgment obligor does not exercise the option, the officer shall first levy on the personal properties, it any, and then on the real properties if the personal properties are insufficient to answer for the judgment.

x x x x

[113] Miranda v. Spouses Mallari, G.R. No. 218343, November 28, 2018.

[114] G.R. No. 218343, November 28, 2018.

[115] Id.

[116] Id.

[117] Article 1477. The ownership of the thing sold shall be transferred to the vendee upon the actual or

constructive delivery thereof.

[118] Article 1497. The thing sold shall be understood as delivered, when it is placed in the control and possession of the vendee.

[119] Article 1498. When the sale is made through a public instrument, the execution thereof shall be equivalent to the delivery of the thing which is the object of the contract, if from the deed the contrary does not appear or cannot clearly be inferred. With regard to movable property, its delivery may also be made by the delivery of the keys of the place or depository where it is stored or kept.

[120] Supra note 4.

[121] Rollo, p. 87.

[122] Id. at 140-141.

[123] Id. at 236.

[124] Id.

[125] Id. at 141.

[126] Section 9. Execution of judgments for money, how enforced. - (a) Immediate payment on demand. - The officer shall enforce an execution of a judgment for money be demanding from the judgment obligor the immediate payment of the full amount stated in the writ of execution and all lawful fees. The judgment obligor shall pay in cash, certified bank check payable to the judgment obligee, or any other form of payment acceptable to the latter, the amount of the judgment debt under proper receipt directly to the judgment obligee or his authorized representative if present at the time of payment. The lawful fees shall be handed under proper receipt to the executing sheriff who shall turn over the said amount within the same day to the clerk of court of the court that issued the writ.

If the judgment obligee or his authorized representative is not present to receive payment, the judgment obligor shall deliver the aforesaid payment to the executing sheriff. The latter shall turn over all the amounts coming into his possession within the same day to the clerk of court of the court that issued the writ, or if the same is not practicable, deposit said amounts to a fiduciary account in the nearest govermnent depository bank of the Regional Trial Court of the locality.

The clerk of said court shall thereafter arrange for the remittance of the deposit to the account of the court that issued the writ whose clerk of court shall then deliver said payment to the judgment obligee in satisfaction of the judgment. The excess, if any, shall be delivered to the judgment obligor while the lawful fees shall be retained by the clerk of conrt for disposition as provided by law. In no case shall the executing sheriff demand that any payment by check be made payable to him.

(b) Satisfaction by levy. - If the judgment obligor cannot pay all or part of the obligation in cash, certified bank check or other mode of payment acceptable to the judgment obligee, the officer shall levy upon the properties of the judgment obligor of every kind and nature whatsoever which may be disposed of for value and not otherwise exempt from execution giving the latter the option to immediately choose which property or part thereof may be levied upon, sufficient to satisfy the judgment. If the judgment obligor does not exercise the option, the officer shall first levy on the personal properties, it any, and then on the real properties if the personal properties are insufficient
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The sheriff shall sell only a sufficient portion of the personal or real property of the judgment obligor which has been levied upon.

When there is more property of the judgment obligor than is sufficient to satisfy the judgment and lawful fees, he must sell only so much of the personal or real property as is sufficient to satisfy the judgment and lawful fees.

Real property, stocks, shares, debts, credits, and other personal property, or any interest in either real or personal property, may be levied upon in like manner and with like effects as under a writ of attachment.

(c) Garnishment of debts and credits. - The officer may levy on debts due the judgment obligor and other credits, including bank deposits, financial interests, royalties, commissions and other personal property not capable of manual delivery in the possession or control of third parties. Levy shall be made by serving notice upon the person owing such debts or having in his possession or control such credits to which the judgment obligor is entitled. The garnishment shall cover only such amount as will satisfy the judgment and all lawful fees.

The garnishee shall make a written report to the court within five (5) days from service of the notice of garnishment stating whether or not the judgment obligor has sufficient funds or credits to satisfy the amount of the judgment. If not, the report shall state how much funds or credits the garnishee holds for the judgment obligor. The garnished amount in cash, or certified bank check issued in the name of the judgment obligee, shall be delivered directly to the judgment obligee within ten (10) working days from service of notice on said garnishee requiring such delivery, except the lawful fees which shall be paid directly to the court.

In the event there are two or more garnishees holding deposits or credits sufficient to satisfy the judgment, the judgment obligor, if available, shall have the right to indicate the garnishee or garnishees who shall be required to deliver the amount due; otherwise, the choice shall be made by the judgment obligee.

The executing sheriff shall observe the same procedure under paragraph (a) with respect to delivery of payment to the judgment obligee.

[127] Rollo, p. 117.

[128] Id. at 119-120.

[129] Id. at 118.

[130] See 24-K Property Ventures, Inc. v. Young Builders Corp., 801 Phil. 793 (2016).

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