

ROMEO J. ORDONEZ, PETITIONER, VS. THE HON. ALFREDO J. GUSTILO, IN HIS CAPACITY AS PRESIDING JUDGE OF REGIONAL TRIAL COURT OF CAVITE, BRANCH XVI, CAVITE CITY, MUNICIPALITY OF ROS...

G.R. No. 81835. December 20, 1990

Ponente: PARAS, J.

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PARAS, J.:

This is a petition for certiorari which seeks to annul, on the ground of grave abuse of discretion, the (1) Decision dated May 24, 1985; (2) Order dated May 27, 1987 and (3) Order dated December 24, 1987, all issued in Civil Case No. N-4367 of the Regional Trial Court of Cavite, Branch XV, Cavite City entitled “Valeriano Espiritu v. Municipality of Rosario, Province of Cavite and Hon. Calixto D. Enriquez in his capacity as Municipal Mayor of Rosario, Cavite.

The pertinent background facts are:

Valeriano Espiritu, herein private respondent filed on April 22, 1983, a complaint for Specific Performance and Damages, against respondents Municipality of Rosario, Cavite and Calixto Enriquez, the latter in his capacity as Mayor of said municipality, to enforce their agreement contained in a Reclamation Contract. In his complaint, Espiritu prayed that the Municipality of Rosario, together with Enriquez, be ordered to convey to him 323,996 square meters of the reclaimed portion of the foreshore land of the town. Espiritu filed the action in his capacity as the assignee of the Salinas Development Corporation (SADECO), the entity which reclaimed the area in question by virtue of a Reclamation Contract entered into between it and the Municipality of Rosario, represented by Enriquez as Municipal Mayor. The case was docketed as Civil Case No. 4367 of the Regional Trial Court of Cavite, Fourth Judicial Region, Branch XVI, Cavite City.

In its answer, defendant municipality resisted plaintiff's claim stating that it was barred by the statute of limitation; the contract has been substantially amended, modified and supplemented; and plaintiff has not performed his reciprocal obligation.

The barangay captain of Tejeros Convention, Rosario, Cavite, herein petitioner Romeo J. Ordonez, together with seven (7) other municipal and barangay officials intervened, and in their Answer-in?Intervention, they alleged that no actual reclamation was done by the plaintiff and the area being claimed by the plaintiff came about by natural accretion; the reclamation contract between the contractor and the municipality is either void, voidable, or disadvantageous to the defendant municipality.

The issues having been joined the trial court set the case for the mandatory pre-trial conference on November 15, 1984.

At this scheduled pre-trial conference, all the litigants including the intervenors, with their respective counsel, were present. In said conference, plaintiff Espiritu and defendant municipality, manifested to the court that having

arrived at a satisfactory settlement, they would submit a compromise agreement at a later date.

On the other hand, the intervenors asked the court that they be allowed to present their evidence to prove their defense asserted in their answer-in-intervention. For the said purpose, hearing was held on December 13, 1984 wherein Ernesto Andico, vice-mayor testified. Another hearing was also held on January 24, 1985 where Vice-Governor Jose M. Ricafrente, Jr. of the Province of Cavite, and petitioner's counsel in the instant case, also testified.

On May 20, 1985, the principal litigants filed with respondent trial court their promised compromise agreement. The parties agreed that 208,664 square meters of the reclaimed area were to be allotted to the plaintiff and 211,331 square meters thereof were to be given to defendant municipality.

On May 24, 1985, the trial court approved the compromise agreement and rendered a decision in accordance therewith. The intervenors received their copy of the decision on September 19, 1985 thru Vice-Mayor Ernesto Andico. The decision being already final, it was duly executed to the satisfaction of the principal litigants.

On October 17, 1985 and July 2, 1987 additional hearings were held where the intervenors presented three (3) additional witnesses.

On June 24, 1987, the intervenors filed a motion to set aside the compromise agreement dated May 15, 1985. This was denied by the trial court, thru respondent Judge Alfredo Gustilo (the former presiding judge, Judge Alejandro Silapan having already retired) in its Order dated November 27, 1987, the pertinent portion of which reads as follows:

"It appears that on May 24, 1985, the former Presiding Judge of this Court approved the said Compromise Agreement and rendered a judgment on the basis thereof. It is settled that a judgment approving a compromise agreement is final and immediately executory. (*Samonte v. Samonte*, 64 SCRA 524). The motion in question therefore cannot be granted as it has the effect of annulling the judgment of this Court which has already become final and, according to the plaintiff, already executed.

"The Motion to Set Aside Compromise Agreement cannot even be considered as a motion for reconsideration because the Court can no longer set aside, amend or modify its judgment which has become final. Neither can the said motion be deemed as a petition for relief under Rule 38 of the Rules of Court, since to set aside a judgment based upon a compromise agreement under the said Rule, the petition for relief must be filed not later than six (6) months from the date it was rendered. (*Bodiongan v. Ceniza*, 102 Phil. 750). The decision of the Court based on the Compromise Agreement was rendered on May 24, 1985. On the other hand, the present Motion to Set Aside Compromise Agreement was filed only on June 24, 1987. Moreover, under Section 3 of Rule 38, the petition for relief from judgment should be filed within 60 days after the petitioner learns of the judgment sought to be set aside. The intervenor in this case received a copy of the decision based on the Compromise Agreement on September 19, 1985. If the instant motion be construed as an independent action to annul a judgment, this Court would not have jurisdiction over it inasmuch as under Section 9 of *Batas Pambansa Blg. 129*, the Judiciary Reorganization Act of 1980, an action for the annulment of a judgment of the Regional Trial Court falls under the exclusive original jurisdiction of the Court of Appeals.

Additionally, the intervenors have not convincingly shown that defendant Mayor Enriquez was not authorized to sign the Compromise Agreement in behalf of the Municipality of Rosario. On the contrary, the Mayor has in his favor the presumption that official duty has been regularly performed. (Sec. 5 [m], Rule 131, Rules of Court.) Likewise, they failed to sufficiently explain why and how the terms and conditions of the Compromise Agreement have contravened the law, morals, good customs and public policy." (pp. 41-42, Rollo).

Meanwhile, on August 10, 1987, plaintiff Espiritu filed a manifestation and Motion praying that the proceedings be terminated and that the case be considered closed, which motion respondent judge granted in his Order dated

December 24, 1987. The pertinent portion of the said Order reads-

"In support of his motion to terminate the proceedings, the plaintiff argued that further trial in this case will be an exercise in futility, considering that the issues raised by the intervenors have become moot and academic in view of the decision of the Court based on the Compromise Agreement submitted by the plaintiff and the defendants.

"This contention appears to be well taken. The decision of the Court based on the Compromise Agreement has in effect resolved the issues raised by the intervenors, i.e., whether the reclamation contract entered into between the town of Rosario and the Salinas Development Corporation, the predecessors-in-interest of the plaintiff, is null and void; and whether or not there was actual reclamation done by the said entity. This is so, for the decision of the Court based on the Compromise Agreement has impliedly recognized the validity of the said reclamation contract and the fact that the tract of land divided between the plaintiff and the defendant municipality of Rosario pursuant to the Compromise Agreement was the product of the reclamation efforts undertaken by the Salinas Development Corporation, which subsequently assigned its rights to the plaintiff.

"The continuation of the trial in this case will be useless. Should the intervenors fail to adduce evidence showing that the reclamation contract was null and void and that no actual reclamation was undertaken by the Salinas Development Corporation, the correctness and propriety of the decision of the Court based on the Compromise Agreement would be strengthened. Even if they would succeed in proving that the reclamation contract was null and void and that the area in question came into being through the natural action of the sea and not through the reclamation done by the Salinas Development Corporation, still the said decision could no longer be set aside, inasmuch as it has already become final and, according to the plaintiff, already executed. The continuation of the reception of the evidence for the intervenors clearly appears to serve no purpose at all.

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"WHEREFORE, the Manifestation and Motion dated August 6, 1987, filed by the plaintiff, is granted, and the trial of this case is declared terminated and this case is considered closed.

"This order modifies the pre-trial order dated November 15, 1984 of this Court, insofar as the said order has allowed the intervenors to adduce evidence in support of their contention that the land in question was not reclaimed by the plaintiff or his predecessor-in-interest but the product of accretion, and that the reclamation contract between the defendants and the Salinas Development Corporation was null and void.

"SO ORDERED." (pp. 45-47, Rollo)

In assailing the aforementioned Decision and Orders of the trial court, petitioner Romeo Ordonez (one of the intervenors, the other seven intervenors did not join him in this petition) raises the following issues, to wit:

1. Whether or not the lower court erred in stopping/preventing the intervenors from further presenting their evidence in support of their Answer-in-Intervention.
2. Whether or not the lower court erred in approving the compromise agreement of May 20, 1985 and rendering a decision based thereon dated May 24, 1985, inspite of the clear lack of authority on the part of respondent Calixto D. Enriquez to bind the Municipality of Rosario because of the absence of an enabling ordinance from the Sangguniang Bayan of Rosario, Cavite empowering him to enter into said compromise agreement.

We answer both issues in the negative.

Intervention is defined as a "proceeding in a suit or action by which a third person is permitted by the court to make himself a party, either joining plaintiff in claiming what is sought by the complaint, or uniting with defendant in resisting the claims of plaintiff, or demanding something adversely to both of them; the act or

proceeding by which a third person becomes a party in a suit pending between others; the admission, by leave of court, of a person not an original party to pending legal proceedings, by which such person becomes a party thereto for the protection of some right or interest alleged by him to be affected by such proceedings." (Metropolitan Bank & Trust Co. v. the Presiding Judge, RTC Manila, Branch 39, et al, G.R. No. 89909, September 21, 1990)

An intervention has been regarded as "merely collateral or accessory or ancillary to the principal action and not an independent proceeding; an interlocutory proceeding dependent on or subsidiary to, the case between the original parties." (Francisco, Rules of Court, Vol. 1) The main action having ceased to exist, there is no pending proceeding whereon the intervention may be based. (Barangay Matictic v. Elbinias, 148 SCRA 83, 89)

As we recently ruled in *Camacho v. Hon. Court of Appeals, et al.* G.R. No. 79564, December 24, 1989 -

"There is no question that intervention is only collateral or ancillary to the main action. Hence, it was previously ruled that the final dismissal of the principal action results in the dismissal of said ancillary action." (underscoring supplied)

A judgment approving a compromise agreement is final and immediately executory. (*Samonte v. Samonte*, 64 SCRA 524) All pending issues will become moot and academic once a compromise submitted by the parties is approved by the trial court. (*Berenguer v. Arcangel*, 149 SCRA 164)

In the case at bar, the compromise agreement submitted by the plaintiff and the defendants and the decision approving the same recognized the validity of the Reclamation Contract and the fact that the tract of land involved was the result of the reclamation done by SADECO. In their answer-in-intervention, petitioner alleges that there was no reclamation undertaken by SADECO, that the land in question was the result of accretion from the sea and that the Reclamation Contract is null and void. Clearly then, the compromise agreement and the decision had in effect resolved the aforementioned issues raised by the intervenors. As aptly observed by the trial court, the continuation of the reception of the intervenors' evidence would serve no purpose at all. Should intervenors fail to prove that the Reclamation Contract is null and void and that no actual reclamation was made, the correctness and propriety of the decision based on the compromise agreement would be strengthened. Upon the other hand, should they succeed in proving that the contract is null and void, and that the area in question came into being through the natural action of the sea, still the decision of the lower court could no longer be set aside, inasmuch as it has already become final and executed.

There is, therefore, no merit to the claim of petitioner that the lower court "unceremoniously terminated the proceedings" even "without the intervenors completing their evidence." (Memorandum for Petitioner, p. 140, 143, Rollo) Precisely, the court a quo gave credence and weight to the compromise agreement and denied the claims of the intervenors which were controverting the theories of the plaintiff and the defendants. In other words, due process had been accorded the intervenors. It would have been different had the court not taken into consideration the claims of the intervenors.

The petitioner cannot claim ignorance of the filing of the compromise agreement. As can be gleaned from the pre-trial order, the intervenors were represented during the pre-trial conferences, where the plaintiff and the defendants intimated that they would submit a compromise agreement. The intervenors did not interpose any opposition to the manifestation of the plaintiff and defendants that they would be amicably settling their dispute. The compromise agreement was filed in court on May 20, 1985. It was approved by the lower court on May 24, 1985. Before its approval no opposition had been filed questioning its legality. The intervenors received their copy of the decision on September 19, 1985. They did not file any motion for reconsideration to suspend its finality. It was only on June 24, 1987, or after the lapse of almost two (2) years when they filed a motion to set

aside the compromise agreement. It should be emphasized at this juncture that the decision based on the compromise agreement had long been executed.

Anent the other issue raised - whether or not respondent mayor needed another authority from the Sangguniang Bayan to sign the compromise agreement, suffice it to state that the mayor need not secure another authority from the Sandiganbayan under Section 141 (c) and (i) of the Local Government Code, which state that -

"Section 141. (1) The Mayor shall be the Chief Executive of the municipal government and shall exercise such powers, duties and functions as provided in this code and other laws. (2) He shall:

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‘(c) Represent the municipality in its business transactions and sign on its behalf all contracts, obligations and official documents made in accordance with law or ordinance.

‘(i) Direct the formulation of municipal development plans and programs, and once approved by the Sanggunian Bayan, supervise and direct the execution and implementation thereof.’" (p. 115, Rollo)

because the execution of the Compromise Agreement is but an act implementing the reclamation contract duly approved by the Sangguniang Bayan.

Further, the terms and conditions of the compromise agreement are beneficial to the municipality because the share of Espiritu has been reduced considerably from the 80% agreed upon in the reclamation contract.

WHEREFORE, for lack of merit, the petition is DISMISSED. Costs against petitioner.

SO ORDERED.

Melencio-Herrera, (Chairman), Padilla, Sarmiento, and Regalado, JJ., concur.

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