

EASTERN METROPOLITAN BUS CORP., RUBEN TY AND GEORGE UY, PETITIONERS, VS. HON. EDILBERTO PANGAN, AND ABE ESTRADA, IN THEIR CAPA-CITIES AS LABOR ARBITER AND DEPUTY SHERIFF, RESPEC...*G.R. No. 94810. March 18, 1992*Read online (full-text search, related cases, audio case brief): <https://batas.org/library/g-r-no-94810/>**PER CURIAM:**

This petition for Certiorari and Prohibition with Prayer for a Writ of Preliminary Injunction and/or Temporary Restraining Order was filed on September 4, 1990 by the petitioners to annul the writ of execution issued by Labor Arbiter Edilberto Pangan pursuant to his decision dated June 11, 1990 in "Katipunan ng Mga Manggagawang Pilipino (KAMAPI) vs. Eastern Metropolitan Bus Corporation (EMBC), Ruben Ty and George Uy" (NLRC-NCR Case No. 4-1617-86), ordering EMBC to pay emergency cost of living allowance (COLA), 13th month pay and service incentive leave pay to twenty (20) employees, ordering the Chief of the NLRC's Research and Information Unit, Ricardo Atienza, to compute the amount due each of the 20 claimants and to submit a report. Without giving EMBC an opportunity to be heard on the matter, the Chief of the NLRC's Research and Information Unit computed the amount due the 20 claimants to be P284,221.00. That computation did not take into consideration the payment made in the meantime by EMBC to 15 of the 20 plaintiffs who executed releases and quitclaims and signed vouchers as proof of payment.

Based on Atienza's computation, a writ of execution was issued by Labor Arbiter Pangan. Its implementation was entrusted by him to NLRC Sheriff Abe Estrada who immediately levied on four (4) EMBC buses and scheduled the sale thereof on August 27, 1990. The notice of sale was received by EMBC's counsel on August 23, 1990. The next day, August 24, 1990, despite heavy floods in Metro Manila, EMBC filed an "Urgent Motion to Quash/Recall Writ of Execution and for Recomputation." Labor Arbiter Pangan ignored the motion to quash and directed Estrada to proceed with the auction sale. The four (4) buses were sold for a total price of P150,000 only to Evaristo Doroin as the supposed highest bidder at the sale. On August 29, 1990, Pangan issued an Order approving the auction sale and directing EMBC to allow Estrada to remove the four (4) buses so they could be delivered to Doroin.

Upon receipt of the Order on August 31, 1990, EMBC petitioned the NLRC to issue a writ of Injunction and prayed for a Temporary Restraining Order (Annex E of Petition) to stop Estrada and Pangan from withdrawing the four (4) buses from EMBC's premises in Pasig, Rizal until the motion to quash was resolved. It turned out, however, that on the same day that EMBC received a copy of Pangan's Order dated August 29, 1990, that Order had already been carried out by Estrada. The buses were delivered to Evaristo Doroin, the supposed highest bidder at the auction sale.

On September 4, 1990, EMBC filed a petition for certiorari and prohibition in this Court, praying that the writ of execution issued by Pangan be annulled and that a recomputation be made showing the amount EMBC has already paid, and the balance still due under the decision; and that a writ of preliminary mandatory injunction be immediately issued, ordering Doroin and Estrada to return the four (4) passenger buses to EMBC and enjoining

them from vandalizing the same.

On September 12, 1990, the Court issued a Temporary Restraining Order and a Writ of Preliminary Mandatory Injunction restraining the respondents "from doing any act that would vandalize the four (4) units of buses x x x subject of the levy and sale on August 27, 1990 conducted in NLRC NCR Case No. 4-16-17-86 and all the aforementioned respondents herein are ordered to return the aforementioned buses (Buses Nos. 705, 712, 726 and 724) x x x to the possession, custody and effective control of the herein petitioners [EMBC]" (p. 77, Rollo) upon the latter's filing a bond in the amount of P300,000 issued by a surety company of indubitable solvency and reputation.

Doroin filed a "Comment and/or Opposition and Urgent Motion to Dissolve and Lift Temporary Restraining Order and Preliminary Mandatory Injunction." He alleged that he was the highest bidder at the auction of the buses; that they "are unserviceable in dilapidated conditions (sic);" and that they had "already been disposed of and likewise appropriated to third persons." He prayed that the petition be denied for lack of merit. (pp. 105-108, Rollo.)

On October 1, 1990, EMBC filed an "Urgent Motion to Cite Respondents (Pangan, Estrada and Doroin) in Contempt" because they had ignored this Court's Order for the return of the buses (pp. 109-113, Rollo).

The Solicitor General submitted a "Manifestation in Lieu of Comment" dated November 5, 1990 (pp. 123-124, Rollo) in which he made the following observations concerning the illegal actuations of Labor Arbiter Pangan and Sheriff Estrada:

"1) x x x the Solicitor General, after an agonizing review of the record, cannot find himself to conclude that there was no grave abuse of discretion committed by public respondents. The abuse is more than grave, as shown by:

"First, there is the failure of the Labor Arbiter to hear the Urgent Motion to Quash/Recall Writ of Execution and for Recomputation, especially in the light of petitioners' manifestation to him that 'majority of the complainants (union members) have received their salaries and benefits IN FULL from the respondents (petitioners)' (p. 498, rec.). Respondent Labor Arbiter, in the interest of justice and fair play, should have ascertained the truth of petitioners' aforesaid manifestation, and if petitioners' submission were true, to have deducted from the award the total amount already received by the complainants-union members. Assuming, even without admitting, that 14 out of 20 complainants have indeed received the amounts as shown by the vouchers attached to the petition, the total amount allegedly paid petitioners is P115,188.00. This amount, if deducted from the award of P284,221.00 as computed, would have left only some P169,033.00 as balance to be satisfied by petitioners.

"Second, respondent Labor Arbiter failed to give petitioners a chance to pay the award, either as computed or as a remaining balance, before levying on their personal property, the four (4) units of buses. The Writ of Execution dated August 10, 1990 incorporating the computation of the award was furnished petitioners (not to petitioners' counsel on record) only on August 15, 1990 (p. 533, rec.). On the same day, levy was made on the four (4) units of buses. (pp. 130-132, Rollo.)

2) There was grave abuse of discretion on the part of Sheriff Estrada in "approving the very low bid price of P150,000.00 for the four (4) units of buses." He claims that the units were dilapidated being belied by the photographs of the buses, and it being more credible to assume that each bus was worth P200,000.00 "considering the prevailing price of buses at present which runs to millions per one brand new unit." (pp. 132-133, Rollo.)

The Solicitor General closed his Manifestation with the observation that "to date, there is no showing that the High Writ of Preliminary Mandatory Injunction issued by this x x x Court x x x has been complied with x x x,"

and pointedly inquired: "Whatever happened to the buses?" (p. 133, Rollo.)

In his "Comment and/or Opposition to the Urgent Motion to Cite Respondents in Contempt," Sheriff Estrada alleged that he "only acted in compliance with a lawful Order/Writ of Execution" (p. 142, Rollo) issued by Pangan; that he had "not received any copy of the Restraining Order/Injunction" (p. 143, Rollo); that Doroin's bid of P150,000 for the four (4) buses was accepted by him because "the subject vehicles x x x were dilapidated and some are without tires and batteries making it (sic) unserviceable" (p. 144, Rollo); that he took possession of the buses "with the help of three (3) wreckers provided for (sic) by the said bidder" (p. 144, Rollo); that he received the Preliminary Mandatory Injunction and Temporary Restraining Order issued by this Court only "on September 14, 1990, exactly fourteen (14) days after the concluded sale" (p. 145, Rollo); and that hence, he is "no longer in a position to deliver and/or turn over" (p. 145, Rollo) the buses to the petitioner EMBC.

Similar argument was advanced by Doroin in his "Comment and/or Objection on (sic) the Motion to Cite Respondents for Contempt." He alleged that the possession of the buses had long been transferred to him; that they "were already scraped (sic) to particles and disposed of and appropriated to several metal dealers;" and that, hence, it is no longer "physically and legally possible [to] restore the four (4) bus units to the petitioners." (p. 148, Rollo.)

The Court set the contempt motion for hearing on March 8, 1991 at 10:30 A.M. The Solicitor General asked to be excused.

The facts disclosed at the hearings thereafter conducted are hereunder summarized:

In contrast to the occurrences prior to the sheriff's taking possession of the four (4) buses levied on, their delivery to Doroin, and the deposit of the bid price with the Cashier of the Labor Department on September 3, 1990, the events subsequently transpiring are largely undisputed, and it is possible to reconstruct them with reasonable accuracy on the basis of the testimony of the several disinterested and impartial witnesses summoned by this Court.

After Doroin had obtained possession of the four EMBC buses, he had them brought to the one-hectare compound of Dario Tobia, doing business under the name and style of Lepanto Construction at Tandang Sora, Quezon City. It was Doroin's associate, Rodolfo (Boy) Lubguban, who arranged to have the buses parked in that place until Doroin could finally dispose of them. Lubguban was acquainted with Tobia and asked him to allow the buses to be placed in the latter's property for a short while. Tobia agreed. Doroin and Lubguban then had the four (4) buses brought to the premises of the Lepanto Construction. (pp. 2-9, tsn, May 24, 1991.)

Federico Patio - Re: Buses No. 712 and 724

Sometime in September, 1990, former NLRC Sheriff Juanito Atienza, then earning a living as "junk scrap agent," (not yet reinstated) was asked by another dealer in scrap iron, Bert Noriega, if he knew of buses for sale on execution as he had a buyer who was interested in buying second-hand buses. The buyer was Federico Patio, the owner of a transportation line called Golden Highway. Atienza went to see his friend, Sheriff Abe Estrada who directed him to Evaristo Doroin. Atienza thus met Doroin who confirmed that he indeed had buses for sale. Atienza then brought Patio and Noriega to the Lepanto Construction compound at Tandang Sora. There Patio saw Doroin and Lubguban, and four (4) buses which all bore markings of EMBC. After being assured by Atienza that there would be no problem with the buses, Patio and Noriega selected two (2) of them for each of which Patio agreed to pay a price of P100,000. It was the understanding between Patio and Doroin that the engines of both buses would be replaced. The buses purchased by Patio bore the numbers, 712 and 724 (pp. 33-49, tsn, March 15, 1991; pp. 42-49, tsn, April 26, 1991).

In September or October, 1990, the two (2) buses (Nos. 712 and 724) were brought by Federico Patio to the repair and vehicle body building shop of Reynaldo Gamboa at 1059 Kilometer 19, Quirino Highway. The

vehicles were driven to that place by a brother of Doroin and a certain Villarama.

The engines of both trucks were removed in the presence of Rodolfo Lubguban and Doroin. Gamboa had the roof and rusted parts of one of the buses removed, retaining the original sides. Both buses (Nos. 712, 724) were still in Gamboa's shop as of March 8, 1991 (pp. 5-15, 25, tsn, March 15, 1991).

On March 8, 1991 (the first day of the contempt hearing), at about 2:00 o'clock in the afternoon, "men of Doroin," according to Gamboa, came to his shop and tried to remove the engine from one of the EMBC buses. One of the men was Boy Lubguban, sent there by Doroin. Boy Lubguban and the other were, however, stopped by a certain Atty. Chua, EMBC's counsel, who arrived at about that time. The officers of this Court then took custody of both buses (Nos. 712 and 724).

Romeo Velarde - Re: Bus No. 705

Sometime in the last week of January, 1991, Romeo Velarde of San Jose del Monte, Bulacan, having some money to invest, decided to buy a passenger bus. He went to Sapang Palay and told some friends there that he was in the market for one.

Two or three days later, a certain Leo came to him and told him that he knew someone selling second-hand passenger buses. So, he went with Leo to the house of the latter's uncle, Tito Lagana. There, he met Evaristo Doroin. Doroin brought him to the Lepanto Construction compound at Tandang Sora where he saw two (2) EMBC buses. Velarde agreed to buy one of them, which was numbered 705, for P145,000.

Because Bus No. 705 had no license plate, and the registration papers were not then available, Doroin told Velarde he would deliver the bus to him at night together with all the papers. The bus was driven to Velarde's residence at about 9:30 o'clock in the evening of February 5, 1991. Doroin gave Velarde a deed of sale for said Bus No. 705 in his favor, signed by Rodolfo Lubguban together with the certificate of sale executed by Sheriff Abe Estrada and other papers. Although the price agreed upon was P145,000, the consideration set forth in the deed was only P140,000, because P5,000 was given to Tito Lagana, as broker's commission. The sum of P140,000 in cash was given by Velarde to Doroin in Lubguban's presence (pp. 5-18, tsn, April 26, 1991).

On March 15, 1991, officers of the Court also took Bus No. 705 from Romeo Velarde, Road 3, Minuyan, San Jose del Monte, Bulacan.

Roel Egonia - Re: Bus No. 726

The last EMBC bus, numbered 726, was sold by Doroin to Roel Egonia. Egonia is the owner of two buses being operated under the so-called "kabit" system by the SPS Transportation, owned and registered under the name of Saturnino Dizon.

Desiring to acquire another bus, Egonia went to Doroin. Doroin told him to pick up the bus from the Lepanto Construction compound, and they would talk about the terms later.

Egonia drove the EMBC bus (No. 726) to his residence on February 7, 1991. On February 10, 1991, he brought the bus to Rufino Napat, a mechanic, for repairs.

In the first week of March, 1991, Doroin told Egonia not to proceed with the repair of Bus No. 726 as the Sheriff might get the bus.

At about the same time, Doroin and Lubguban also told Velarde a case had come up about the bus (No. 705); that somebody had squealed to the EMBC that the vehicles sold at the execution sale had not been cut up as earlier reported but were still intact. They suggested that Velarde hide the vehicle and have its markings changed so as to alter its appearance.

On March 18, 1991, officers of the Court confiscated Bus No. 726 from Rufino Napat (2670 cor. Honduras and

Batangas Sts., Bo. San Isidro, Makati, M.M.). Napat surrendered the bus after he called up Egonia and the latter told him to do so.

All these seizures of the buses were effected pursuant to Orders of this Court, founded on information supplied by EMBC.

Velarde has filed a third-party claim to Bus No. 726. (p. 208, Rollo.)

The petition for certiorari and prohibition. -

In light of the above facts, the Court is constrained to grant the petition for certiorari and prohibition for it is palpably clear that respondent Labor Arbiter Pangan gravely abused his discretion: (1) in ignoring the petitioners' timely motion to quash the writ of execution and (2) in directing NLRC Sheriff Estrada to proceed with the public sale of the four (4) EMBC buses.

All of Pangan's excuses for not acting on the motion to quash the writ of execution were false. He alleged that the quitclaims and releases supporting EMBC's motion to quash the writ of execution did not show: (1) the amounts paid to each claimant, (2) nor the names of the claimants, (3) nor were they under oath.

After examining the same documents during the hearing of the contempt motion, Pangan shamefacedly admitted that the names of the claimants and the amounts paid to them do appear in the quitclaims and releases which they signed (pp. 81-82, 88, tsn, March 15, 1991) and some of the quitclaims were in fact under oath (pp. 83, 105, tsn, March 15, 1991).

Since EMBC asked for a recomputation of the balance due on the judgment because it had already paid 15 out of 20 claimants, in fairness to EMBC, Pangan should have suspended the implementation of the writ of execution, ordered a hearing on the motion to quash and recomputed the amounts due the remaining five (5) unpaid claimants.

The sale of the buses, despite EMBC's motion to quash the writ of execution and proofs of payment of a major portion of the judgment, was null and void for it violated Section 20, Rule 39 of the Rules of Court, as well as Section 2, Rule VII of the Manual of Instructions for NLRC Sheriffs, which respectively provide:

"Sec. 20. No sale if judgment and costs paid. - At any time before the sale of property on execution the judgment debtor may prevent the sale by paying the amount required by the execution and the costs that have been incurred therein." (Rule 39, Rules of Court.)

"Sec. 2. No sale if judgment and costs paid. - At any time before the sale of property on execution, the losing party may prevent the sale by paying the amount required by the execution and the costs that have been incurred therein." (Rule VII, Manual of Instructions for NLRC Sheriffs.)

There is no merit in Pangan's argument that he did not have to act on the motion to quash the writ of execution because: (1) there was no temporary restraining order (TRO) from the Supreme Court nor the NLRC; and (2) EMBC did not "personally follow-up" its aforesaid motion (pp. 94, 99, tsn, March 15, 1991).

Both the Rules of Court and the Manual of Instructions for NLRC Sheriffs provide that the sale should not proceed if the judgment has been paid, hence, no TRO was necessary to make Pangan suspend the execution sale. Furthermore, Rule VIII, Section 3, paragraph 3 of the Rules of the NLRC provides:

"In situations not covered by Section 16, Rule V, but where further computation of the judgment amount is necessary, no execution shall issue until after the computation shall have been approved by the Labor Arbiter, after the parties shall have been duly notified and heard thereon."

Pangan's ambiguous requirement that a "personal follow-up" should be made by EMBC on its motion to quash the writ of execution is completely devoid of any legal basis. It is arbitrary, capricious, and suspicious.

Another reason for the nullity of the sheriff's sale of the buses is that there was in fact no public bidding or auction. Reynaldo Segui, the chief security guard in the EMBC compound where the auction sale was to be held, testified that on August 27, 1990, the date of the alleged auction, no "subasta" or auction was conducted by Estrada in the premises (p. 60, *tsn of M. Cruz*, May 31, 1991). Estrada arrived at 1:30 p.m. that day, accompanied by Eufrosino Cesar and another companion (not Doroin). They only took some pictures of the four (4) buses and left after 15 minutes (p. 53, *Ibid*). The falsity of Estrada's minutes of the alleged "auction" sale, stating that there were two other bidders named Salvador Nacaya of 28 Commodore Street, Holy Spirit, Quezon City, and Nemesio Rodriguez of 4th Street, BF Homes, Quezon City, was exposed when the process servers of this Court tried to serve subpoenas on them. The process servers reported that no such persons live in the given addresses (pp. 3-4, *Ibid*). Estrada's explanation that the supposed bidders may have given him fictitious addresses is unacceptable, for if they were legitimate bidders, they would not have given fictitious names and addresses to the sheriff conducting the sale. On the other hand, Sheriff Estrada had reason to invent the names and addresses of fictitious bidders since he wanted to conceal the fact that there had been no bona fide auction sale of the four (4) buses.

The absence of an auction sale on August 27, 1990 is also confirmed by the fact that Doroin did not pay his "bid" of P150,000 on the date of the supposed auction.

Sheriff Estrada delivered the four (4) buses to Doroin on August 30, 1990 without Doroin having paid for them. Doroin allegedly paid to Estrada the bid price of P150,000 on August 31, 1990 only (p. 544, *NLRC Rollo*) i.e., four (4) days after the alleged auction sale. Estrada thereby violated Sections 7 and 8 of the "Manual of Instructions for Sheriffs" which specifically provide that the delivery of the auctioned property shall be made when the purchaser pays the purchase price:

"Section 7. Conveyance to purchaser of personal property capable of manual delivery. – When the purchaser of any personal property, capable of manual delivery, pays the purchase price, the sheriff making the sale shall deliver the property to the purchaser and, if desired, execute and deliver to him a certificate of sale. The sale conveys to the purchaser all the rights which the losing party had in such property on the day of its levy.

"Section 8. Conveyance to purchaser of personal property not capable of manual delivery. – When the purchaser of any personal property, not capable of manual delivery, pays the purchase price, the sheriff making the sale shall execute and deliver to the purchaser a certificate of sale. Such certificate conveys to the purchaser all the rights which the losing party had in such property on the day of its levy." (*Underscoring ours.*)

The fervid efforts of Pangan and Estrada to speedily consummate the "auction" of the buses lend validity to the petitioners' theory that they had a proprietary interest in the buses and that Doroin was a mere recruit to play the role of "highest bidder" and "disposer" of the four (4) buses the proceeds of which were to be divided among them. The buses were "sold" to Doroin for a scandalously low price, so that the profits they would derive from the resale of the same would be bigger. Doroin, whose declared assets and income as a junk dealer did not exceed P20,000 and P24,000 per annum, respectively, alleged that the money he used to pay for the buses was "borrowed" by him from L. Acuario Marketing. But that was denied by Acuario's treasurer, Zusima Mendoza. Where did he get the bid money of P150,000? It is a riddle wrapped in a mystery within an enigma.

In view of the nullity of the "auction sale" of the EMBC Buses Nos. 712, 724, 726 and 705 to Doroin, the Court orders the cancellation of the sale and the return of the buses to the petitioner, Eastern Metropolitan Bus Company.

The Motion for Contempt. -

The "Urgent Motion to Cite Respondents (Pangan, Estrada and Doroin) in Contempt" (p. 109, Rollo) for disobedience of the Court's order to return the four (4) EMBC buses to the petitioners, is well taken.

As borne out at the hearing of the motion, Doroin was lying in his teeth when he declared that he could not return them because they had "already been disposed of and x x x appropriated to third persons" (Comment and/or Opposition etc., p. 106, Rollo) and that they "were already scraped (sic) to particles and disposed of and appropriated to several metal junk dealers" (Comment and/or Objection to Contempt Motion, p. 148, Rollo). He had the temerity to repeat that falsehood under oath when he testified before this Court on March 15, 1991 (pp. 70-77, 81, tsn, March 15, 1991). He deliberately perjured himself to mislead the Court and impede the implementation of its order for the return of the buses to EMBC.

Under further questioning, he crumpled up and admitted that the buses had not been "scraped" but were in fact hidden in the yard of the Lepanto Construction and/or Dario Tobia in Tandang Sora, Quezon City, and that he had sold them to three (3) different buyers, namely: Buses Nos. 712 and 724 to Federico Patio for P100,000 each; Bus No. 705 to Romeo Velarde for P145,000; and Bus No. 726 to Roel Egonia with whom he had not yet agreed on the price (pp. 111-114, 119, Ibid).

Even after the contempt proceedings had commenced, Doroin incorrigibly made last minute attempts to steal the engines of the two (2) buses in Gamboa's premises, and advised Lubguban to hide the others, in defiance of the Court's order to return them to EMBC.

Labor Arbiter Pangan and Sheriff Abe Estrada received the Court's writ of preliminary mandatory injunction dated September 12, 1990 ordering "all the aforesaid respondents to return the aforementioned buses (Buses Nos. 705, 712, 726 and 724 with Plate Nos. NVR 724, NVR 731, NVR 721 and NVR 724, respectively) to the possession, custody and effective control of herein petitioners" (p. 77, Rollo.).

Estrada repaired to Doroin's place in Caloocan City, but allegedly found only one bus intact. He consulted with Pangan about what they should do with the Court's preliminary mandatory injunction, but Pangan shrugged it off saying, "Ano ang magagawa natin?" (What can we do?) (p. 44, tsn, March 8, 1991). They did not advise, much less require, Doroin to surrender the bus in his possession. Neither did they report to the Court that one bus was in Doroin's shop.

Pangan admitted that he and Estrada "did not do anything anymore" about the Court's order because they believed it was "more directed" to Doroin. Of course, that was sheer pretense on their part for they were fully aware that the Court's order was addressed to "all the respondents." (pp. 4-6, tsn, May 31, 1991.)

By concealing the buses instead of returning them to EMBC as ordered by the Court, and boldly misrepresenting to the Court that the four (4) buses had all been cut up into scrap metal and sold to junk dealers, Doroin acted not only with total disregard for the truth but with contumacy toward this Court.

By concealing from this Court the fact that one of the buses was still in Doroin's possession, Labor Arbiter Pangan and Sheriff Estrada conspired and cooperated with Doroin to impede the implementation of this Court's order for the return of the buses to EMBC. We, therefore, find all three (3) respondents guilty of contempt of this Court.

Sections 3 and 6, Rule 71 of the Rules of Court provide:

"Section 3. Indirect contempts to be punished after charge and hearing. - After charge in writing has been filed, and an opportunity given to the accused to be heard by himself or counsel, a person guilty of any of the following acts may be punished for contempt:

“(a) Misbehavior of an officer of a court in the performance of his official duties or in his official transactions;

“(b) Disobedience of or resistance to a lawful writ, process, order, judgment or command of a court, or injunction granted by a court or judge, including the act of a person who, after being dispossessed or ejected from any real property by the judgment or process of any court of competent jurisdiction, enters or attempts or induces another to enter into or upon such real property, for the purpose of executing acts of ownership or possession, or in any manner disturbs the possession given to the person adjudged to be entitled thereto;

“(c) Any abuse of or any unlawful interference with the process or proceedings of a court not constituting direct contempt under section 1 of this rule;

“(d) Any improper conduct tending, directly or indirectly, to impede, obstruct, or degrade the administration of justice;

“(e) Assuming to be an attorney or an officer of a court, and acting as such without authority;

“(f) Failure to obey a subpoena duly served;

“(g) The rescue, or attempted rescue, of a person or property in the custody of an officer by virtue of an order or process of a court held by him.

"But nothing in this section shall be so construed as to prevent the court from issuing process to bring the accused party into court, or from holding him in custody pending such proceedings."

"Section 6. Punishment if found guilty. - If the accused is thereupon adjudged guilty of contempt committed against a superior court or judge, he may be fined not exceeding one thousand pesos or imprisoned not more than six (6) months, or both; if adjudged guilty of contempt committed against an inferior court or judge, he may be fined not exceeding one hundred pesos or imprisoned not more than one (1) month, or both, and if the contempt consists in the violation of an injunction, he may also be ordered to make complete restitution to the party injured by such violation."

Disobedience of the Court's order to produce a person without a valid excuse for failing to do so, constitutes contempt of court for which the respondent may be either imprisoned or fined (*Villavicencio vs. Lukban*, 39 Phil. 778).

In *Nava vs. Teodoro, et al.*, G.R. No. L-10074, April 13, 1959, the giving of false information to the Court was held to constitute constructive, or indirect, contempt of court.

The failure to do something ordered done by the Court is indirect contempt of court (*Southern Broadcasting Network vs. Davao Light & Power, Co., Inc.*, 98 SCRA 782; *Nazareno vs. Barnes*, 136 SCRA 57; *Angeles vs. Castro*, 136 SCRA 453).

The respondents herein defied and flouted the authority of this court by ignoring the writ of preliminary mandatory injunction which we issued, thinking perhaps that they could do so with impunity. Lawyers and litigants should be put on notice that this Court will not allow its orders to be taken lightly by any party, much less by its own subordinate officers such as lawyers, like Labor Arbiter Pangan, and Sheriffs, like respondent Abe Estrada. It will not permit its orders to be mocked for it would thereby be remiss in its own duty to guard and preserve the majesty of the courts. As we ruled in *Pacis vs. Averia, et al.*, 124 Phil. 1541, 1543:

"The Court can not tolerate evasion of its commands by any omission, negligence, artifice or contrivance of any kind, nor would it countenance any disregard of its authority. It is essential to the effective administration of justice that the processes of the courts be obeyed. Upon no one else does this obligation of obedience rest with more binding force than a judicial officer such as respondent Sheriff."

The record shows that the rush sale of the four buses to Doroin was the result of collusion between Labor Arbiter Pangan and his sheriff, Abe Estrada. Pangan ignored EMBC's motion to quash the writ of execution and gave Estrada the green light to proceed with the sale. He ordered the delivery of the four buses to Doroin even before the latter had paid the bid price of P150,000. Estrada first deposited the bid money with Pangan, before taking it to the NLRC Cashier. Pangan did not heed this Court's order to return the buses to EMBC ("ano ang magagawa natin?") even when Estrada informed him that one bus was still intact in Doroin's shop. He thereby encouraged Estrada to likewise disregard the Court's order. During the hearing in this Court, Labor Arbiter Pangan had ample opportunity to purge himself of the contempt charge and justify his conduct in the case but he failed to do so.

The power to punish for contempt is inherent in all courts and essential to the preservation of order in judicial proceedings and to the enforcement of their mandates, indeed, to their self-preservation (*Chanco vs. Madrillejos*, 9 Phil. 256, 361-362; *Weigall vs. Shuster*, 11 Phil. 340, 345; *Angel Jose Realty Corp. vs. Galao, et al.*, 76 Phil. 201, 204-205; *II Moran*, Comments on the Rules of Court, 1957 Ed., pp. 127-128 cited in *Villacorta vs. Palma*, CA-G.R. No. 29208-R, November 15, 1961).

Punishment for contempt of court is necessary to vindicate the dignity and honor of the Court and to impress on all - lawyers, litigants and court employees alike - the serious consequences of disobedience, disrespect or willful evasion of its orders, judgments, and processes (*Contado vs. Tan*, 160 SCRA 404).

If courts were powerless to compel obedience to their judgments, orders and processes, and to control, in furtherance of justice, the conduct of their ministerial officers (Sec. 5, subpars. c and d, Rule 135, Rules of Court), they would be inutile and cannot survive.

A heavier sanction is called for when a lawyer acts in contempt of the very Court to which he owes his membership in the legal profession and his license to practice it. As we held in *Zaldivar vs. Gonzalez*, 166 SCRA 316:

"Any act of a lawyer which visibly tends to obstruct, pervert, or impede and degrade the administration of justice constitutes both professional misconduct calling for the exercise of disciplinary action against him, and contumacious conduct warranting application of the contempt power.

"The power to punish for contempt of court does not exhaust the scope of disciplinary authority of the Court over lawyers.

"The Supreme Court, as regulator and guardian of the legal profession, has plenary disciplinary authority over attorneys."

Labor Arbiter Pangan violated his duties to this Court as a lawyer to observe and maintain the respect due the court (Canon 11, Code of Professional Responsibility), to act with candor, fairness and good faith to the court (Canon 10), to avoid dishonest or deceitful conduct (Rule 1.01, Canon 1), not to do any falsehood nor consent to the doing of any in Court, and not to mislead, or allow the Court to be misled by any artifice (Rule 10.01, Canon 10). His conduct calls for administrative as well as penal sanctions from this Court.

WHEREFORE, the Court finds the respondents, Labor Arbiter Edilberto Pangan, Sheriff Abe Estrada and Evaristo Doroin guilty of contempt of this Court. Each of them is hereby sentenced to pay a fine of one thousand (P1,000) pesos, payable to the cashier of this Court within fifteen (15) days from notice of this decision. Estrada and Doroin are further sentenced to suffer imprisonment for a period of six (6) months in the City Jail of the City of Manila (Section 6, Rule 71 of the Rules of Court). The Warden of the Manila City Jail is ordered to submit a verified report to this Court upon the completion of the respondent's service of their sentence.

The City Prosecutor of Manila is ordered to file a criminal charge of perjury against Evaristo Doroin for having

given false testimony (that the four buses had been "scraped," "chopped up" and "disposed to other persons") under oath, in facie curiae during the hearing of the contempt petition in this Court.

With respect to respondent Sheriff Abe Estrada, the National Labor Relations Commission is directed to take appropriate administrative action against him.

For serious misconduct as a member of the Bar, Labor Arbiter Edilberto Pangan is hereby suspended from the practice of law for a period of one (1) year and ordered to pay a fine of P20,000 to the Cashier of the Court within fifteen (15) days from notice of this decision.

The Court grants the petition for certiorari and prohibition and hereby annuls and sets aside the writ of execution, the "auction sale," and the award of EMBC Buses Nos. 705, 712, 724 and 726 to Evaristo Doroin in NLRC NCR Case No. 4-1617-86. The return of the possession of said buses to the petitioner is hereby confirmed, and the NLRC is ordered to recompute the balance due to unpaid claimants, if any, under the decision in NLRC NCR Case No. 4-1617-86.

Romeo Velarde's third-party claim against Doroin should be filed in the proper trial court.

Costs against the respondents.

SO ORDERED.

Narvasa, C.J., Melencio-Herrera, Gutierrez, Jr., Cruz, Paras, Feliciano, Padilla, Bidin, Griño-Aquino, Medialdea, Regalado, Davide, Jr., Romero, and Nocon, JJ., concur.
Bellosillo, J., on leave.

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