

Title:

****Spouses William Genato and Rebecca Genato v. Rita Viola****

Facts:

1. ****Initial Complaint****: In October 1991, the “Villa Rebecca Homeowners Association, Inc.” filed a complaint against Mr. William Genato and Rebecca Genato with the Housing and Land Use Regulatory Board (HLURB). The complaint was verified by 34 individuals, including the respondent, Rita Viola, outlining various grievances related to Contracts to Sell and Lease Purchase Agreements.
2. ****Cease and Desist Order****: The HLURB issued a cease and desist order enjoining the collection of amortization payments, which was later lifted. The complainants attempted to resume their payments, but the Genato spouses demanded lump sum payments of all accrued amortizations instead.
3. ****Arbiter Decision****: On March 8, 1995, the HLURB Housing Arbiter ordered the complainers to resume monthly amortization payments and directed the Sps. Genato to correct construction deficiencies, set up water facilities, and reimburse the complainants for expenses incurred for water supply.
4. ****HLURB Board of Commissioners Decision****: The decision was modified, requiring the complainants to pay 3% interest per month for unpaid amortizations from June 29, 1991.
5. ****Writ of Execution****: On May 26, 2000, a writ of execution was issued, resulting in the seizure of Rita Viola’s two delivery trucks and 315 sacks of rice. Following a motion to quash by Viola, the trucks were released, but the rice was sold to Rebecca Genato at a public auction for P189,000.00.
6. ****Further Rulings****: The order on December 15, 2000, denied Viola’s motion to quash the writ of execution, directing her to pay P739,133.31. Viola appealed, and the HLURB set aside the December 15 order, crediting Viola’s account for P318,500.00 (value of the 315 sacks of rice).
7. ****Office of the President****: On November 8, 2004, this decision was affirmed by the Office of the President.
8. ****Court of Appeals****: The CA affirmed the Office of the President’s decision on September 9, 2005.

9. **Supreme Court**: The Genato spouses petitioned the Supreme Court, challenging the CA decision.

Issues:

1. Whether the Court of Appeals erred in ruling that the HLURB had not acquired jurisdiction over Rita Viola.
2. Whether the HLURB could still rule on jurisdiction after the decision had become final and executory.
3. Whether Viola can claim an amount higher than what appeared in the Sheriff's Certificate of Sale.
4. Applicability of the doctrine that findings of fact and conclusions of an adjudicative body are binding and conclusive on appellate courts.

Court's Decision:

1. **Jurisdiction Over Viola**:

- The Supreme Court held that the HLURB had acquired jurisdiction over respondent Rita Viola. Despite her name not appearing in the title of the complaint, she was explicitly mentioned in the body of the complaint and verified it, making her a party to the case.
- The non-inclusion of Viola in the title of the complaint was deemed a formal defect that could be amended, and it did not substantively affect jurisdiction.
- It was too late for Viola to contest jurisdiction, as she had represented herself as a complainant throughout the proceedings and was thus estopped from asserting otherwise.

2. **Final and Executory Judgments**:

- The Supreme Court emphasized that the April 27, 1999 HLURB Resolution, reinstating the December 18, 1996 Decision, had long become final and executory. Such final judgments are immutable and cannot be altered.

3. **Sheriff's Certificate of Sale**:

- The Supreme Court found that the amount stated in the Sheriff's Certificate of Sale (P189,000.00, the highest bid by Rebecca Genato) should be credited to Viola's account.
- The previous ruling's crediting of P318,500.00 was overturned.

4. **Binding Effect of Findings**:

- While generally the findings of fact by an adjudicative body like the HLURB are binding on

appellate courts, the Supreme Court decided that the erroneous conclusion about jurisdiction justified a re-evaluation in this instance.

Doctrine:

1. **Jurisdiction Over Persons and Formal Amendments**: Jurisdiction is established by the actual involvement and representation in a case, not merely by formal titles. Procedural technicalities may be overruled in favor of substantive justice.
2. **Finality of Judgments**: A final and executory judgment cannot be modified except for clerical errors, void judgments, or other exceptional circumstances.

Class Notes:

- **Jurisdiction Over Parties**: Look beyond the title of the case to the allegations in the complaint to determine if a party is included.
- **Final and Executory Judgment**: Once a judgment is final, it is immutable and cannot be altered except under specific exceptions (clerical errors, void judgments, or when made unjust by supervening circumstances).
- **Sheriff's Sale**: The highest bid in a public auction under execution must be recognized as the amount to be credited to the judgment debtor.

Historical Background:

- **Property and Jurisdiction Rules**: This case provides critical insights into how inconsistencies in the representation of parties can influence jurisdictional issues in property disputes, a matter often seen in the evolving property law landscape of the Philippines.
- **Adjudicative Bodies' Authority**: The decision underscores the authority and binding nature of the findings of administrative bodies like the HLURB, a key element during an era of growing regulatory environments in real estate and housing sectors in the Philippines.