

SECOND DIVISION

[G.R. No. 189496, February 01, 2012]

**D.M. FERRER & ASSOCIATES CORPORATION, PETITIONER, VS.
UNIVERSITY OF SANTO TOMAS, RESPONDENT.**

DECISION

SERENO, J.:

Before us is a Petition for Review on Certiorari under Rule 45 of the Revised Rules of Court. Petitioner assails the Court of Appeals (CA) Resolution^[1] promulgated on 26 June 2009 dismissing the former's Petition for Certiorari, and the Resolution^[2] dated 3 September 2009 denying the subsequent Motion for Reconsideration.

The facts are undisputed:

On 25 November 2005, petitioner and University of Santo Tomas Hospital, Inc. (USTHI) entered into a Project Management Contract for the renovation of the 4th and 5th floors of the Clinical Division Building, Nurse Call Room and Medical Records, Medical Arts Tower, Diagnostic Treatment Building and Pay Division Building.

On various dates, petitioner demanded from USTHI the payment of the construction costs amounting to P17,558,479.39. However, on 16 April 2008, the University of Santo Tomas (UST), through its rector, Fr. Rolando V. Dela Rosa, wrote a letter informing petitioner that its claim for payment had been denied, because the Project Management Contract was without the required prior approval of the board of trustees. Thus, on 23 May 2008, petitioner filed a Complaint^[3] for sum of money, breach of contract and damages against herein respondent UST and USTHI when the latter failed to pay petitioner despite repeated demands.

In impleading respondent UST, petitioner alleged that the former took complete control over the business and operation of USTHI, as well as the completion of the construction project.

It also pointed out that the Articles of Incorporation of USTHI provided that, upon dissolution, all of the latter's assets shall be transferred without any consideration and shall inure to the benefit of UST. It appears that USTHI passed a Resolution on 10 January 2008 dissolving the corporation by shortening its corporate term of existence from 16 March 2057 to 31 May 2008.

Finally, petitioner alleged that respondent, through its rector, Fr. Dela Rosa, O.P., verbally assured the former of the payment of USTHI's outstanding obligations.

Thus, petitioner posited in part that UST may be impleaded in the case under the doctrine of "piercing the corporate veil," wherein respondent UST and USTHI would

be considered to be acting as one corporate entity, and UST may be held liable for the alleged obligations due to petitioner.

Subsequently, respondent filed its Motion to Dismiss dated 12 June 2008.^[4] It alleged that the Complaint failed to state a cause of action, and that the claim was unenforceable under the provisions of the Statute of Frauds.

On 4 August 2008, Judge Bernelito R. Fernandez of Branch 97 of the Regional Trial Court (RTC) of Quezon City granted the motion and dismissed the Complaint insofar as respondent UST was concerned.^[5]

First, basing its findings on the documents submitted in support of the Complaint, the RTC held that respondent was not a real party-in-interest, and that it was not privy to the contract executed between USTHI and petitioner. Second, the court pointed out that the alleged verbal assurances of Fr. Dela Rosa should have been in writing to make these assurances binding and demandable.

Petitioner sought a reconsideration of the RTC Order and asserted that only allegations of the Complaint, and not the attached documents, should have been the basis of the trial court's ruling, consistent with the rule that the cause of action can be determined only from the facts alleged in the Complaint. It also insisted that the Statute of Frauds was inapplicable, since USTHI's obligation had already been partially executed.^[6]

On 5 October 2008, petitioner filed an Urgent Motion for Voluntary Inhibition^[7] on the ground that Judge Fernandez was an alumnus of respondent UST.

Thereafter, Judge Fernandez issued an Order^[8] inhibiting himself from the case, which was consequently re-raffled to Branch 76 presided by Judge Alexander S. Balut.

On 16 April 2009, Judge Balut dismissed the Motion for Reconsideration filed by petitioner,^[9] upholding the initial findings of Judge Fernandez declaring that respondent UST was not a real party-in-interest, and that Fr. Dela Rosa's alleged assurances of payment were unenforceable.

Subsequently, petitioner filed a Petition for Certiorari under Rule 65 with the CA.^[10] Petitioner alleged that the trial court committed grave abuse of discretion when it granted respondent's Motion to Dismiss on the basis of the documents submitted in support of the Complaint, and not solely on the allegations stated therein. Petitioner pointed out that the allegations raised questions of fact and law, which should have been threshed out during trial, when both parties would have been given the chance to present evidence supporting their respective allegations.

However, on 26 June 2009, the CA issued the assailed Resolution and dismissed the Petition on the ground that a petition under Rule 65 is the wrong remedy to question the RTC's Order that completely disposes of the case. Instead, petitioner should have availed itself of an appeal under Rule 41 of the Rules of Court.

Petitioner moved for a reconsideration of the Resolution.^[11] It pointed out that the