

SECOND DIVISION

[G.R. No. 169706, February 05, 2010]

**SPOUSES WILLIAM GENATO AND REBECCA GENATO,
PETITIONERS, VS. RITA VIOLA, RESPONDENT.**

DECISION

DEL CASTILLO, J.:

When there is a conflict between the title of the case and the allegations in the complaint, the latter prevail in determining the parties to the action. Jurisprudence directs us to look beyond the form and into the substance so as to render substantial justice to the parties and determine speedily and inexpensively the actual merits of the controversy with least regard to technicalities.

In the present Petition for Review, petitioners assail the September 9, 2005 Decision^[1] of the Court of Appeals (CA) in CA-G.R. SP No. 89466 which affirmed the Decision of the Office of the President. The Office of the President affirmed the Decision of the Housing and Land Use Regulatory Board (HLURB), First Division which granted the motion to quash the writ of execution issued in HLURB Case No. REM-102491-4959 (REM-A-950426-0059).

Factual Antecedents

In October 1991, a complaint titled "VILLA REBECCA HOMEOWNERS ASSOCIATION, INC. versus MR. WILLIAM GENATO and spouse REBECCA GENATO" was filed with the HLURB. The said complaint was verified by 34 individuals, including the respondent herein, who referred to themselves as the "Complainants" who "caused the preparation of the foregoing Complaint".^[2] The complaint stated that on various dates, complainants executed Contracts to Sell and/or Lease Purchase Agreements with the Sps. Genato pertaining to housing units in Villa Rebecca Homes Subdivision. Sometime thereafter the HLURB issued a cease and desist order (CDO) enjoining the collection of amortization payments. This CDO was subsequently lifted. Thereafter, complainants went to the Sps. Genato with the intention of resuming their amortization payments. The latter however refused to accept their payments and instead demanded for a lump sum payment of all the accrued amortizations which fell due during the effectivity of the CDO.

From the disorganized, bordering on incomprehensible, complaint, it can be gleaned that the following reliefs are prayed for: 1) That Sps. Genato accept the complainants' monthly amortization payments corresponding to the period of effectivity of the (subsequently lifted) CDO, without any penalty; 2) That the computation of interest on delinquent payments be at 3% per month and not compounded; 3) That Sps. Genato be responsible for correcting the deficiencies in the construction and replacement of sub-standard materials to conform with the plans and specifications; 4) That Sps. Genato be held answerable/liable to make

good their undertaking to provide individual deep wells for the homeowners; 5) That Sps. Genato be responsible for maintaining the street lights and payment of the corresponding electric bills; 6) That Sps. Genato maintain the contract price of the units for sale and not increase the prices; and 7) That Sps. Genato be made accountable for the unregistered dwelling units.

On March 8, 1995, the Housing Arbiter rendered a Decision, the dispositive portion of which states:

WHEREFORE, all the foregoing premises being considered, judgment is hereby rendered ordering complainants to resume payment of their monthly amortization from date hereof pursuant to the agreement. Likewise, it is hereby ordered that respondents correct the deficiencies in the construction of the complaining occupants' units so as to conform to that which is specified in the plans and specification of the buildings, as well as observe proper drainage requirements pursuant to law. Likewise, respondents are hereby directed to immediately put up commercial wells and/or water pumps or facilities in the Villa Rebecca Subdivision and to reimburse complainants and unit occupants of their total expenditures incurred for their water supply.^[3]

On appeal to the HLURB Board of Commissioners, the Decision was modified, *inter alia*, by the additional directive for the complainants to pay 3% interest per month for the unpaid amortizations due from June 29, 1991. The dispositive portion of the Decision of the HLURB Board of Commissioners states:

WHEREFORE, premises considered, the decision of the Arbiter is hereby MODIFIED to read as follows:

1. Ordering complainants to pay respondent the remaining balance of the purchase price. Complainant must pay 3% interest per month for unpaid amortizations due from June 29, 1991. Thereafter complainant must pay its amortization in accordance with the original term of the contract. These must be complied with upon finality of this decision.

2. Ordering the respondent to:

- a. . Accept the amortization payment;
- b. Provide drainage outfall;
- c. Provide the project with water facilities; and
- d. Reimburse complainant the following:

d.1 Electric Bills in the amount of P3,146.66

d.2 Cost of construction of water supply to be determined by an appraiser mutually acceptable to the parties.

Number 2.d to 2.e [sic] must be complied with within thirty (30) days from finality of this decision.

SO ORDERED.^[4]

This Decision, after being revised and then reinstated, subsequently became final and executory.

On May 26, 2000, Arbiter Marino Bernardo M. Torres issued the Writ of Execution. In connection therewith, the sheriff seized Rita Viola's two delivery trucks and 315 sacks of rice. Respondent Viola then filed an Urgent Motion to Quash Execution, with Prayers for Issuance of Temporary Restraining Order, Clarification and Computation of Correct Amount of Money Judgment and Allowance of Appeal.

After various incidents and pleadings by the opposing parties, the two trucks were ordered released. The 315 sacks of rice, however, were sold at public auction to the highest bidder,^[5] petitioner Rebecca Genato in the amount of P189,000.00.^[6]

On December 15, 2000, Arbiter Torres issued an Order denying respondent Viola's motion to quash the writ of execution and directed her to pay the Sps. Genato the amount of P739,133.31. The dispositive portion of the Order reads:

WHEREFORE, premises considered, the motion to quash writ of execution is hereby DENIED.

Movant Rita Viola is hereby directed to pay to the respondents the amount of P739,133.31 in payment of their amortizations up to August 2000.

The bond posted by the movant in compliance with the directive of this Office is likewise ordered cancelled.

SO ORDERED.^[7]

Viola appealed the said Order and on January 10, 2003, the HLURB, First Division rendered a Decision, the dispositive portion of which reads:

WHEREFORE, premises considered, the movants' respective Motions to Quash the Writ of Execution are hereby GRANTED. Accordingly, the Orders dated December 15, [2000] are hereby SET ASIDE. The respondents are directed to credit as payment the value of the 315 sacks of rice in the amount of P318,500.00, which were seized and auctioned to the account of movant Viola.

SO ORDERED.^[8]

The Sps. Genato appealed the said Decision to the Office of the President. On November 8, 2004, the Office of the President affirmed *in toto* the Decision of the HLURB, First Division. The motion for reconsideration filed by the Sps. Genato was

denied. They thus elevated the case to the CA. As previously mentioned, the CA affirmed the Decision of the Office of the President and disposed as follows:

WHEREFORE, premises considered, the petition is DENIED and the assailed decision dated November 4, 2004 and resolution dated March 31, 2005 of the Office of the President in O.P. Case No. 03-B-057 are hereby AFFIRMED.

SO ORDERED.^[9]

The Sps. Genato no longer filed a motion for reconsideration, they instead filed the present petition for review.

Issues

Petitioners raise the following issues:

1. WHETHER THE HONORABLE COURT OF APPEALS ERRED IN RULING THAT THE HLURB HAS NOT ACQUIRED JURISDICTION OVER THE PERSON OF RESPONDENT RITA VIOLA.
2. WHETHER AFTER THE DECISION HAS BECOME FINAL AND EXECUTORY THE HLURB COULD STILL RULE ON THE LACK OF JURISDICTION OVER THE PERSON OF RITA VIOLA.
3. WHETHER RESPONDENT VIOLA CAN CLAIM AN AMOUNT HIGHER THAN WHAT APPEARS ON SHERIFF'S CERTIFICATE OF SALE.
4. WHETHER THE RULE THAT FINDINGS OF FACTS AND CONCLUSIONS OF ANY ADJUDICATIVE BODY SHOULD BE CONSIDERED AS BINDING AND CONCLUSIVE ON THE APPELLATE COURT, IS APPLICABLE IN THE CASE AT BAR.^[10]

Petitioners' Arguments

Petitioners contend that the CA erred in applying the case of *Duero v. Court of Appeals*,^[11] which held that the lack of jurisdiction of the court over an action cannot be waived. They submit that "jurisdiction of the court over an action" is different from "jurisdiction over the person". They say that the latter was what the HLURB was referring to because it stated that Rita Viola was never impleaded. They contend that jurisdiction over the person can be conferred by consent expressly or impliedly given, as in the case of Rita Viola.

Petitioners also assert that the HLURB Decision subject of the writ of execution has long been final and executory, hence, said Decision can no longer be modified. They further assert that the execution of the said Decision is a ministerial duty of the HLURB.

Petitioners further argue that the best evidence of the value of the 315 sacks of rice seized and auctioned off is the Sheriff's Certificate of Sale; hence the Board's ruling crediting to the account of Viola an amount other than that stated in the Certificate of Sale has no sound basis.

Finally, the petitioners contend that the findings and conclusions of an adjudicative body resulting from an erroneous application of law are not binding on the appellate courts.

Respondent's Arguments

On the other hand, respondent contends that the HLURB did not acquire jurisdiction over her person since she was not a party to the case; hence, the HLURB decision is a nullity as against her and therefore never acquired finality. With a void judgment, the resultant execution was likewise void.

She also argues that, since the levy and auction were illegal, the correct valuation of the 315 sacks of rice is not the price paid at the auction but its actual value of P318,500.00.

Our Ruling

The petition has merit.

At the outset, it is worth mentioning that except for respondent Rita Viola, all the other individual members/buyers/owners of the respective housing units have already paid and settled their obligations with Sps. Genato.^[12] Hence, in the present case we only focus on the matters involving Rita Viola.

For a more orderly presentation, we address the fourth issue raised by petitioners first.

Non-applicability of the doctrine on the binding effect of findings of facts and conclusions of an adjudicative body

Indeed findings of fact and conclusions of an adjudicative body like the HLURB, which can be considered as a trier of facts on specific matters within its field of expertise, should be considered as binding and conclusive upon the appellate courts. This is in addition to the fact that it was in a better position to assess and evaluate the credibility of the contending parties and the validity of their respective evidence. However, these doctrines hold true only when such findings and conclusions are supported by substantial evidence.^[13]

In the present case, we find it difficult to find sufficient evidential support for the HLURB's conclusion that it did not acquire jurisdiction over the person of Viola. We are thus persuaded that there is ample justification to disturb the findings of the HLURB.

The HLURB acquired jurisdiction over Viola

It is not the caption of the pleading but the allegations therein that are controlling.