

FIRST DIVISION

[G.R. No. 158026, April 23, 2008]

DORIE ABESA NICOLAS, PETITIONER, VS. DEL-NACIA CORPORATION, RESPONDENT.

D E C I S I O N

PUNO, C.J.:

This case arose from a complaint for unfair business practice^[1] filed by petitioner Dorie Abesa Nicolas (Mrs. Nicolas) against respondent Del-Nacia Corporation (Del-Nacia) before the Housing and Land Use Regulatory Board (HLURB).

On February 20, 1988, the spouses Armando Nicolas and Dorie Abesa Nicolas (Spouses Nicolas) and Del-Nacia entered into a Land Purchase Agreement^[2] (Agreement) for the sale by the latter to the former of a parcel of land, covered by Transfer Certificate of Title No. 233702, consisting of 10,000 square meters, situated at Lot No. 3-B-4, Del Nacia Ville No. 5, San Jose del Monte, Bulacan.

The relevant parts of the Agreement are:

(1) The PURCHASER agrees to pay to the OWNER upon execution of this Contract the sum of FORTY THOUSAND PESOS (P40,000) as first payment on account of the purchase price and agrees to pay the balance of FIVE HUNDRED TEN THOUSAND PESOS (P510,000) at the office of the OWNER in the City of Quezon, Philippines, or such other office as the OWNER may designate in 120 equal monthly installment of NINE THOUSAND ONE HUNDRED EIGHTY NINE AND 45/100 PESOS (P9,189.45) interest being included on successive monthly balance at 18% per annum, and payments to be made on the _____ day of each month thereafter beginning April 20, 1988.

x x x x

(5) In the event that any of the payments as stipulated be not paid when, where, and as the same become due; it is agreed that sums in arrears shall bear interest at the rate of EIGHTEEN (18%) per centum per annum payable monthly from the date on which said sums is due and payable.

(6) If any such payment or payments shall continue in arrears for more than sixty-days, or if the PURCHASER shall violate any of the conditions herein set forth then the entire unpaid balance due under this contract, with any interest which may have attached shall at once become due and payable and shall bear interest at the rate of TWELVE (12%) per centum per annum until paid, and in such case, the PURCHASER further agrees

to pay to the OWNER a sum equal to ten (10%) per centum of the amount due as attorney's fees.^[3]

Under the Agreement, the ownership of the land remains with Del-Nacia until full payment of the stipulated purchase price under the following terms and conditions:

(3) Title to said parcel of land shall remain in the name of the OWNER until complete payment by the PURCHASER of all obligations herein stipulated, at which time the OWNER agree to execute a final deed of sale in favor of the PURCHASER and cause the issuance of a certificate of title in the name of the latter, free from liens and encumbrances except those provided in the Land Registration Act, those imposed by the authorities, and those contained in Clauses (10) and (16) of this agreement. Registration fees and documentary stamps of the deed of sale shall be paid by the PURCHASER.

(4) Only the PURCHASER shall be deemed for all legal purposes to take possession of the parcel of land upon payment of the down payment provided, however, that his/her possession under this section shall be only that of a tenant or lessee, and subject to ejectment proceedings during all the period of this agreement.

x x x x

(7) In case the PURCHASER fails to comply with any conditions of this contract and/or to pay any payments herein agreed upon, the PURCHASER shall be granted a period or periods of grace which in no case shall exceed (60) days to be counted from the condition breached ought to be complied with or the said payments ought have been made, during which period of grace the PURCHASER must comply with the said condition or satisfy all due monetary obligations including those which correspond to the period of grace. OTHERWISE, the Contract shall be automatically cancelled and rescinded and of no force and effect, and as a consequence therefore, the OWNER may dispose of the parcels of land covered by this Contract in favor of other persons, as if this Contract had never been entered into. In case of such cancellation of this Contract all amounts paid in accordance with this agreement, together with all the improvements introduced in the premises, shall be considered as rents for the use and occupation of the abovementioned premises and as payments for the damages suffered on the OWNER on account of the failure of the PURCHASER to fulfill his part of this Contract and the PURCHASER hereby renounces all his rights to demand or reclaim the return of the same and further obligates himself to peacefully vacate the premises and deliver the same to the OWNER; PROVIDED, HOWEVER, that any consideration, concession, tolerance or relaxation of provisions shall not be interpreted as a renunciation on the part of OWNER of any rights granted in this Contract.^[4]

Upon signing of the Agreement, the Spouses Nicolas paid the down payment of P40,000. Thereupon, the Spouses Nicolas took possession of the land, and for several months thereafter, paid on or before the 20th of each month, the monthly amortizations.^[5]

Unfortunately, however, Armando Nicolas died shortly after the signing of the Agreement and Mrs. Nicolas began to falter in her payments. As found by Arbiter Jose A. Atencio, Jr. (HLURB Arbiter) of the Office of Appeals, Adjudication and Legal Affairs (OAAL), HLURB Region III, the records of Del-Nacia indicate that Mrs. Nicolas is delinquent in her monthly amortization for the following months: November 1988; March 1989; May 1989; June 1989-July 1989; September 1989; October 1989; November 1989-December 1989; February 1990-September 1990; October 1990-November 1990; December 1990-April 1991. The last payment of Mrs. Nicolas was made on July 19, 1991.^[6]

Del-Nacia sent Mrs. Nicolas notice to pay her arrearages with a grace period of sixty (60) days within which to make payment but to no avail. Del-Nacia then caused the notarial cancellation of the Agreement on December 3, 1991.^[7]

Subsequently, Del-Nacia verbally informed Mrs. Nicolas to get the cash surrender value of her payment at its office. However, Mrs. Nicolas did not claim the same. Del-Nacia prepared a check in the amount of P270,651.88 representing the cash surrender value of Mrs. Nicolas's payment and sent it to her by registered mail. The check was received by Mrs. Nicolas and until now it remains in her possession.^[8]

On February 23, 1993, Mrs. Nicolas filed a Complaint^[9] against Del-Nacia before the HLURB. On December 15, 1994, the HLURB Arbiter rendered a Decision^[10] (Arbiter Decision) with the following disposition:

PREMISES considered, judgment is hereby rendered as follows:

- a. Declaring the notarial cancellation of the contract on December 3, 1991 as null and void.
- b. Ordering respondent to forthwith furnish complainant accounting of the paid and unpaid amortizations including interests and penalty interests and other stipulated fees or charges covering the period or delinquent payments, as a consequence of the latter's default stating clearly and specifically the bases as stated in the contract and for the complainant to pay her unpaid obligations within forty five (45) days from receipt of the said computation/accounting.
- c. Ordering the same respondent to execute the pertinent deed in favor of the complainant within fifteen (15) days from receipt of complainant's full payment under paragraph b aforementioned and thereafter to deliver to the latter the Transfer Certificate of Title of the lot in question.
- d. Remedies provided under R.A. 6552 and other legal remedies may be resorted to, at the option of the respondent, if complainant fails or refuses to pay within the period provided under paragraph b.

So Ordered.^[11]

Mrs. Nicolas sought review of the Arbiter Decision by the HLURB Board of Commissions (HLURB Board) on the following assignment of errors:

FIRST ASSIGNMENT OF ERROR

THE HON. ARBITER ERRED IN ORDERING THE INCLUSION OF INTERESTS, PENALTY INTERESTS AND OTHER STIPULATED FEES OR CHARGES IN THE UNILATERAL COMPUTATION TO BE MADE BY THE RESPONDENT-APPELLEE AS THE UNPAID OBLIGATION OF COMPLAINANT-APPELLANT.

SECOND ASSIGNMENT OF ERROR

THE HON. ARBITER ERRED IN ORDERING THE COMPLAINANT-APPELLANT TO PAY HER SUPPOSED UNPAID OBLIGATION BASED UPON THE UNILATERAL COMPUTATION OF RESPONDENT-APPELLEE WITHIN FORTY FIVE (45) DAYS FROM RECEIPT OF SAID COMPUTATION/ACCOUNTING.

THIRD ASSIGNMENT OF ERROR

THE HON. ARBITER ERRED IN GIVING RESPONDENT-APPELLEE THE RIGHT TO RESORT TO REMEDIES PROVIDED UNDER R.A. 6552 AND OTHER LEGAL REMEDIES.

FOURTH ASSIGNMENT OF ERROR

THE HON. ARBITER ERRED IN NOT AWARDING ATTORNEY'S FEES IN THE SUM OF P50,000.00 TO COMPLAINANT-APPELLANT.

FIFTH ASSIGNMENT OF ERROR

THE HON. ARBITER ERRED IN NOT GRANTING THE PRAYER OF COMPLAINANT-APPELLANT IN HER COMPLAINT.^[12]

The HLURB Board was partly receptive of the appeal and, on December 1, 1995, it handed down a Decision^[13] (HLURB Board Decision) adjudging that:

WHEREFORE, in light of the foregoing premises, we hereby MODIFY the Decision dated 15 December 1994 of the Office a Quo, insofar as paragraph (b) of the dispositive portion is concerned and an additional paragraph e, to wit:

(b) Ordering complainant to pay respondent within sixty (60) days from receipt hereof the amount of one hundred seventy three thousand nine hundred fifty seven pesos and 29/1000 (P173,957.29) representing the remaining balance of the installment purchase price of the land inclusive of legal interests at the rate of twelve percent (12%) per annum.

(e) Ordering respondent to pay this Board the amount of ten thousand (P10,000) as an administrative fine for violation of Section 5 of P.D. 957 within thirty (30) days from finality hereof.

SO ORDERED. Quezon City.^[14]

Del-Nacia filed a Motion for Reconsideration^[15] and a Supplement to Motion for Reconsideration.^[16] Meanwhile, Mrs. Nicolas filed a motion for the "consignment" of P173,957.29, representing the balance of the purchase price of the land as found by the HLURB Board.

On June 21, 1996, the HLURB Board resolved to deny Del-Nacia's motion for reconsideration and ordered Mrs. Nicolas to deposit with it for safekeeping the amount indicated in its Decision until Del-Nacia is willing to accept the same.^[17]

Consequently, Del-Nacia appealed to the Office of the President which, however, was dismissed by its Decision dated March 4, 1998 (O.P. Original Decision).^[18] Upon motion for reconsideration, however, the Office of the President, in a Resolution dated January 5, 2001^[19] (O.P. Resolution), set aside the O.P. Original Decision and affirmed the **Arbiter** Decision *in toto*.

Unsuccessful in her bid at overturning the O.P. Resolution, Mrs. Nicolas filed a Petition for Review^[20] with the Court of Appeals (CA) docketed as CA-G.R. SP No. 68407. The CA initially dismissed her petition for failing to comply with the procedural requirements of Section 6(c) of Rule 43 of the Revised Rules of Court.^[21] Mrs. Nicolas filed an omnibus motion praying that the CA reconsider and set aside the dismissal of her petition and to admit her amended petition.^[22] The CA then required Del-Nacia to submit its comment to the petition.^[23]

On January 23, 2003, the CA rendered its Decision,^[24] affirming the O.P. Resolution, to *wit*:

WHEREFORE, finding no flaw in the appealed O.P. Resolution, the same is hereby AFFIRMED *in toto*, with costs against Mrs. Nicolas.

SO ORDERED.

The Motion for Reconsideration^[25] filed by Mrs. Nicolas was denied by the CA in its Resolution dated April 29, 2003.^[26]

Hence, this Petition for Review on Certiorari^[27], raising the lone issue of:

"WHETHER OR NOT complainant (now petitioner) is bound to pay the interests, penalty interests and other stipulated charges based on the unilateral accounting or computation made by respondent."^[28]

The instant petition prays that the O.P. Original Decision, which affirmed the HLURB Board Decision, be reinstated by this Court.

In its Comment, Del-Nacia argues that the instant petition be denied for the following reasons: (1) failure to comply with section 4, Rule 45, and (2) failure to advance any special reason that would warrant the exercise by this Court of its discretionary power of review.

Before discussing the merits of the case, we shall first discuss its procedural aspect.