

THIRD DIVISION

[G.R. NO. 146006, April 22, 2005]

JOSE C. LEE AND ALMA AGGABAO, IN THEIR CAPACITIES AS PRESIDENT AND CORPORATE SECRETARY, RESPECTIVELY, OF PHILIPPINE INTERNATIONAL LIFE INSURANCE COMPANY, AND FILIPINO LOAN ASSISTANCE GROUP, PETITIONERS, VS. REGIONAL TRIAL COURT OF QUEZON CITY, BRANCH 85 PRESIDED BY JUDGE PEDRO M. AREOLA, BRANCH CLERK OF COURT JANICE Y. ANTERO, DEPUTY SHERIFFS ADENAUER G. RIVERA AND PEDRO L. BORJA, ALL OF THE REGIONAL TRIAL COURT OF QUEZON CITY BRANCH 85, MA. DIVINA ENDERES CLAIMING TO BE SPECIAL ADMINISTRATRIX, AND OTHER PERSONS/PUBLIC OFFICERS ACTING FOR AND IN THEIR BEHALF, RESPONDENTS.

R E S O L U T I O N

CORONA, J.:

For resolution is private respondent Ma. Divina Ortañez-Enderes' omnibus motion to cite petitioners in indirect contempt of Court and for the disbarment and/or imposition of disciplinary sanctions on petitioners' counsel^[1] for their refusal to comply with the final and executory decision of this Court dated February 23, 2004.

This case began with a petition for letters of administration of the intestate estate of Dr. Juvencio P. Ortañez filed 25 years ago on September 24, 1980. Forming part of the inventory of the estate were 2,029 shares of stock in Philippine International Life Insurance Company (Philinterlife). During the pendency of these proceedings, Juliana, Jose and Rafael (all surnamed Ortañez), the surviving legitimate spouse and legitimate children of the decedent respectively, executed an extrajudicial settlement of the estate, partitioning it (including the Philinterlife shares of stock) among themselves. Thereafter, Juliana and Jose sold the 2,029 shares to the Filipino Loan Assistance Group (FLAG).^[2]

However, private respondent, one of the illegitimate children of the decedent, was in the meantime appointed as special administratrix of the 2,029 Philinterlife shares of stock. When Jose Ortañez filed an omnibus motion seeking the approval of the sale of the shares of stock to FLAG and the release of private respondent as special administratrix, the trial court in its August 11, 1997 order, denied said motion. On August 29, 1997, the intestate court declared the extrajudicial settlement made by Juliana, Jose and Rafael partially void *ab initio* insofar as the transfer of the Philinterlife shares was concerned. These orders were later upheld by the Court of Appeals (CA) and this Court.

In its order dated July 6, 2000, the intestate court granted the motion for execution filed by private respondent:

WHEREFORE, premises considered, let a writ of execution issue as follows:

1. Confirming the nullity of the sale of the 2,029 Philinterlife shares in the name of the Estate of Dr. Juvencio Ortañez to Filipino Loan Assistance Group (FLAG);
2. Commanding the President and the Corporate Secretary of Philinterlife to reinstate in the stock and transfer book of Philinterlife the 2,029 Philinterlife shares of stock in the name of the Estate of Dr. Juvencio P. Ortañez as the owner thereof without prejudice to other claims for violation of pre-emptive rights pertaining to the said 2,029 Philinterlife shares;
3. Directing the President and the Corporate Secretary of Philinterlife to issue stock certificates of Philinterlife for 2,029 shares in the name of the Estate of Dr. Juvencio P. Ortañez as the owner thereof without prejudice to other claims for violation of pre-emptive rights pertaining to the said 2,029 Philinterlife shares; and
4. Confirming that only the Special Administratrix, Ma. Divina Ortañez-Enderes, has the power to exercise all the rights appurtenant to the said shares, including the right to vote and to receive dividends;
5. Directing Philinterlife and/or any other person or persons claiming to represent it or otherwise, to acknowledge and allow the said Special Administratrix to exercise all the aforesaid rights on the said shares and to refrain from resorting to any action which may tend (to) directly or indirectly impede, obstruct or bar the free exercise thereof under pain of contempt.
6. The President, Corporate Secretary, any responsible officer/s of Philinterlife, or any other person or persons claiming to represent it or otherwise, are hereby directed to comply with this Order within three (3) days from receipt hereof under pain of contempt.
7. The Deputy Sheriffs Adenauer Rivera and Pedro Borja are hereby directed to implement the writ of execution with dispatch to forestall any/or further damage to the Estate.

SO ORDERED.^[3]

Unfortunately, however, the writ of execution was not enforced due to the resistance of herein petitioners. To block the execution, petitioners filed before the CA a petition for certiorari, docketed as CA G.R. SP No. 59736, questioning the order of execution, among others. The petition was dismissed outright on July 26, 2000. Petitioners then elevated the case to us. On February 23, 2004, a decision was promulgated by the Third Division of this Court:^[4]

WHEREFORE, the petition is hereby DENIED. The decision of the Court of Appeals in CA-G.R. S.P. No. 59736 dated July 26, 2000, dismissing petitioners' petition for certiorari and affirming the July 6, 2000 order of the trial court which ordered the execution of its (trial court's) August 11

and 29, 1997 orders, is hereby AFFIRMED.

SO ORDERED.^[5]

On April 27, 2004, petitioners filed an omnibus motion for reconsideration and referral of this case to the en banc allegedly in view of the conflicting rulings of two divisions of the Court. In a resolution dated May 26, 2004, the Court denied the motion for lack of merit:

The Court deliberated on the petitioners' omnibus motion for reconsideration of the decision of February 23, 2004 which denied the petition for review on certiorari. It appears to the Court that the motion merely reiterates the same arguments earlier raised and does not present any substantial reason not previously invoked nor any matter not already considered and passed upon by the Court.

ACCORDINGLY, the Court Resolved to DENY the motion for reconsideration for lack of merit. This denial is FINAL.^[6]

Thus on July 9, 2004, the February 23, 2004 decision became final and executory, and was recorded in the book of entries of judgments. On October 1, 2004, an alias writ of execution was issued by the intestate court (the court of origin). In said writ, the deputy sheriffs were ordered to enforce the August 11 and 29, 1997 and July 6, 2000 orders of the intestate court.

Instead of complying with the writ, petitioners filed on October 15, 2004, a motion to suspend execution/period of compliance by reason of supervening events, raising the following arguments: (1) the intestate court had already revoked the appointment of private respondent as special administratrix; (2) there was a need to lay down the legal procedure in the implementation of the writ and (3) there must be a declaration that the price per share of the 2,029 shares was only P1,000 which was its book value at the time the shares were sold in 1989 and 1991.^[7]

Private respondent went back to this Court and filed this omnibus motion asserting that petitioners "made a travesty of the final and executory decisions of the Lower Courts and this Honorable Court ... when they refused to comply with the Alias Writ of Execution issued by the Lower Court."^[8]

Before we discuss the substance of private respondent's motion, we note that attached to it were mere photocopies of the supporting documents and not "certified true copies of documents or papers involved therein" as required by the Rules of Court.^[9] However, given that the motion was verified and petitioners, who were given a chance to oppose or comment on it, made no objection thereto, we brush aside the defect in form and proceed to discuss the merits of the motion.

Furthermore, as held in *Remman Enterprises, Inc. v. CA*,^[10] Section 3, Rule 71 of the Rules of Court outlines the procedural requisites before the accused may be punished for indirect contempt: (1) the filing of a written charge and (2) an opportunity to be heard by himself or counsel. All that the law requires is that there is a charge in writing duly filed in court and an opportunity given to the person charged to be heard by himself or counsel. What is important is that the alleged

contemner be granted an opportunity to meet the charges against him and to be heard in his defense.^[11] Petitioners were given this opportunity; they in fact filed their Opposition.^[12]

Petitioners assert that private respondent engaged in forum-shopping because the latter had previously filed a similar motion in the intestate court. The argument has no merit. The charge for indirect contempt must be filed before the court against which the indirect contempt was committed. Section 4, Rule 71 states:

SEC. 5. Where charge to be filed. — Where the charge for indirect contempt has been committed against a Regional Trial Court or a court of equivalent or higher rank, or against an officer appointed by it, the charge may be filed with such court. xxx

Hence, the charge for indirect contempt for disobedience to our February 23, 2004 decision was correctly brought to us. As we explained in the case of *Igot v. Court of Appeals*:

In whatever context it may arise, contempt of court involves the doing of an act, or the failure to do an act, in such a manner as to create an affront to the court and the sovereign dignity with which it is clothed. As a matter of practical judicial administration, jurisdiction has been felt to properly rest in only one tribunal at a time with respect to a given controversy. Only the court which rendered the order commanding the doing of a certain act is vested with the right to determine whether or not the order has been complied with, or whether a sufficient reason has been given for noncompliance, and, therefore, whether a contempt has been committed. It is a well-established rule that the power to determine the existence of contempt of court rests exclusively with the court contemned. No court is authorized to punish a contempt against another.

The rationale that is usually advanced for the general rule ... is that, contempt proceedings are *sui generis* and are triable only by the court against whose authority the contempts are charged; the power to punish for contempt exists for the purpose of enabling a court to compel due decorum and respect in its presence and due obedience to its judgments, orders and processes and in order that a court may compel obedience to its orders, it must have the right to inquire whether there has been any disobedience thereof, for to submit the question of disobedience to another tribunal would operate to deprive the proceeding of half its efficiency.^[13]

We now proceed to the merits of the motion to cite for indirect contempt and for imposition of disciplinary sanctions.

The private respondent alleges that the following acts of the petitioners constituted indirect contempt under Section 3, Rule 71 of the Rules of Court: (1) petitioners' failure to comply with the alias writ of execution served upon them on October 12, 2004 and (2) their act of filing a patently baseless motion (to suspend execution/period of compliance by reason of supervening events) which was obviously intended to defeat the implementation of the final and executory decision of this Court.

On the other hand, petitioners allege that the immediate execution of the subject decision would be inequitable and should be suspended pending an order of clarification of certain matters. According to them, the certificates of the shares of stock were turned over to the intestate court and not to private respondent because her appointment as special administratrix had already been revoked by the court.

Petitioners' obstinate refusal to abide by this Court's February 23, 2004 decision demonstrates a contumacious attitude which this Court cannot countenance. This contumacy becomes all the more glaring because of the strongly worded admonition in our decision that "(p)etitioners and all parties claiming rights under them are hereby warned not to further delay the execution of the Orders of the intestate court dated August 11 and August 29, 1997."^[14] The previously quoted July 6, 2000 order of the intestate court, which was affirmed by this Court, also contained the following directives:

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5. Directing Philinterlife and/or any other person or persons claiming to represent it or otherwise, to acknowledge and allow the said Special Administratrix to exercise all the aforesaid rights on the said shares and **to refrain from resorting to any action which may tend (to) directly or indirectly impede, obstruct or bar the free exercise thereof under pain of contempt.**
6. The President, Corporate Secretary, any responsible officer/s of Philinterlife, or any other person or persons claiming to represent it or otherwise, are hereby **directed to comply with this Order within three (3) days from receipt hereof under pain of contempt.**
7. The Deputy Sheriffs Adenauer Rivera and Pedro Borja are hereby directed to implement the writ of execution with dispatch to forestall any/or further damage to the Estate.

SO ORDERED. ^[15] (Emphasis supplied)

Clearly, petitioners' defiant non-compliance with these directives, as proved by the sheriff's report dated October 13, 2004, constituted indirect contempt. The pertinent portion of this report stated:

That on October 12, 2004, when Sheriff Borja went to the Philinterlife (*sic*) Office to check whether there was already compliance with the Alias Writ of Execution, one of their staff told Sheriff Borja that Mr. Jose Lee wanted to talk with Sheriff Borja over the Telephone. In their telephone conversation, Mr. Jose Lee told Sheriff Borja that he had already consulted his lawyer regarding the matter.

WHEREFORE, we respectfully submit this report to the Honorable Court with the information that up to this writing, Philinterlife (*sic*) has not submitted their compliance to the Sheriff or to the Court.^[16]