Republic of the Philippines
Supreme Court
Manila

THIRD DIVISION

GOTESCO PROPERTIES, INC.,
Petitioner,

-versus-

INTERNATIONAL EXCHANGE BANK (NOW UNION BANK OF THE PHILIPPINES),
Respondent.

G.R. No. 212262

Present:

LEONEN, *J., Chairperson,*
GESMUNDO,
HERNANDO,*
CARANDANG, and
ZALAMEDA, *JJ.*

Promulgated:
August 26, 2020
MisOcBatt

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DECISION

LEONEN, *J.:*

Acceleration clauses in loans for a fixed term give creditors a choice to: (1) defer collection of any unpaid amounts until the period ends; or (2) invoke the clause and collect the entire demandable amount immediately. This right to choose is rendered meaningless if the loan is made demandable only when the term expires.

This resolves a Petition for Review on Certiorari[1] under Rule 45 of the

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* Designated additional Member per July 15, 2020 Raffle.
1 *Rollo*, pp. 10–24.

Rules of Court, assailing the Decision[2] and Resolution[3] of the Court of Appeals which found that the 14th Branch of the Regional Trial Court in Nasugbu, Batangas, did not gravely abuse its discretion in Civil Case No. 554 when it granted the motion for reconsideration filed by International Exchange Bank to its June 16, 2010 Order[4] and ordered the execution of its December 14, 2001 Judgment[5] on the Compromise Agreement.

In 1996, Gotesco Properties, Inc. (Gotesco), as borrower, and International Exchange Bank (IBank), as lender, executed a Credit Agreement. As security, Gotesco executed a real estate mortgage over a 20,673-square-meter property covered by Transfer Certificate of Title No. T-70389. When Gotesco was unable to pay, IBank foreclosed the real estate mortgage and eventually bought the property.[6]

Gotesco filed a complaint for annulment of foreclosure sale and damages with the Batangas Regional Trial Court, alleging that IBank failed to comply with the posting and publication requirements of Act No. 3135. The case was docketed as Civil Case No. 554.[7]

Then, on September 27, 2001, Gotesco and IBank executed a Compromise Agreement where Gotesco's ₱256,740,000.00 loan was restructured. On December 14, 2001, the Regional Trial Court issued a Judgment[8] approving the Compromise Agreement.[9]

On October 27, 2009, IBank filed with the trial court a Motion for Execution.[10] It claimed that Gotesco failed to comply with the terms of the Compromise Agreement when it did not pay ₱619,179,627.01 as of February 5, 2009.[11] In a June 16, 2010 Order,[12] the Regional Trial Court, through Judge Wilfredo De Joya Mayor (Judge Mayor), denied the Motion for Execution and found the action premature as the ten-year term loan in the Compromise Agreement, which started on March 31, 2003, would end in 2013.[13]

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2 Id. at 31–43. The February 10, 2014 Decision in CA-G.R. SP No. No. 129936 was penned by Associate Justice Remedios A. Salazar-Fernando and concurred in by Associate Justices Myra V. Garcia-Fernandez and Samuel H. Gaerlan (now a member of this Court) of the Special Second Division, Court of Appeals, Manila.

3 Id. at 46–48. The April 22, 2014 Resolution in CA-G.R. SP No. No. 129936 was penned by Associate Justice Remedios A. Salazar-Fernando and concurred in by Associate Justices Myra V. Garcia-Fernandez and Samuel H. Gaerlan (now a member of this Court) of the former Special Second Division, Court of Appeals, Manila.

4 Id. at 124–125.

5 Id. at 107–114.

6 Id. at 32.

7 Id.

8 Id at. 107–114.

9 Id. at 34.

10 Id. at 115–122.

11 Id. at 119.

12 Id. at 124–125.

13 Id. at 34.

IBank filed a Motion for Reconsideration of the June 16, 2010 Order, which the Regional Trial Court granted in an August 18, 2011 Resolution issued by Judge Ernesto L. Marajas (Judge Marajas). The dispositive portion of the August 18, 2011 Resolution read:

> Wherefore the order issued by This Court dated June 16, 2010 is hereby set aside. Upon finality of this Resolution let a writ of execution be issued in order to implement the provisions of the Judgment dated December 14, 2001.
>
> SO ORDERED.[14]

The Regional Trial Court found that the Compromise Agreement provided for the entire loan to be demandable should Gotesco default in the payment of its quarterly amortizations. Gotesco's Motion for Reconsideration of the August 18, 2011 Resolution was denied in the trial court's March 5, 2013 Resolution.[15]

Hence, Gotesco filed a petition for certiorari with the Court of Appeals. On February 10, 2014, the Court of Appeals issued a Decision[16] denying the petition for certiorari. The dispositive portion of the February 10, 2014 Decision read:

> WHEREFORE, premises considered, the instant petition for certiorari is hereby DENIED and ordered DISMISSED.
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> No costs.
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> SO ORDERED.[17]

The Court of Appeals held that the Regional Trial Court did not commit any grave abuse of discretion, amounting to lack or excess of jurisdiction, in granting IBank's Motion for Reconsideration and granting the Motion for Execution.[18] It found that the Compromise Agreement stated that Gotesco must pay back its loan to IBank in quarterly amortizations of ₱8,812,214.29.[19] Should Gotesco fail to pay any sum due to IBank within 60 days from due date, IBank was entitled to declare Gotesco's entire obligation due and demandable and move for the immediate execution of the judgment.[20]

According to the Court of Appeals, Gotesco never disputed IBank's claim that it had not been paying its obligations since 2006. Moreover, to

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14 Id. at 32.
15 Id. at 35.
16 Id at 31–43.
17 Id. at 42.
18 Id at 36–37.
19 Id. at 37.
20 Id. at 37–38.

interpret the Compromise Agreement such that Gotesco's obligation would only become due and demandable after 10 years would render the agreement's provisions useless.[21]

The Court of Appeals also pointed out that IBank's right to immediately move for execution upon Gotesco's nonpayment was a valid acceleration clause, supported by the fact that Gotesco voluntarily entered into the Compromise Agreement containing this provision. Thus, the Regional Trial Court did not err in granting IBank's Motion for Execution.[22]

Finally, the Court of Appeals rejected Gotesco's claim that IBank's Motion for Reconsideration and its subsequent grant by Judge Marajas was duplicitous. To the Court of Appeals, a motion for reconsideration's purpose was to convince a court that its ruling was erroneous and improper, and such a motion should not be considered *pro forma* if it shows a good faith attempt to present additional arguments for the court's consideration.[23]

The Court of Appeals denied Gotesco's Motion for Reconsideration in its April 22, 2014 Resolution.[24]

On June 11, 2014, Gotesco filed with this Court a Petition for Review on Certiorari[25] under Rule 45 of the Rules of Court, assailing the February 10, 2014 Decision and April 22, 2014 Resolution of the Court of Appeals.

In its Petition for Review on Certiorari, petitioner argues that the Regional Trial Court should not have granted respondent's Motion for Reconsideration due to *stare decisis*.[26] It claims that Judge Marajas should not have reversed Judge Mayor's ruling because respondent's case in its Motion for Reconsideration was identical with those arguments it raised in the Motion for Execution.[27] Since Judge Mayor's Order already ruled upon respondent's arguments, Judge Marajas should not have set his order aside on the basis of respondent's motion for reconsideration.[28]

Further, petitioner claims that its loan obligation under the Compromise Agreement was demandable only in 2013, upon the expiry of the ten-year term loan period.[29]

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21 Id. at 38.
22 Id. at 39.
23 Id. at 40–41.
24 Id. at 46–48.
25 Id. at 10–25.
26 Id. at 18.
27 Id. at 20.
28 Id. at 22.
29 Id. at 23.

In accordance with this Court's August 13, 2014 Resolution,[30] respondent, now Union Bank of the Philippines (Union Bank), filed its Comment to the Petition for Review.

In its Comment, respondent claims that the Compromise Agreement clearly stated that should petitioner fail to pay its quarterly amortizations, respondent could move for the immediate execution of the entire loan. Since respondent had not received any payment from petitioner since 2006, it filed a motion for a writ of execution in 2009.[31]

Respondent also argues that its Motion for Reconsideration of the June 16, 2010 Order was not a mere rehash of its Motion for Execution. In its Motion for Reconsideration, it had argued that Judge Mayor, by finding petitioner's loan only payable after 10 years, had unlawfully altered the terms of the Compromise Agreement.[32] Moreover, the June 16, 2010 Order did not constitute *stare decisis* which bound Judge Marajas and prevented him from issuing a contrary resolution.[33]

On March 25, 2015,[34] this Court ordered petitioner to file its reply to rrespondent's Comment, which it did on June 23, 2015. In its Reply, petitioner reiterates its claim that under the Compromise Agreement, the loan was demandable only after 10 years. Petitioner avers that the immediate execution of the Compromise Agreement would be unjust and inequitable.[35] It also claims that Judge Marajas acted with grave abuse of discretion and disrespect by setting aside Judge Mayor's Order.[36]

On September 20, 2017, this Court gave due course to the Petition for Review and ordered the parties to submit their memoranda.[37] Petitioner filed its Memorandum on December 14, 2017,[38] while respondent filed its Memorandum on January 1, 2018.[39]

In its Memorandum, petitioner argues that the Motion for Reconsideration of the June 16, 2010 Order should not have been granted for being a mere rehash of the earlier Motion for Execution.[40] Moreover, a plain reading of the Compromise Agreement would show that it would be premature to cause its immediate execution as it was for a ten-year period.[41]

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30 Id. at 296.
31 Id. at 305–306.
32 Id. at 308–309.
33 Id. at 312–313.
34 Id. at 320–A.
35 Id. at 329.
36 Id. at 330.
37 Id. at 353.
38 Id. at 355.
39 Id. at 378.
40 Id. at 365.
41 Id. at 366.

In its Memorandum, respondent argues that the Regional Trial Court did not commit grave abuse of discretion in granting its Motion for Execution. First, it claims that despite the ten-year term of the loan, the Compromise Agreement required petitioner to pay respondent in quarterly amortizations. Because petitioner last made payment in 2006, respondent was entitled to move for the execution of the judgment on the Compromise Agreement.[42] Second, it posits that the reversal of the June 16, 2010 Order was within Judge Marajas' duty to review a prior ruling, especially in this case where the ruling was allegedly contrary to the terms of the Compromise Agreement.[43] Third, it claims that *stare decisis* was inapplicable in this case because the June 16, 2010 Order is not an issuance of the Supreme Court.[44] Finally, it argues that the petition for certiorari filed by petitioner before the Court of Appeals was erroneous since the issuance of a writ of execution did not involve any exercise of discretion.[45]

The issues to be resolved in this case are:

First, whether or not Judge Ernesto L. Marajas committed grave abuse of discretion amounting to lack or excess of jurisdiction when he issued his August 18, 2011 Resolution granting the motion for reconsideration of respondent International Exchange Bank, now Union Bank of the Philippines, and setting aside the June 16, 2010 Order of Judge Wilfredo De Joya Mayor; and

Second, whether or not respondent Union Bank of the Philippines has the right to cause the immediate execution of the December 14, 2001 Judgment on the Compromise Agreement upon petitioner Gotesco Properties, Inc.'s failure to pay its quarterly amortizations.

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A motion for reconsideration is among the remedies an aggrieved party may avail of against an adverse judgment or final order as provided for in Rule 37, Section 1 of the Rules of Court:

> SECTION 1. *Grounds of and Period for Filing Motion for New Trial or Reconsideration.* — Within the period for taking an appeal, the aggrieved party may move the trial court to set aside the judgment or final order and grant a new trial for one or more of the following causes materially affecting the substantial rights of said party:
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> (a) Fraud, accident, mistake or excusable negligence which ordinary prudence could not have guarded against and

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42 Id. at 387.
43 Id. at 388.
44 Id. at 391.
45 Id. at 392–395.

> by reason of which such aggrieved party has probably been impaired in his rights; or
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> (b) Newly discovered evidence, which he could not, with reasonable diligence, have discovered, and produced at the trial, and which if presented would probably alter the result.
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> Within the same period, the aggrieved party may also move for reconsideration upon the grounds that the damages awarded are excessive, that the evidence is insufficient to justify the decision or final order, or that the decision or final order is contrary to law.

The purpose of a motion for reconsideration is for the moving party to point to purported errors in the assailed judgment or final order which that party views as unsupported by law or evidence.[46] It "grant[s] an opportunity for the court to correct any actual or perceived error attributed to it by re-examination of the legal and factual circumstances of the case."[47]

Petitioner's position that the principle of *stare decisis* precluded the issuance of the August 18, 2011 Resolution contradicts the very reason why motions for reconsideration are allowed by the Rules of Court. An aggrieved party is permitted to question alleged errors in a judgment or final order, and should the court find merit in the moving party's arguments, then it is duty-bound to correct those errors. Rule 37, Section 3 of the Rules of Court states:

> SECTION 3. *Action Upon Motion for New Trial or Reconsideration.* — The trial court may set aside the judgment or final order and grant a new trial, upon such terms as may be just, or may deny the motion. If the court finds that excessive damages have been awarded or that the judgment or final order is contrary to the evidence or law, it may amend such judgment or final order accordingly.

When a motion for reconsideration is granted, the decision of the court embodying such grant supersedes the original judgment or final order.[48]

Moreover, the principle of *stare decisis* applies only to final decisions of this Court, because only this Court may create judicial precedents that other courts should follow. In *De Mesa v. Pepsi Cola Products Phils., Inc.*:[49]

> The principle of *stare decisis et non quieta movere* is entrenched in Article 8 of the Civil Code, to wit:
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> ART. 8. Judicial decisions applying or interpreting the laws or the Constitution shall form a part of the legal

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46 *Siy v. Court of Appeals*, 223 Phil. 136 (1985) [Per J. Gutierrez, Jr., First Division].
47 *Republic of the Philippines v. Bayao*, 710 Phil. 279, 287 (2013) [Per J. Leonen, Third Division].
48 *City of Taguig v. City of Makati*, 787 Phil. 367 (2016) [Per J. Leonen, Second Division].
49 504 Phil. 685 (2005) [Per J. Quisimbing, First Division].

system of the Philippines.

> It enjoins adherence to judicial precedents. It requires our courts to follow a rule already established in a final decision of the Supreme Court. That decision becomes a judicial precedent to be followed in subsequent cases by all courts in the land. The doctrine of stare decisis is based on the principle that once a question of law has been examined and decided, it should be deemed settled and closed to further argument.[50] (Emphasis in the original, citation omitted)

"Decisions of lower courts or other divisions of the same court are not binding on others."[51] No grave abuse of discretion is committed[52] when a judge sets aside an earlier ruling rendered by the previous judge in the same trial court branch for the same case, especially when, as in this case, a reversible error had been committed.

The issuance of a writ of execution of a final and executory judgment is generally a court's ministerial duty. However, this is subject to certain exceptions. In *Chiquita Brands, Inc. v. Omelio*:[53]

> Ordinarily, courts have the ministerial duty to grant the execution of a final judgment. The prevailing party may immediately move for execution of the judgment, and the issuance of the writ follows as a matter of course. Execution, being "the final stage of litigation . . . [cannot] be frustrated."
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> Nevertheless, the execution of a final judgment may be stayed or set aside in certain cases. "Courts have jurisdiction to entertain motions to quash previously issued writs of execution[.]" They "have the inherent power, for the advancement of justice, to correct the errors of their ministerial officers and to control their own processes."
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> A writ of execution may be stayed or quashed when "facts and circumstances transpire" after judgment has been rendered that would make "execution impossible or unjust."
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> In *Lee v. De Guzman*, the trial court issued a writ of execution directing a car manufacturer to deliver a 1983 Toyota Corolla Liftback to a buyer. The manufacturer moved to quash the writ. Instead of ordering the manufacturer to deliver the car, this Court ordered the manufacturer to pay damages. The cessation of the manufacturer's business operations rendered compliance with the writ of execution impossible.
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> Another exception is when the writ of execution alters or varies the judgment. A writ of execution derives its validity from the judgment it seeks to enforce. Hence, it should not "vary terms of the judgment . . . [or] go beyond its terms." Otherwise, the writ of execution is void. Courts can neither modify nor "impose terms different from the terms of a compromise

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50 Id. at 685.

51 *Yukit v. Tritran, Inc.*, 800 Phil. 210, 222 (2016) [Per C.J. Sereno, First Division].

52 See *Quasha Ancheta Pena Nolasco Law Office v. Court of Appeals Special Sixth Division*, 622 Phil. 738 (2009) [Per J. Chico-Nazario, Third Division].

53 810 Phil. 497 (2017) [Per J. Leonen, Second Division].

> agreement" that parties have entered in good faith. To do so would amount to grave abuse of discretion.
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> Payment or satisfaction of the judgment debt also constitutes as a ground for the quashal of a writ of execution. In Sandico, Sr. v. Piguing, although the sum given by the debtors was less than the amount of the judgment debt, the creditors accepted the reduced amount as "full satisfaction of the money judgment." This justified the issuance of an order recalling the writ of execution.
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> A writ of execution may also be set aside or quashed when it appears from the circumstances of the case that the writ "is defective in substance," "has been improvidently issued," issued without authority, or was "issued against the wrong party."[54] (Citations omitted)

Respondent's Motion for Execution was initially denied on the basis of prematurity. According to Judge Mayor in his June 16, 2010 Order, the ten-year term loan in the Compromise Agreement started on March 31, 2003, and would only end in 2013:

> . . . Considering that the subject nature of the compromise agreement especially the amount loaned was restructured into a 10-year term loan. With the duration of the 10-year period as provided in the Compromise Agreement from March 31, 2003 and would end in the year 2013 which renders the motion to issue writ of execution premature. As clearly, the 10-year term loan ends in 2013 when the obligations shall have been fully settled and paid by the plaintiff. Hence, prior thereto, the motion for execution prayed for by the defendant is therefore considered premature.[55]

Concededly, the final whereas clause of the Compromise Agreement did state:

> WHEREAS, the parties have decided to enter into a compromise agreement which would entail the re-structuring of the outstanding loan of Gotesco Properties, Inc. with iBank into a ten (10) year term loan with the mortgage of real estate properties mentioned in Articles 2.1.3 and 2.1.4 hereof and the Real Estate Mortgage and the Surety Agreement mentioned in the First Whereas Clause as its security/collateral.[56]

However, this clause must not be read in isolation, but should be reconciled with the rest of the Compromise Agreement. Among the relevant portions are:

> 1.1. The parties hereby agree and stipulate that the outstanding balance of the loan that Gotesco availed under its Omnibus Line with iBank mentioned in the First Whereas Clause inclusive of interest at the compromise rate of 12% per annum from December 29, 1997 up to June 30, 2001 amounts to Two Hundred Fifty Six Million Seven Hundred Forty

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54 Id. at 532–534.
55 *Rollo*, p. 309.
56 Id. at 109–110.

Thousand (Php256,740,000.00).

1.2. Simultaneously with the execution of this Agreement, Gotesco Properties Inc. shall make a partial payment to iBank in the amount of Ten Million Pesos.

1.3. The balance of the principal of its loan in the amount of Two Hundred Forty Six Million Seven Hundred Forty Thousand (Php246,740,000.00) shall be paid by Gotesco Properties Inc. to iBank in twenty-eight (28) equal quarterly amortization(s) of Eight Million Eight Hundred Twelve Thousand Two Hundred Fourteen (Php8,812,214.29) Pesos and 29/100 commencing on March 31, 2003 until full payment. Gotesco Properties Inc. shall execute and deliver a promissory note covering the aforesaid principal amount in form and substance acceptable to iBank dated July 1, 2001.

1.4. The loan (Php246,740,000.00) shall earn interest at the rate of twelve (12%) percent per annum, payable quarterly, the first quarterly payment to commence on October 1, 2001 and the next payment every quarter thereafter until full payment.

. . . .

1.6. A penalty at the rate of twelve (12%) per annum shall be imposed on any unpaid interest and/or principal amortization, from due date thereof, as the case may be, until full payment.

1.7. Should Gotesco Properties Inc. fail to pay any sum due under this Agreement and should it fail to settle or pay the same to iBank within sixty (60) days from the due date thereof, iBank may declare the entire obligation of Gotesco Properties Inc. under this Agreement as due and demandable and avail itself of the remedy provided hereunder and/or the law.[57]

. . . .

4.1. The parties shall submit this Compromise Agreement to the Regional Trial Court of Makati, Branch 150, and move that a judgment in Civil Case No. 99-168 be issued approving the said compromise and ordering:

> 4.02. The dismissal of the respective claims and counterclaims on the parties; and
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> 4.03. That upon default by Gotesco Properties Inc. and its sureties in the payment of the sum due under the Compromise Agreement or in the performance of any of their obligation thereunder, iBank shall have the right to move for the immediate execution of the total sum due under the said Agreement after deducting the proceeds of the foreclosure sale of the mortgaged properties mentioned in Article 2.1.1 and 2.1.3 hereof in the event iBank opts to institute a separate action for their foreclosure. . . .[58]

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[57] Id. at 110–111.
[58] Id. at 113.

Under the terms of the Compromise Agreement, petitioner owed respondent an initial amount of ₱256,740,000.00, ₱10,000,000.00 of which was payable upon execution of the Compromise Agreement. The remaining balance of ₱246,740,000.00 was divided into 28 quarterly amortizations, payable starting March 31, 2003 until the balance was fully paid. The balance was likewise subject to a 12% per annum interest rate, also payable quarterly. Any unpaid interest or principal amortization was further subject to a 12% per annum penalty interest.

Should petitioner fail to pay any amount when due, Section 1.7 of the Compromise Agreement allowed respondent to declare the entire obligation due and demandable. Furthermore, pursuant to Section 4.03 of the Compromise Agreement, respondent was given the right to move for the immediate execution of the total amount due.

An examination of Sections 1.7 and 4.03 of the Compromise Agreement shows that they are in the nature of acceleration clauses. An acceleration clause is a provision in a contract wherein, should the debtor default, the entire obligation shall become due and demandable.[59] This Court has held that acceleration clauses are valid and produce legal effect.[60]

Petitioner's claim that the loan only becomes due and demandable after 10 years is wrong. Even when there is a fixed term for the loan, the creditor may invoke the contract's acceleration clause should the debtor fail to comply with their obligation to pay the stipulated installments. In *Spouses Ruiz v. Sheriff of Manila*:[61]

> With respect to the first assigned error, the appellants lay stress [on] the following last two sentences of the provision of the mortgage contract quoted above, to wit:
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> > ". . . Failure to pay two successive monthly amortizations will cause this loan to be automatically due and payable in its entirety. Notwithstanding the foregoing, this loan shall not run for more than 5 years."
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> Interpreting the above stipulation, the appellants claim that despite the acceleration clause they had five years from January 18, 1961 within which to pay their mortgage debt because of the phrase "notwithstanding the foregoing" in the last sentence. Since the five-year period had not yet expired when the mortgage was foreclosed, said foreclosure, they point out, was premature.
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> The appellants' interpretation is totally without merit. To ascertain

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59 See *Selegna Management and Development Corp. v. United Coconut Planters Bank*, 522 Phil. 671 (2006) [Per C.J. Panganiban, First Division].

60 *Mendoza v. Court of Appeals*, 340 Phil. 634 (1997) [Per J. Panganiban, Third Division]; *Premier Development Bank v. Central Surety & Insurance Company, Inc.*, 598 Phil. 827 (2009) [Per J. Nachura, Third Division]; and *KT Construction Supply, Inc. v. Philippine Savings Bank*, 811 Phil. 626 (2017) [Per J. Mendoza, Second Division].

61 145 Phil. 111 (1970) [Per J. Makalintal, En Banc].

> the meaning of the provision of the mortgage contract relied upon by the appellants, its entirety must be taken into account and not merely its last two sentences. A reading of the entire provision will readily show that while the appellants were allowed to amortize their loan at the rate of not less than P300.00 a month they were under obligation to liquidate the same within a period of not more than five (5) years from the date of the execution of the contract; but if they should fail to pay two successive monthly amortizations, then the entire loan would be due and payable. It is obvious that the phrase "notwithstanding the foregoing" does not refer to the acceleration clause but to the stipulation that the loan had to be "amortized at the rate of not less than P300.00, including interest on unpaid balance, at the rate of 8% per annum, said interest and capital amortization to be effected at the end of each month." There is nothing inconsistent between the acceleration clause and the last sentence. All that the parties meant is that while monthly amortizations could be as little as P300.00 the loan should anyway be paid within 5 years; and that failure to pay two successive amortizations would render the entire loan due and payable. Consequently, default having been committed for twelve months, the foreclosure of the mortgage was not premature.[62]

Acceleration clauses in loans for a fixed term give creditors a choice to: (1) defer collection of any unpaid amounts until the period ends; or (2) invoke the clause and collect the entire demandable amount immediately.[63] This right to choose is meaningless if the obligation is made demandable only when the term expires.

In this case, it is undisputed that petitioner had defaulted payment on its quarterly amortizations, with its last payment being made on June 2, 2006.[64] Petitioner has neither pleaded nor produced any evidence to the contrary. Because of petitioner's nonpayment, respondent invoked the acceleration clauses in the Compromise Agreement to declare petitioner's entire loan due and demandable, then exercised its right pursuant to Section 4.03 to move for the immediate execution of the Compromise Agreement. Thus, the Regional Trial Court correctly reversed its earlier ruling and granted respondent's Motion for Execution.

WHEREFORE, the Petition for Review on Certiorari is **DENIED**. The February 10, 2014 Decision and April 22, 2014 Resolution of the Court of Appeals in CA-G.R. SP No. No. 129936 are **AFFIRMED**.

SO ORDERED.

MARVIC M.V.F. LEONEN
Associate Justice

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62 Id. at 113–114.

63 *Mendoza v. Court of Appeals*, 340 Phil. 634 (1997) [Per J. Panganiban, Third Division]; and *Fortune Homes, Inc. v. Court of Appeals*, 214 Phil. 369 (1984) [Per J. Aquino, Second Division].

64 *Rollo*, p. 387.

WE CONCUR:

ALEXANDER G. GESMUNDO
Associate Justice

RAMON PAUL L. HERNANDO
Associate Justice

ROSMARI D. CARANDANG
Associate Justice

RODIL V. ZALAMEDA
Associate Justice

CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution and the Division Chairperson's Attestation, I certify that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.

DIOSDADO M. PERALTA
Chief Justice