



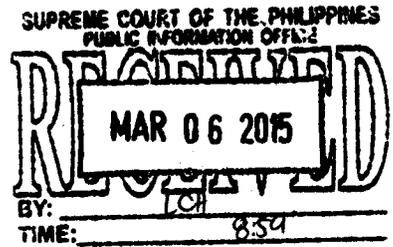
Republic of the Philippines

Supreme Court

Manila

EN BANC

NOTICE



Sirs/Mesdames:

*Please take notice that the Court en banc issued a Resolution dated FEBRUARY 24, 2015, which reads as follows:*

“A.M. No. CA-15-52-J [Formerly IPI No. 14-221-CA-J] (Re: Verified Complaint of Smith Bell & Company, Inc., represented by Very Rev. Archpriest Yitzhak Pascualito D. Monsanto v. Hon. Ramon Paul L. Hernando, Hon. Carmelita Salandanan-Manahan and Hon. Ma. Luisa C. Quijano-Padilla, Justices of the Court of Appeals). – This is a Verified Complaint filed by Smith Bell & Company, Inc. (Smith Bell) against Hon. Ramon Paul L. Hernando, Hon. Carmelita Salandanan-Manahan and Hon. Ma. Luisa C. Quijano-Padilla, Associate Justices of the Court of Appeals (CA), Visayas Station, 19<sup>th</sup> Division, for Violation of Section 8, Rule 140 of the Rules of Court.

The antecedents of the instant case are as follows:

Complainant Smith Bell filed a Petition for Judicial Reconstitution of Title with the Regional Trial Court (RTC) of Cebu City, Branch 18, involving Lot No. 990 of the Banilad Friar Estates. On July 28, 1995, the RTC granted the reconstitution of the Transfer Certificate of Title (TCT) and on September 3, 1995, the RTC Order became final and executory. Thus, the Register of Deeds of Cebu City issued TCT No. RT-7858 in Smith Bell’s name. Aggrieved, E.C. Ouano Development & Management Corporation (E.C. Ouano) filed a Petition for Relief from Judgment and for Cancellation of TCT No. RT-7858 on December 6, 1995. Smith Bell then filed a motion to dismiss alleging that the petition is fatally defective for lack of an affidavit of merit showing fraud, mistake or excusable negligence, which the RTC denied. Upon appeal before the CA, however, it ordered the dismissal of the Petition for Relief from Judgment. On August 21, 1998, E.C. Ouano filed a Petition for Review with the Court, but it later withdrew the same. Hence, on August 15, 2005, the Court granted the motion to withdraw and the case was considered closed and terminated.

On January 17, 2006, E.C. Ouano filed a Petition for Annulment of Judgment under Rule 47 of the Rules of Court before the CA, assailing the

July 28, 1995 Order of the RTC. Smith Bell filed a motion to dismiss but the same was, however, denied. It elevated the case to the Court which was docketed as G.R. No. 189208. But on October 12, 2009, the Court dismissed Smith Bell's petition for being a wrong mode of appeal. Moreover, it found no grave abuse of discretion on the part of the CA. A subsequent motion for reconsideration was likewise denied.

On January 30, 2014, the CA rendered a Decision<sup>1</sup> granting E.C. Ouano's petition. It ruled that the pieces of evidence presented by Smith Bell do not warrant the reconstitution of the TCT that covers Lot No. 990. The purpose of reconstitution of title is merely to have the certificate of title reproduced, after proper proceedings, in the same form it was in when its loss or destruction occurred. Here, the CA found that there was simply no adequate proof to establish that a TCT for Lot No. 990 truly exists. It provided, however, that Smith Bell is not entirely left without remedy. It may still file an application for confirmation of its title under the provisions of the Land Registration Act if, in fact, it is the lawful owner.

On March 10, 2014, Smith Bell filed a Motion for Reconsideration and a Motion for Inhibition. On April 24, 2014, Smith Bell instituted the present administrative complaint against the CA Justices whose signatures appeared in the Decision. It contends that said Justices abused the rules and jurisprudential matters of the land causing great prejudice, damage and injustice to it. There was a blatant disregard of the elementary rules on prescription, laches, estoppel, *res judicata*, lack of jurisdiction, certification of forum shopping, and payment of docket fees, in violation of Section 8, Rule 140 of the Rules of Court, so as to deprive it of its constitutional and inviolable right to property without due process. It likewise maintains that E.C. Ouano had already lost the remedy of Petition for Annulment of Judgment through its own fault, warranting the dismissal of said petition. Later, on June 30, 2014, both Motions for Reconsideration and Inhibition were denied for lack of merit.

### ***The Court's Ruling***

The Court finds the Complaint to be without merit.

Smith Bell charges respondents CA Justices with violation of Section 8, Rule 140 of the Rules of Court, specifically 2 and 3. Section 8 (2) refers to dishonesty and violations of the Anti-Graft and Corrupt Practices Act,<sup>2</sup> while Section (3) involves gross misconduct constituting violations of the Code of Judicial Conduct. However, Smith Bell never bothered to proffer any evidence to substantiate these allegations. Aside from allowing E.C. Ouano's Petition for Annulment of Judgment, it did not mention the

<sup>1</sup> Penned by Associate Justice Ramon Paul L. Hernando, with Associate Justices Carmelita Salandanan-Manahan and Ma. Luisa C. Quijano-Padilla, concurring.

<sup>2</sup> Republic Act No. 3019.



commission of any act on the part of respondents which could constitute dishonesty, violation of the Anti-Graft and Corrupt Practices Act, or gross misconduct. In administrative proceedings, the complainant bears the burden of proving by substantial evidence the allegations in his complaint. In the absence of evidence to the contrary, the presumption that the respondent has regularly performed his duties will prevail. Even in administrative cases, if a respondent judge should be disciplined for a grave offense, the evidence against him should be competent and derived from direct knowledge. Charges based on mere suspicion and speculation cannot be given credence. Hence, when the complainant fails to substantiate a claim of corruption and misconduct, relying merely on conjectures and suppositions, the administrative complaint must be dismissed for lack of merit.<sup>3</sup>

Resort to and exhaustion of judicial remedies and a final ruling on the matter, are prerequisites for the taking of appropriate measures against the judges concerned, whether of criminal, civil, or administrative nature. If the assailed act is subsequently found and declared to be correct, then there would be no occasion to proceed against them at all.<sup>4</sup> Here, there is a blatant abuse of court processes as Smith Bell filed the present Verified Complaint simultaneously with available judicial remedies. In fact, it had filed the administrative complaint on April 24, 2014 even before its Motion for Reconsideration and Motion for Inhibition were denied on June 30, 2014. As a matter of policy, the acts of a magistrate in his judicial capacity are not subject to disciplinary action. He cannot be subjected to liability – civil, criminal or administrative, for any of his official acts, no matter how erroneous, as long as he acts in good faith. To hold otherwise would be to render judicial office untenable, for no one called upon to try the facts or interpret the law in the process of administering justice can be infallible in his judgment. Indeed, the filing of an administrative complaint against a judge is not an appropriate remedy where judicial recourse is still available. In the absence of fraud, malice or dishonesty in rendering the assailed decision or order, the remedy of the aggrieved party is to elevate the assailed decision or order to the higher court for review and correction. As such, an administrative complaint against a judge cannot be pursued simultaneously with the judicial remedies accorded to parties aggrieved by his erroneous order or judgment.<sup>5</sup>

In the case at bar, complainant could have simply waited first for the resolution of its motions, then later, after denial of the same, appealed from the CA's January 30, 2014 Decision. Instead, it filed the present

<sup>3</sup> *Atty. Fernandez v. Court of Appeals Associate Justices Eubolo G. Verzola, Martin S. Villarama, Jr., and Mario L. Guariña III*, 480 Phil. 1, 7 (2004).

<sup>4</sup> *Re: Verified Complaint of AMA Land, Inc. Against Hon. Danton Q. Bueser, Hon. Sesinando E. Villon and Hon. Ricardo R. Rosario, Associate Justices of the Court of Appeals*, IPI No. 12-202-CA-J, January 15, 2013, 688 SCRA 507, 513-514 (2013).

<sup>5</sup> *Atty. Fernandez v. Court of Appeals Associate Justices Eubolo G. Verzola, Martin S. Villarama, Jr., and Mario L. Guariña III*, *supra* note 3.

administrative complaint, continuously harping on the fact that the CA did not dismiss E.C. Ouano's Petition for Annulment of Judgment considering that it was allegedly already barred by laches or estoppel. The issue of extrinsic fraud likewise became *res judicata* when E.C. Ouano withdrew its August 21, 1998 Petition for Review. Respondents CA Justices also took cognizance of the case despite not having been able to acquire jurisdiction over the same for failure of E.C. Ouano to pay the appropriate docket fees and they deliberately did not consider their having or not having jurisdiction. But what Smith Bell failed to mention is that the Court, in G.R. No. 189208, already upheld the CA and even declared that it committed no grave abuse of discretion in allowing E.C. Ouano's Petition for Annulment of Judgment.

The Court does not countenance those who seek relief from the courts and, at the same time, ignore basic legal rules, in their efforts to vindicate their rights. Smith Bell's premature resort to administrative disciplinary action prior to the final resolution of the judicial issues involved constitutes an abuse of court processes that aims to disrupt rather than promote the orderly administration of justice, and further clog the courts' dockets.<sup>6</sup> Lastly, it must be emphasized that the Court will not shirk from its responsibility of imposing discipline upon its employees and judges, but neither will it hesitate to shield them from unfounded and malicious suits initiated by unsuccessful and dissatisfied litigants.<sup>7</sup>

**WHEREFORE**, the administrative complaint against the Honorable Court of Appeals Associate Justices Ramon Paul L. Hernando, Carmelita Salandanan-Manahan and Ma. Luisa C. Quijano-Padilla is **DISMISSED** for utter lack of merit. Complainant Smith Bell & Company, Inc. is **CAUTIONED** against the filing of similar unfounded and baseless actions in the future, **WITH A STERN WARNING** that a repetition of the same shall be dealt with more severely." Brion, J., on leave. Jardeleza, J., on official leave. (adv30)

Very truly yours,

  
ENRIQUETA E. VIDAL  
Clerk of Court 

<sup>6</sup> *Re: Verified Complaint of AMA Land, Inc. Against Hon. Danton Q. Bueser, Hon. Sesonando E. Villon and Hon. Ricardo R. Rosario, Associate Justices of the Court of Appeals, supra note 4, at 515.*

<sup>7</sup> *Atty. Fernandez v. Court of Appeals Associate Justices Eubolo G. Verzola, Martin S. Villarama, Jr., and Mario L. Guariña III, supra note 3, at 10.*

Court Administrator

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Deputy Court Administrators

HON. RAUL B. VILLANUEVA (x)

HON. JENNY LIND R. ALDECOA-DELORINO (x)

HON. THELMA C. BAHIA (x)

Supreme Court

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Supreme Court

**[FOR UPLOADING PURSUANT TO A.M. No. 12-7-1-SC]**

A.M. No. CA-15-52-J

kat 2/24/15 (adv30) 3/2/15

HONORABLE ANDRES B. REYES, JR. (x)

Presiding Justice

HON. CARMELITA SALANDANAN-MANAHAN (x)

Associate Justice

Court of Appeals, Manila

HON. RAMON PAUL L. HERNANDO (reg)

HON. MA. LUISA C. QUIJANO-PADILLA (reg)

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