



REPUBLIC OF THE PHILIPPINES  
SUPREME COURT  
Manila

SECOND DIVISION

**NOTICE**

Sirs/Mesdames:

*Please take notice that the Court, Second Division, issued a Resolution dated **10 February 2021** which reads as follows:*

**“G.R. No. 254366 (*Dionisia B. Alejo v. Ernesto Z. Alarcon, Carmelita Gabuten, and Dominga Valmonte*).** – The Court **NOTES** the compliance dated February 1, 2021 by counsel for Dionisia B. Alejo (*petitioner*) with the Resolution dated January 11, 2021, submitting the attached compact disc containing the soft copy of the verified declaration of the signed manifestation and petition for review with its annexes.

This Appeal by *Certiorari*<sup>1</sup> seeks to reverse and set aside the July 23, 2019 Decision<sup>2</sup> and November 5, 2020 Resolution<sup>3</sup> of the Court of Appeals (*CA*) in CA-G.R. CV No. 109589. The *CA* affirmed *in toto* the January 24, 2017 Decision<sup>4</sup> of the Regional Trial Court, Quezon City, Branch 215 (*RTC*) which granted the Complaint for Sum of Money and Damages filed by Ernesto Z. Alarcon, Carmelita Gabuten, and Dominga Valmonte (*collectively, respondents*) and ordered petitioner to pay respondents ₱800,000.00 representing the unpaid obligation plus six percent (6%) interest and damages.

This Court finds no error in the conclusions of the lower courts that there was basis for respondents’ complaint for sum of money and damages against petitioner. A judicious scrutiny of the facts and circumstances surrounding the case reveals that petitioner was able to acquire the subject lot through respondents’ right of first refusal which respondents assigned to petitioner for ₱800,000.00.

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<sup>1</sup> *Rollo*, pp. 9-34.

<sup>2</sup> *Id.* at 346-364, penned by Associate Justice Perpetua T. Atal-Paño, with Associate Justices Ramon M. Bato, Jr. and Myra V. Garcia-Fernandez, concurring.

<sup>3</sup> *Id.* at 366-368.

<sup>4</sup> *Id.* at 226-243; penned by Presiding Judge Rafael G. Hipolito.

Contrary to petitioner's contention, the Minutes<sup>5</sup> of the parties' meeting could not be considered as the sole basis of the parties' agreement and/or petitioner's obligation. Even prior to said meeting, the parties already had an arrangement for the payment of ₱800,000.00 for and in consideration of respondents' assignment of their right of first refusal over the subject lot.

Anent the award of temperate damages in favor of respondents, the same was likewise proper. The sale between Roleval Realty, Inc. (*Roleval*) and petitioner was limited only to the parcel of land covered by TCT No. 98455. It is undisputed that respondents are the owners of the house erected on the subject lot. It was respondents' predecessors-in-interest who constructed the house when they were then renting the subject lot from Roleval. The subject of Roleval's Offer of Sale<sup>6</sup> (or right of first refusal) in favor of respondents clearly indicate that only the lots were being sold. Petitioner's subsequent acquisition of the land from Roleval does not necessarily entail the acquisition of the residential building therein. A building by itself is a real or immovable property distinct from the land on which it is constructed and therefore can be a separate subject of contracts.<sup>7</sup> Evidently, the sale was confined only to the land and excluded the residential building owned by the respondents.

Consequently, petitioner had no right to collect rentals from the lessees of respondents' house. The lower courts were correct in awarding ₱100,000.00 temperate damages *in lieu* of actual damages for the pecuniary loss suffered by respondents.

The award of moral and exemplary damages should likewise be affirmed since the circumstances of the case reveal that there was bad faith on petitioner's part in subsequently denying her obligation to pay respondents. Petitioner acted fraudulently, or in bad faith, or in wanton disregard of her contractual obligation. In view of the award of exemplary damages, this Court also finds it proper to award respondents attorney's fees, in consonance with Article 2208(1) of the Civil Code.<sup>8</sup>

In the January 24, 2017 Decision<sup>9</sup> of the RTC, which the CA affirmed *in toto*, the RTC ordered petitioner to pay respondents ₱800,000.00 representing the unpaid obligation plus six percent (6%) interest *per annum*

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<sup>5</sup> Id. at 479-481.

<sup>6</sup> Id. at 387.

<sup>7</sup> *Midway Maritime and Technological Foundation v. Castro*, 740 Phil. 560, 572 (2014).

<sup>8</sup> *Yamauchi v. Suñiga*, 830 Phil. 122, 139-140 (2018).

<sup>9</sup> *Rollo*, pp. 226-243.

reckoned from November 27, 2007 until full payment thereof. The RTC also awarded the following:

1. ₱100,000.00 by way of temperate damages;
2. ₱100,000.00 by way of moral damages;
3. ₱50,000.00 by way of exemplary damages;
4. ₱50,000.00 as attorney's fees; and
5. the costs of suit.<sup>10</sup>

While this Court affirms these awards to respondents as proper, this Court also deems it necessary to modify the interest imposed on the unpaid obligation and to impose interest on the other monetary awards. To be consistent with *Nacar v. Gallery Frames*,<sup>11</sup> and in accordance with Section 1 of Resolution 796 dated May 16, 2013 of the Monetary Board of the Bangko Sentral ng Pilipinas, the interest on the monetary awards shall be fixed at 12% *per annum* from the date of judicial or extrajudicial demand until June 30, 2013 and six percent (6%) *per annum* from July 1, 2013 until satisfaction thereof. Applying the foregoing, the rate of 12% interest *per annum* shall be applied on the unpaid obligation from November 27, 2007 to June 30, 2013, and 6% interest *per annum* shall be imposed from July 1, 2013 until fully paid.

As regards the other monetary awards, an interest rate of six percent (6%) is imposed from the time of finality of judgment until full satisfaction thereof.

**WHEREFORE**, the petition is **DENIED**. The July 23, 2019 Decision and November 5, 2020 Resolution of the Court of Appeals in CA-G.R. CV No. 109589 are hereby **AFFIRMED with MODIFICATION**. Petitioner Dionisia B. Alejo is **ORDERED** to **PAY** respondents ₱800,000.00 representing the unpaid obligation plus 12% interest *per annum* from November 27, 2007 to June 30, 2013 and six percent (6%) interest *per annum* from July 1, 2013 until fully paid.

All other monetary awards shall earn legal interest of six percent (6%) *per annum* from the time of finality of this Resolution until full satisfaction thereof.

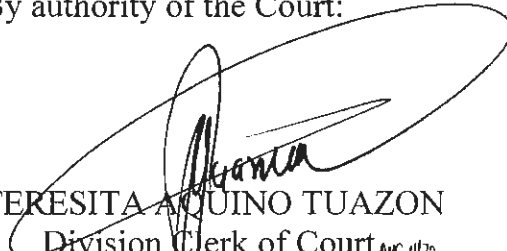
**SO ORDERED.”**

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<sup>10</sup> Id. at 242-243.

<sup>11</sup> 716 Phil. 267 (2013).

By authority of the Court:

  
TERESITA AQUINO TUAZON  
Division Clerk of Court MC 422  
23 APR 2021

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HON. PRESIDING JUDGE (reg)  
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Quezon City  
(Civil Case No. Q-10-68243)

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*Please notify the Court of any change in your address.*  
GR254366. 2/10/2021(18 & 184)URES