Republic of the Philippines
Supreme Court
Manila

THIRD DIVISION

NOTICE

Sirs/Mesdames

Please take notice that the Court, Third Division, issued a Resolution dated **March 28, 2022**, *which reads as follows:*

"G.R. No. 245908 (*Cristine Villagonzalo, Spouses Renato and Glenda Palomia, Ma. Lourdes Miranda, Avelina Samson, Esther Dagundon, Luzelyn Ortiz, and Valerie Rufo v. VRNR Construction and Development Corporation and Venancio Rosales, and Atty. Ma. Lorina J. Rigor, Housing and Land Use Arbiter*). - A judgment declared as final and executory is rendered immutable and unalterable. Given that the execution becomes a matter of right, parties are enjoined from circumventing this principle by assailing the writ of execution.

Challenged in the Petition for Review on *Certiorari*[1] under Rule 45 of the Rules of Court are the Resolutions dated August 28, 2018[2] and March 5, 2019[3] of the Court of Appeals (*CA*) in CA-G.R. SP No. 155873, which respectively denied petitioners' Petition for *Certiorari*[4] and Motion for Reconsideration[5] praying that the Orders dated October 7, 2016[6] and April 18, 2018[7] issued by the Housing and Land Use Regulatory Board (*HLURB*) be nullified and set aside.

VRNR Construction and Development Corporation (*VRNR*) is the owner and developer of certain parcels of land in a subdivision known as Fairview Park Subdivision (*subdivision project*), located on Aster Street, West Fairview, under Transfer Certificate of Title (*TCT*) No. 181574.

Sometime in 2002, VRNR offered certain lots in Phase III (*subject property*) of the subdivision project to Cristine Villagonzalo, Spouses Renato and Glenda Palomia, Ma. Lourdes Miranda, Avelina Samson, Esther

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1 *Rollo*, pp. 8-18.
2 Penned by Associate Justice Germano Francisco D. Legaspi, with Associate Justices Ramon M. Bato, Jr. and Ramon A. Cruz, concurring; CA *rollo*, pp. 89-92.
3 *Rollo*, pp. 19-20.
4 *Id.* at 22-33.
5 *Id.* at 204-208.
6 *Id.* at 128-130.
7 *Id.* at 139-142.

Dagundon, Luzelyn Ortiz, and Valerie Rufo (*buyers*). After surveying Phases I and II of the subdivision project and finding the same satisfactory, the buyers entered into reservation agreements with VRNR, subject to the issuance of contracts to sell. Upon the settlement of the corresponding reservation deposits and with the consent of VRNR, some of the buyers began occupying the subject property while introducing certain improvements.[8]

Unfortunately, VRNR incurred certain delays in issuing the corresponding contracts to sell to buyers. Upon hearing this, certain buyers of lots in Phases I and II filed court actions against VRNR. Villagonzalo then inquired as to the status of her reservation agreement. Her inquiry led her to discover that TCT No. 181574 was still registered under the name of the Government Service Insurance System (*GSIS*). Villagonzalo also found that a deed of conditional sale was found to be entered into between GSIS and VRNR on March 8, 2004.[9]

This turn of events led the buyers to withhold their monthly payments on the subject property. Subsequently, VRNR considered such withholding as a unilateral rescission of its offer to sell and asked the buyers to vacate the subject property.[10]

On July 18, 2005, a complaint for violation under Presidential Decree No. 957[11] (*P.D. No. 957*) with prayer for issuance of a cease-and-desist order and notice of takeover was filed by the buyers against VRNR before the HLURB-Expanded National Capital Region Field Office (*ENCRFO*).[12] The complaint alleged that VRNR did not have the right to engage in the sale of subdivision lots due to its failure to secure the requisite certificate of registration and license to sell from the HLURB. It further alleged that GSIS, and not VRNR, was the registered owner of the lots in the subdivision project. VRNR, therefore, was not in a position to demand the buyers to vacate and unilaterally cut off their electricity supply to forcibly remove them from the premises.[13]

On April 19, 2007, the HLURB-ENCRFO rendered a Decision in favor of the buyers, nullifying the sales transactions between them and VRNR.[14] The dispositive portion of the decision reads:

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8 *See* Decision of the Office of the President dated December 27, 2013; *id.* at 71-76.
9 *Id.* at 71-72.
10 *Id.* at 72.
11 Entitled "*Regulating the Sale of Subdivision Lots and Condominiums, Providing Penalties for Violations Thereof,*" promulgated on July 12, 1976.
12 *Rollo*, p. 72.
13 *See* Decision of the First Division of the HLURB Board of Commissioners dated November 20, 2007; *id.* at 67-70.
14 *Id.* at 67.

WHEREFORE, premises considered, a judgment is hereby rendered as follows:

1. Declaring as null and void the sales transaction, all reservation agreements and contract to sell entered into, whether individually or jointly, by the complainants with respondent VRNR Construction and Development Corporation and/or Venancio Rosales for being contrary to P.D. 957;

2. Ordering the respondent VRNR Construction and Development Corporation, through its President Venancio Z. Rosales, or any of its responsible officers to refund and to return to the herein complainants, without any interest or damages, all their actual payments made for their respective purchase of lots/units from VRNR, without prejudice to the exercise of their right of retention or peaceful possession of their acquired lots/units until they shall have been refunded of their total payments or installments;

3. Dismissing the instant case in so far as respondents Remedios G. Rosales, Veronica G. Rosales, Roland G. Rosales and Jose E. Batungbakal, Jr. are concerned.

All other claims and counterclaims are denied.

IT IS SO ORDERED.[15]

Both parties appealed to the HLURB Board of Commissioners (*HLURB Board*). In its appeal, VRNR argued that the HLURB-ENCRFO erred in rendering its Decision given that the subdivision project was covered by *Batas Pambansa Bilang* 220[16] (*B.P. Blg. 220*), and not by P.D. No. 957. For their part, the buyers averred that the HLURB-ENCRFO erred in failing to impose interest, damages, and administrative fines against VRNR.[17]

In its Decision[18] dated November 20, 2007, the HLURB Board denied the appeal of VRNR and modified the HLURB-ENCRFO's Decision with regard to item 2 of its dispositive portion, to wit:

Wherefore, premises considered, the respondents' appeal is DENIED and that of complainants is PARTLY GRANTED. Accordingly, the decision of the Regional Office is MODIFIED insofar as item no. 2 of the decision is concerned, the same to read as follows:

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15 *Id.* at 67-68.

16 Entitled, "*An Act Authorizing the Ministry of Human Settlements to Establish and Promulgate Different Levels of Standards and Technical Requirements for Economic and Socialized Housing Projects in Urban and Rural Areas from Those Provided Under Presidential Decrees Numbered Nine Hundred Fifty-Seven, Twelve Hundred Sixteen, Ten Hundred Ninety-Six and Eleven Hundred Eighty-Five,*" promulgated on June 11, 1982.

17 *See* Decision of the First Division of the HLURB Board of Commissioners dated November 20, 2007; *rollo*, pp. 67-70.

18 *Id.*

> "2. Ordering the respondent VRNR Construction and Development Corporation, through its President Venancio Z. Rosales, or any of its responsible officers, within sixty (60) days from finality of this decision to refund and return to the herein complainants, the respective actual amounts they have paid with interest thereon at six (6%) percent interest per annum from the time of the filing of the complaint without prejudice to the exercise of their right to retention of lots/units until they shall have been refunded of their total payments. The same respondent is further ordered to pay this Board an administrative fine of Twenty Thousand Pesos (P20,000.00) for violating Sections 4 and 5 in relation to Section[s] 38 and 39 of P.D. 957."
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> In all other respects the decision appealed from is AFFIRMED.
>
> **So ordered.**[19]

In denying the appeal of VRNR, the HLURB Board ruled that the act of the former in apportioning the subdivision project for a purchase price ranging from ₱496,000.00 to ₱670,000.00 squarely falls within the purview of sale under P.D. No. 957. The HLURB Board also held that VRNR violated the provisions of P.D. No. 957 when it failed to secure a certificate of registration and a license to sell.[20] It found that the corresponding certificate and license were not issued because of the conflicting title numbers in the sales documents of VRNR and the fact that the subject property is presently owned by the GSIS.[21]

VRNR filed a motion for reconsideration, which was denied by the HLURB Board in its Order dated July 15, 2009.[22] Aggrieved, VRNR filed an appeal with the Office of the President (*OP*).

On December 27, 2013, the OP rendered its Decision,[23] finding the appeal meritorious and reversing the ruling of the HLURB Board, thus:

> **WHEREFORE,** the appealed Decision dated 20 November is hereby MODIFIED, as follows:
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> 1. The contracts to sell entered into by complainant-appellees with respondent-appellants are declared valid and subsisting;
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> 2. Complainant-appellants (sic) are ordered to continue paying their monthly amortizations to respondent-appellants commencing from receipt of this Decision until the purchase price is fully paid. Thereafter, respondent-appellants [VRNR] shall execute the deeds of

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19 *Id.* at 69-70.
20 *See* Notice of Violation dated September 10, 2007; *id.* at 47-48.
21 *Rollo*, p. 69.
22 *Id.* at 73.
23 *Id.* at 71-76.

absolute sale and deliver the corresponding certificate of titles to complainant-appellants (sic).

3. Respondent-appellants are ordered to pay an administrative fine of P10,000.00.

4. Insofar as respondents Remedios G. Rosales, Veronica G. Rosales, and Jose E. Batungbacal, Jr., the case is dismissed as against them.

SO ORDERED.[24]

The OP disagreed with the HLURB Board that the lack of a license to sell would invalidate all sales transactions, contracts to sell, and reservation agreements entered into by the parties concerned. It anchored its conclusion on the Court's ruling in *Moldex Realty, Inc. v. Saberon,*[25] which provides that the lack of a license to sell does not automatically nullify a sale between a developer and buyer.[26] Additionally, the OP declared that the act of demanding the buyers to vacate did not constitute a breach on the part of VRNR, as the buyers have not fully paid for their respective units. Nevertheless, the OP also pointed out that despite the absence of full payment, VRNR acquiesced in allowing certain buyers to occupy the subject property and introduce improvements therein.[27]

On June 4, 2014, the OP rendered a Resolution denying the buyers' motion for reconsideration.[28]

The buyers interposed a petition for review under Rule 43 of the Rules of Court before the CA. In a Resolution[29] dated October 22, 2014, the CA dismissed the petition outright due to certain technicalities, *inter alia,* (1) the failure to allege the date of filing receipt of their motion for reconsideration; (2) filing of the petition beyond the reglementary period, or 61 days beyond the prescribed period; (3) failure to attach proof of service of the petition to the OP; and (4) failure to allege whether service was made personally or through registered mail.[30]

On November 20, 2014, the Resolution dated October 22, 2014 was declared final and executory *via* the Entry of Judgment,[31] and was, subsequently, recorded in the Book of Entries of Judgments.

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24 *Id.* at 74-76.
25 708 Phil. 314 (2013).
26 *Rollo,* p. 73.
27 *Id.* at 74.
28 *See* Writ of Execution dated October 6, 2016; *rollo,* pp. 118-120.
29 Penned by Associate Justice Mariflor P. Punzalan Castillo, with Associate Justices Amy C. Lazaro-Javier (now a member of this Court) and Zenaida T. Galapate-Laguilles; CA *rollo,* pp. 147-149.
30 *Id.* at 147-148.
31 *Id.* at 152.

Resultantly, the HLURB-ENCRFO issued an Order[32] dated October 7, 2016, granting the issuance of a writ of execution in favor of VRNR. The writ directed the HLURB sheriff to enforce the Decision of the OP dated December 27, 2013.[33]

On November 8, 2016, the buyers filed a Motion to Set Aside the Order issuing the writ of execution.[34] The HLURB-ENCRFO denied the motion,[35] finding that the Decision of the OP had long been declared final and executory. It stressed that "once a judgment becomes final, it is no longer subject to change, revision, amendment[,] or reversal."[36]

On September 15, 2017, the buyers filed a second motion, this time to quash the writ of execution due to the purported failure of VRNR to show proof of ownership of the subject property.[37] The HLURB-ENCRFO denied the buyers' motion,[38] reiterating that in view of the finality of the Decision of the OP, the buyers may neither impose a condition not contemplated in the said decision before complying therewith nor suspend its execution.[39]

For supposedly resorting to dilatory tactics and for failure to comply with their obligation under the decision of the OP, the buyers were declared in contempt by the HLURB-ENCRFO in an Order[40] dated April 18, 2018.

Aggrieved, the buyers elevated their case to the CA *via* a Petition for *Certiorari*[41] under Rule 65 of the Rules of Court, seeking to nullify and set aside the HLURB-ENCRFO Orders dated October 7, 2016 and April 18, 2018.

On August 28, 2018, the CA rendered the assailed Resolution,[42] dismissing the petition for *certiorari*. It explained that pursuant to Section 50,[43] Rule 14 of the HLURB Rules, the buyers should have filed an appeal with the HLURB Regional Field Office within the 15-day reglementary period. For having availed of the wrong remedy, the petition must be dismissed.

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32 *Id.* at 32-34.
33 *Id.* at 40-44.
34 *See* Order dated May 26, 2017; *id.* at 161-164.
35 *Id.*
36 *Id.* at 163.
37 *See* Order dated October 27, 2017; *id.* at 165-168.
38 *Id.*
39 *Id.* at 167.
40 *Id.* at 169-172.
41 *Id.* at 10-21.
42 Penned by Associate Justice Germano Francisco D. Legaspi, with Associate Justices Ramon M. Bato, Jr. and Ramon A. Cruz, concurring; *id.* at 89-92.
43 Section 50. *Appeal Memorandum.* — An appeal may be taken from the decision of the Arbiter on any legal ground and upon payment of the appeal fee, by filing with the Regional Field Office a verified appeal memorandum in three (3) copies within fifteen (15) days from receipt of the assailed decision. x x x

The buyers moved for reconsideration,[44] but the same was denied by the CA in a Resolution[45] dated March 5, 2019.

Hence, the instant Petition.

In the main, the petitioners argue that the Decision of the OP dated December 27, 2013 never acquired the status of a final and executory judgment for being void, having condoned VRNR's act of engaging in the sale of real property without a certification of registration and license to sell, in violation of the HLURB Rules.[46] Petitioners add that VRNR did not even own any property in its name, as the subdivision project was still covered by a TCT[47] purportedly under the names of Remedios G. Rosales, Roland G. Rosales, and Veronica G. Rosales.

The Court's Ruling

The petition lacks merit.

It must be noted that by virtue of the Entry of Judgment issued by the CA on November 20, 2014, its Resolution dated October 22, 2014 dismissing the petition assailing the Decision of the OP dated December 27, 2013 has become final and executory. As no appeal was perfected, the decision of the OP, by operation of law, has likewise become final and executory, hence, immutable.

Time and again, the Court has held that "a decision or an order that has acquired finality becomes immutable and unalterable."[48] As a primary consequence, a definitive final judgment or final order, however erroneous, can no longer be subject to modification, not even to correct errors of law or fact.[49] More commonly known as the doctrine of immutability of judgment, it rests upon the practical consideration that every litigation must come to an end.[50]

In *Uy v. Castillo,*[51] the Court expounds that the doctrine has a two-fold purpose, namely: "(a) to avoid delay in the administration of justice and thus, procedurally, to make orderly the discharge of judicial business;

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44 CA *rollo,* pp. 93-103.
45 *Id.* at 187-188.
46 *Rollo,* p. 10.
47 *See* TCT No. 004-2015011140, *id.* at 49-52.
48 *Funk v. Santos Ventura Hocorma Foundation. Inc.,* 789 Phil. 348, 361 (2016).
49 *Mercury Drug Corporation v. Spouses Huang,* 817 Phil. 434, 445 (2017).
50 *Republic of the Philippines v. Heirs of Cirilo Gotengco,* 824 Phil. 568, 578 (2018).
51 814 Phil. 61 (2017).

and (b) to put an end to judicial controversies, at the risk of occasional errors, which is precisely why courts exist."[52]

Exempted from the application of this doctrine are void judgments, or those rendered by the court "without jurisdiction to do so and those obtained by fraud or collusion."[53] Given that a void judgment never acquires the status of a final and executory judgment, parties may therefore challenge them without running afoul of the doctrine of immutability of judgment.[54]

Measured against the foregoing standard, the plea of petitioners that the decision of the OP is void must fail. It is settled that the OP may take cognizance of appeals elevated to it from the HLURB Board.[55] This finds support in Section 2 of P.D. No. 1344,[56] which expressly stipulates that the decisions of the National Housing Authority, now the HLURB,[57] are appealable *only* to the OP, to wit:

> Section 2. The decision of the National Housing Authority [now the HLURB] shall become final and executory after the lapse of fifteen (15) days from the date of its receipt. It is appealable only to the President of the Philippines and in the event the appeal is filed and the decision is not reversed and/or amended within a period of thirty (30) days, the decision is deemed affirmed. Proof of the appeal of the decision must be furnished the National Housing Authority.

Section 2, Rule XXI of HLURB Resolution No. 765, Series of 2004 also presribes that the decisions of the HLURB Board may be appealed to the OP:

> Section 2. *Appeal.* - Any party may, upon notice to the Board and the other party, appeal a decision rendered by the Board of Commissioners to the Office of the President within fifteen (15) days from receipt thereof, in accordance with P.D. No. 1344 and A.O. No. 18 Series of 1987.[58]

More importantly, there was no pervasive evidence, much less any allegation or proof presented, to convince this Court that the decision of the

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52 *Id.* at 74.

53 *Legarda v. Court of Appeals,* 345 Phil. 890, 910 (1997).

54 *Mercury Drug Corporation v. Spouses Huang, supra* note 49, at 453.

55 *Swire Realty Development Corporation v. Yu,* 755 Phil. 250 (2015), citing *SGMC Realty Corporation v. Office of the President,* 393 Phil. 697 (2000), *Maxima Realty Management and Development Corporation v. Parkway Real Estate Development Corporation,* 467 Phil. 190 (2004), and *United Overseas Bank Philippines, Inc. v. Ching,* 521 Phil. 146 (2006).

56 Entitled, "*Empowering the National Housing Authority to Issue Writ of Execution in the Enforcement of its Decision Under Presidential Decree No. 957,*" approved on May 17, 1978.

57 The regulatory functions of the NHA relating to housing and land development has been transferred to the Human Settlements Regulatory Commission, now known as the HLURB, Executive Order No. 648 (February 7, 1981) and Executive Order No. 90 (December 17, 1986).

58 *Spouses Lefebre v. A Brown Company, Inc.,* 818 Phil. 1046, 1054 (2017).

OP was attended or obtained through fraud, collusion, or anything that would even disrupt substantial justice.

On the contrary, this Court finds that the decision of the OP is in accord with fact and law. The failure of VRNR, as the subdivision developer, to secure a certificate of registration and a license to sell does not affect the validity and subsistence of the contracts to sell that it executes with other parties. In *Moldex Realty, Inc. v. Saberon*,[59] the Court held that there is nothing under P.D. No. 957 that provides for the nullity of a contract validly entered into in cases of violation of any of its provisions, such as the lack of a license to sell, to wit:

> **A review of the relevant provisions of P.D. 957 reveals that while the law penalizes the selling of subdivision lots and condominium units without prior issuance of a Certificate of Registration and License to Sell by the HLURB, it does not provide that the absence thereof will automatically render a contract, otherwise validly entered, void. The penalty imposed by the decree is the general penalty provided for the violation of any of its provisions.** It is well-settled in this jurisdiction that the clear language of the law shall prevail. This principle particularly enjoins strict compliance with provisions of law which are penal in nature, or when a penalty is provided for the violation thereof. With regard to P.D. 957, nothing therein provides for the nullification of a contract to sell in the event that the seller, at the time the contract was entered into, did not possess a certificate of registration and license to sell. Absent any specific sanction pertaining to the violation of the questioned provisions (Secs. 4 and 5), the general penalties provided in the law shall be applied. The general penalties for the violation of any provisions in P.D. 957 are provided for in Sections 38 and 39. As can clearly be seen in the aforequoted provisions, the same do not include the nullification of contracts that are otherwise validly entered.[60]

Neither can the petitioners find succor in their allegation that VRNR was in no position to sell lots in the subdivision project. The singular evidence proffered to fortify their claim, or the TCT[61] under the names "Remedios G. Rosales, Roland G. Rosales, and Veronica G. Rosales," has been conspicuously stamped as "cancelled." Plainly, it should be given scant consideration, and cannot be used to cast doubt on VRNR's ownership over the subject property.

Withal, petitioners' allegations regarding the propriety of the decision of the OP do not impress. Thus, this Court cannot give its *imprimatur* to disturb a decision that has become final and executory. As nothing more is left to be

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59 *Supra* note 25, at 322, citing *Spouses Co Chien v. Sta. Lucia Realty and Development Corporation, Inc.*, 542 Phil. 558 (2007).

60 *Id.* at 566. (Emphasis supplied; citations omitted)

61 *See* TCT No. 004-2015011140; *rollo*, pp. 49-52.

done, the execution shall then issue as "a matter of right for the prevailing party and becomes the ministerial duty of the court."[62]

In other words, the winning party, herein respondent VRNR, should be entitled to enjoy the fruits of a final verdict. To echo the ruling in *Manotok Realty, Inc. v. CLT Realty Development Corporation*,[63] "just as the losing party has the right to file an appeal within the prescribed period, the winning party likewise has the correlative right to enjoy the finality of the resolution of his case."[64]

Regrettably, VRNR was palpably deprived of such enjoyment. To recall, an order for the issuance of a writ of execution to enforce the decision of the OP was already issued on October 7, 2016.[65] However, instead of complying with their obligations under the lawful order of the HLURB, petitioners resorted to filing several motions praying that it be set aside.

A careful perusal of the motions would readily show that they merely reiterated their arguments against the decision of the OP, which only reveals their true intention of further appealing the merits of the case. This Court notes that such arguments have already been ventilated and passed upon by the HLURB, the OP, and even the CA.

Indeed, petitioners' resort to such tactics is a desperate attempt to undo a final and executory judgment against them. Verily, assailing the execution of the judgment contemplates a circumvention of the doctrine of immutability of judgments, to which the parties are not allowed to do. What cannot be done directly cannot be done indirectly.[66]

In fine, this Court shall invariably continue to adhere to the doctrine of immutability of judgments. Any attempt to frustrate or put off the enforcement of an executory judgment, as endeavored by petitions, cannot be met with success.

WHEREFORE, the petition for review on *certiorari* is **DENIED**. The Resolutions dated August 28, 2018 and March 5, 2019 of the Court of Appeals in CA-G.R. SP No. 155873, which respectively denied petitioners' Petition for *Certiorari* and Motion for Reconsideration, are hereby **AFFIRMED.**

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62 *Arañas v. Hon. Tutaan*, 212 Phil. 776, 780 (1984).
63 512 Phil. 679 (2005).
64 *Id.* at 708.
65 CA *rollo*, pp. 32-34.
66 *Mercury Drug Corporation v. Spouses Huang, supra* note 49, at 437.

SO ORDERED."

By authority of the Court:

MISAEL DOMINGO C. BATTUNG III
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