



Republic of the Philippines  
Supreme Court  
Manila

THIRD DIVISION

NOTICE

Sirs/Mesdames

*Please take notice that the Court, Third Division, issued a Resolution dated August 2, 2023, which reads as follows:*

**“G.R. No. 253477 (Planters Development Bank [now China Bank Savings, Inc.] v. Rafaelita<sup>1</sup> Siojo Reyes).** – In a Resolution<sup>2</sup> dated March 18, 2021, the Court denied the Petition for Review on *Certiorari*,<sup>3</sup> filed by Planters Development Bank (now China Bank Savings, Inc.) (petitioner) on the ground of failure on its part to sufficiently show that the Court of Appeals committed any reversible error in rendering the challenged Decision<sup>4</sup> dated November 20, 2019 and the Resolution<sup>5</sup> dated September 10, 2020, in CA-G.R. CV No. 111058, as would warrant the exercise of this Court’s discretionary appellate jurisdiction.

Undaunted, petitioner filed a Motion for Reconsideration<sup>6</sup> dated December 2, 2021, beseeching the Court to reconsider its March 18, 2021 Resolution.

On February 15, 2022, petitioner filed, through private courier LBC, a Motion to Admit and Approve Compromise Agreement<sup>7</sup> informing the Court that on January 31, 2022, it had entered into a Compromise Agreement<sup>8</sup> with Rafaelita Siojo Reyes (respondent) and that, consequently, it was forgoing the resolution of its Motion for Reconsideration.

The pertinent terms and conditions of the Compromise Agreement read as follows:

1. The parties agree and admit that the filing of the case was impelled by disagreements concerning their obligations, a misapprehension of facts,

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<sup>1</sup> Also spelled as Rafaelito in some parts of the *rollo*.

<sup>2</sup> *Rollo*, p. 41.

<sup>3</sup> *Id.* at 3-22.

<sup>4</sup> *Id.* at 23-34. Penned by Associate Justice Manuel M. Barrios with Associate Justices Rafael Antonio M. Santos and Germano Francisco D. Legaspi concurring.

<sup>5</sup> *Id.* at 35-37.

<sup>6</sup> *Id.* at 53-58.

<sup>7</sup> *Id.* at 42-45.

<sup>8</sup> *Id.* at 46-50.

proper legal interpretation of facts and misunderstanding of the legal import and consequences of their acts.

2. The parties admit that protracted litigation is inimical to their respective interests and **have agreed to enter into the following admissions, stipulations, and agreements:**

- a) After presentation by the respondent-appellee<sup>9</sup> of government issued identification card [sic] and other documents that may be required by the petitioner-appellant,<sup>10</sup> for full and final settlement of the case, China Bank Savings, Inc. (formerly, Planters Development Bank) will draft manager's checks in the amount of **Four Million Five Hundred Forty Five Thousand Pesos** a photocopy of which is hereto attached as x x x in favor of RAFAELITA SIOJO REYES.
- b) That it is understood that, all the taxes and expenses (if any) in encashment of the check will be at the individual expense of the respondent-appellee.
- c) That it is understood further that encashment entails requirements as prescribed by the Bangko Sentral ng Pilipinas.

3. That in consideration of the above, the parties shall cause the dismissal or withdrawal of the instant case. That, upon the signing of this Compromise Agreement, respondent-appellee hereby release, remise, and forever discharge defendant bank, from any and all manner of action, cause of action, sum of money, damages, claims, and demands whatsoever in law or in equity which she had or now have against the said petitioner-appellant arising from the instant case which reached the Honorable Supreme Court.

4. Subject to the foregoing, the parties hereby forever release, waive, discharge and/or quitclaim each other from ANY and ALL claims, counterclaims, demands, and/or causes of action, for money or otherwise, before any court, tribunal, and/or administrative body, now or in the future, arising directly from this controversy.

5. Considering the settlement, the parties shall move or confirm with the Honorable Supreme Court through any manifestation that the case has been settled.

6. The Parties warrant that they fully understood this Compromise Agreement, the terms, conditions and consequences thereof, and that they are fully satisfied.

7. Lastly, the Parties further warrant that this Compromise Agreement was entered into freely and voluntarily by them with the assistance of counsels, and that the Compromise Agreement is not contrary to law, morals, and public policy.<sup>11</sup> (Emphasis in the original)

A compromise agreement is a contract between the parties, which if not contrary to law, morals or public policy, is valid and enforceable between

<sup>9</sup> Rafaelita Siojo Reyes.

<sup>10</sup> Planters Development Bank (now China Bank Savings, Inc.).

<sup>11</sup> *Rollo*, pp. 47-48.

them.<sup>12</sup> It is a contract whereby the parties make reciprocal concessions in order to resolve their differences and thus avoid or put an end to a lawsuit.<sup>13</sup> It is an accepted, nay desirable and encouraged practice in courts of law and administrative tribunals.<sup>14</sup> The law does not limit compromises to cases about to be filed or cases already pending in courts – that a compromise agreement may be effected even after final judgment is impliedly authorized by Article 2040<sup>15</sup> of the Civil Code.<sup>16</sup> Conversely stated, a compromise may be entered into at any stage of the case – pending trial, on appeal and even after finality of judgment.<sup>17</sup>

The compromise agreement, to be binding, must be shown to have been voluntarily, freely and intelligently executed by the parties, who had full knowledge of the judgment.<sup>18</sup> And like any other contract, the terms and conditions of a compromise agreement must not be contrary to law, morals, good customs, public policy and public order.<sup>19</sup>

**The Court stamps its imprimatur on the Compromise Agreement dated January 31, 2022.**

A fastidious examination of the terms of the Compromise Agreement between the herein parties readily shows it bears the signatures of (a) the respondent and her counsel, Atty. Gilbert J. Punzalan of Burkley & Aquino Law Office; and (b) petitioner's representatives, Vice President I Atty. Roberto M. Buenaventura (Atty. Buenaventura) and Vice President I Mary Grace F. Guzman (Guzman), as well as petitioner's counsel, Atty. Jhoriel T. Castillo of Janda Pacis Pagtakhan & Danting Law Offices.

Moreover, as evidenced by the Secretary's Certificate<sup>20</sup> dated March 18, 2022, duly prepared and signed by Atty. Arturo Jose M. Constantino III, petitioner's Corporate Secretary, Atty. Buenaventura and Guzman have been duly authorized by petitioner's Board of Directors to enter into the subject Compromise Agreement.

Too, in consideration for putting an end to the litigation between them, petitioner issued in favor of respondent China Bank Savings Manager's Check No. 0000134448<sup>21</sup> for the amount of ₱4,545,000.00.

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<sup>12</sup> *Abinujar v. Court of Appeals*, 313 Phil. 407, 413 (1995).

<sup>13</sup> *Magbanua v. Uy*, 497 Phil. 511, 518 (2005).

<sup>14</sup> *Santiago IV v. De Guzman*, 258 Phil. 135, 141 (1989).

<sup>15</sup> ARTICLE 2040. If after a litigation has been decided by a final judgment, a compromise should be agreed upon, either or both parties being unaware of the existence of the final judgment, the compromise may be rescinded.

Ignorance of a judgment which may be revoked or set aside is not a valid ground for attacking a compromise.

<sup>16</sup> *Jesalva v. Bautista*, 105 Phil. 348, 351 (1959).

<sup>17</sup> *Heirs of Gamaliel Albano v. Spouses Ravanos*, 790 Phil. 557, 577 (2016).

<sup>18</sup> *Spouses Garcia v. Spouses Soriano*, 879 Phil. 342 (2020).

<sup>19</sup> *Rivero v. Court of Appeals*, 498 Phil. 1, 21 (2005).

<sup>20</sup> *Rollo*, pp. 74-75.

<sup>21</sup> *Id.* at 51.

Verily, the reciprocal concessions that the parties have agreed upon were voluntarily, freely, and intelligently made by them. In the same vein, the terms and conditions of the Compromise Agreement are not contrary to law, morals, good customs, public policy and public order.

**WHEREFORE**, the Motion to Admit and Approve Compromise Agreement dated February 15, 2022 is **GRANTED**. Accordingly, the Compromise Agreement dated January 31, 2022 is **APPROVED**.

The Resolution of the Court dated March 18, 2021 is hereby **SET ASIDE**. In lieu thereof, judgment is rendered in conformity with the terms and conditions set forth in the Compromise Agreement, which the parties are **ORDERED** to faithfully comply with.

The Motion for Reconsideration dated December 2, 2021, filed by petitioner Planters Development Bank (now China Bank Savings, Inc.), is deemed withdrawn.

This case is considered **CLOSED** and **TERMINATED**.

Let entry of judgment be issued immediately.

**SO ORDERED.”**

By authority of the Court:

*Misael C. Battung III*  
**MISAELO C. BATTUNG III**  
*Division Clerk of Court*

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