



Republic of the Philippines
Supreme Court
 Manila

SECOND DIVISION

**ATTY. REYES G. GEROMO,
 FLORENCIO BUENTIPO, JR.,
 ERNALDO YAMBOT and
 LYDIA BUSTAMANTE,**

Petitioners,

- versus -

G.R. No. 211175

Present:

**CARPIO, J., Chairperson,
 PERALTA,
 MENDOZA, and
 LEONEN, and
 JARDELEZA, JJ.**

**LA PAZ HOUSING AND
 DEVELOPMENT CORPORATION
 and GOVERNMENT SERVICE
 INSURANCE SYSTEM,**

Respondents.

Promulgated:

18 JAN 2017

X ----- X

DECISION

MENDOZA, J.:

Before the Court is a Petition for Review on *Certiorari* under Rule 45 of the Rules of Court assailing the September 26, 2013 Decision¹ and the January 29, 2014 Resolution² of the Court of Appeals (CA), in CA-G.R. SP No. 123139, which affirmed the January 11, 2012 Decision³ of the Office of the President (OP), dismissing the action for damages filed by the petitioners before the Housing and Land Regulatory Board (HLURB) against La Paz Housing and Development Corporation (*La Paz*) and the Government Service Insurance System (GSIS), on the ground of breach of warranty against hidden defects.

¹ *Rollo*, pp. 54-67.

² *Id.* at 68-69.

³ *Id.* at 185-187.

The Antecedents

Petitioners Atty. Reyes G. Geromo (*Geromo*), Florencio Buentipo, Jr. (*Buentipo*), Ernaldo Yambot (*Yambot*), and Lydia Bustamante (*Bustamante*) acquired individual housing units of Adelina 1-A Subdivision (*Adelina*) in San Pedro, Laguna from La Paz, through GSIS financing, as evidenced by their deeds of conditional sale.⁴ The properties were all situated along the old Litlit Creek.

In 1987, Geromo, Bustamante and Yambot started occupying their respective residential dwellings, which were all located along Block 2 (Pearl Street) of the said subdivision. Buentipo, on the other hand, opted to demolish the turned-over unit and build a new structure thereon. After more than two (2) years of occupation, cracks started to appear on the floor and walls of their houses. The petitioners, through the President of the Adelina 1-A Homeowners Association, requested La Paz, being the owner/developer, to take remedial action. They collectively decided to construct a riprap/retaining wall along the old creek believing that water could be seeping underneath the soil and weakening the foundation of their houses. Although La Paz was of the view that it was not required to build a retaining wall, it decided to give the petitioners ₱3,000.00 each for expenses incurred in the construction of the said riprap/retaining wall. The petitioners claimed that despite the retaining wall, the condition of their housing units worsened as the years passed. When they asked La Paz to shoulder the repairs, it denied their request, explaining that the structural defects could have been caused by the 1990 earthquake and the renovations/improvements introduced to the units that overloaded the foundation of the original structures.

In 1998, the petitioners decided to leave their housing units in Adelina.⁵

In May 2002, upon the request of the petitioners, the Municipal Engineer of San Pedro and the Mines and Geosciences Bureau (*MGB*) of the Department of Environment and Natural Resources (*DENR*) conducted an ocular inspection of the subject properties. They found that there was “*differential settlement of the area where the affected units were constructed.*”⁶

On the basis thereof, Geromo filed a complaint for breach of contract with damages against La Paz and GSIS before the HLURB.⁷ On May 3,

⁴ Id. at 108-115.

⁵ Id. at 89-90.

⁶ Id. at 185.

⁷ Docketed as HLURB Case No. IV6-11202-1885.

2003, Buentipo, Yambot and Bustamante filed a similar complaint against La Paz and GSIS.⁸ They all asserted that La Paz was liable for implied warranty against hidden defects and that it was negligent in building their houses on unstable land. Later on, the said complaints were consolidated.

La Paz, in its Answer, averred that it had secured the necessary permits and licenses for the subdivision project; that the houses thereon were built in accordance with the plans and specifications of the National Building Code and were properly delivered to the petitioners; that it did not violate Presidential Decree (*P.D.*) No. 957 as it was issued compliance documents, such as development permits, approved alteration plan, license to sell, and certificate of completion by HLURB; that the Philippine Institute of Volcanology and Seismology (*PHILVOLCS*), based on the serial photo interpretation of its field surveyors in 1996, reported that a portion of the topography of the subdivision developed an active fault line; and lastly, that there were unauthorized, irregular renovation/alteration and additional construction in the said units. Hence, it argued that it should not be held liable for any damage incurred and that the same should be for the sole account of the petitioners.⁹

In its defense, GSIS moved for the dismissal of the complaint for lack of cause of action. It asserted that the deeds of conditional sale were executed between La Paz and the petitioners only and that its only participation in the transactions was to grant loans to the petitioners for the purchase of their respective properties.¹⁰

The Decision of the HLURB Arbiter

In its August 9, 2004 Decision,¹¹ the HLURB Arbiter found La Paz liable for the structural damage on the petitioners' housing units, explaining that the damage was caused by its failure to properly fill and compact the soil on which the houses were built and to maintain a three (3) meter easement from the edge of the creek as required by law. As to GSIS, the HLURB ruled that there was no cogent reason to find it liable for the structural defects as it merely facilitated the financing of the affected units. The decretal portion of the decision of the HLURB Arbiter reads:

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

1) Ordering respondent La Paz Housing and Dev't. Corp. to immediately undertake and cause the necessary repairs/

⁸ Docketed as HLURB Case No. IV6-051503-1980.

⁹ *Rollo*, p. 167.

¹⁰ *Id.* at 164.

¹¹ *Id.* at 159-170. Penned by Housing and Land Use Board Arbiter Atty. Ma. Perpetua Y. Aquino.

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construction of the subject units to make it suitable for human habitation for which it was originally intended for;

2) In the alternative, if it is no longer possible for the said units to be repaired to make it suitable for human habitation, respondent LPHDC is hereby ordered to give each complainant a substitute property of the same nature and area, more or less, within the subdivision project or in any project owned and developed by LPHDC within the vicinity of San Pedro, Laguna;

3) Ordering respondent LPHDC to pay complainants:

a. the equivalent sum of what each complainant may prove by documentary evidence such as receipts and the like, as actual damages;

b. the sum of ₱15,000.00 each as moral damages;

c. the sum of ₱10,000.00 each as exemplary damages;

d. the sum of ₱10,000.00 as attorney's fees.;

e. cost of suit.

SO ORDERED.¹²

*The Decision of the HLURB
Board of Commissioners*

In its September 12, 2005 Decision,¹³ the HLURB Board of Commissioners *set aside* the Arbiter's decision, explaining that there was no concrete evidence presented to prove that the houses of the petitioners were indeed damaged by the failure of La Paz to comply with the building standards or easement requirements.

The petitioners moved for reconsideration, but the HLURB Board of Commissioners denied their motion in its Resolution,¹⁴ dated January 31, 2006.

The Decision of the OP

Aggrieved, the petitioners elevated the case to the OP which initially dismissed the appeal on December 18, 2006 for late filing.¹⁵ The petitioners questioned the dismissal before the CA and, in its Decision,¹⁶ dated March 31, 2009, the appellate court reversed the resolution of the OP and ordered the latter to resolve the appeal on the merits.

¹² Id. at 169-170.

¹³ Id. at 171-174.

¹⁴ Id. at 178-179.

¹⁵ Id. at 183-184.

¹⁶ Id. at 87-105.

On January 11, 2012, the OP finally rendered a decision dismissing the appeal for lack of merit. It found that on the culpability of La Paz, the petitioners merely relied on the report submitted by the team that conducted the “ocular inspection” of the subject properties. It wrote that “[w]hat is visual to the eye, though, is not always reflective of the real cause behind. xxx other than the ocular inspection, no investigation was conducted to determine the real cause of damage on the housing units.” According to the OP, the petitioners “did not even show that the plans, specifications and designs of their houses were deficient and defective.” It concluded that the petitioners failed to show that La Paz was negligent or at fault in the construction of the houses in question or that improper filing and compacting of the soil was the proximate cause of damage.¹⁷

The CA Decision

Not in conformity, the petitioners appealed the OP decision, dated January 11, 2012, before the CA. On September 26, 2013, the CA affirmed the ruling of the OP and found that the petitioners had no cause of action against La Paz for breach of warranty against hidden defects as their contracts were merely contracts to sell, the titles not having been legally passed on to the petitioners. It likewise ruled that La Paz could not be held liable for damages as there was not enough evidence on record to prove that it acted fraudulently and maliciously against the petitioners.¹⁸

On January 29, 2014, the CA denied the motion for reconsideration¹⁹ filed by the petitioners.

Hence, the present petition raising the following

ISSUES

The CA gravely erred in the issuance of the assailed Decision and challenged Resolution which affirmed in toto the Decision of the O.P. [dismissing the petition for lack of merit] despite the conclusive:

A. Findings of the MGB, DENR, Engineer’s Office, San Pedro, Laguna and HLURB Director that petitioners’ housing are unfit for human habitation. Hence, they are entitled to the protective mantle of PD 957 which was enacted to protect the subdivision lot buyers against the

¹⁷ Id. at 186-187.

¹⁸ Id. at 54-67.

¹⁹ Id. at 71-79.

commission of fraud or negligence by the developer/contractor like La Paz.

B. The contractual relationship between the parties is not governed by Articles 1477 or 1478, the New Civil Code as the correct issue is the liability of La Paz as the contractor/developer to the petitioners' housing units declared by government agencies unfit for human habitation. What governs are Art. 2176 in relation to Art. 1170, 1173 and Art. 19 in relation to Art. 20 and Art. 21, the Civil Code of the Philippines.

C. La Paz is liable for warranty against hidden defects when it sold to the petitioners the housing units declared unfit for human habitation. La Paz's defense of force majeure will not lie.

D. GSIS' privity to the Contract (Deed of Conditional Sale) executed by and between the petitioners and La Paz for the housing loans which it financed makes it jointly and severally liable for the petitioners' defective housing units.²⁰

The central issue in this case is whether La Paz should be held liable for the structural defects on its implied warranty against hidden defects.

The petitioners assert that La Paz was grossly negligent when it constructed houses over a portion of the old Litlit Creek. They claim that La Paz merely covered the old creek with backfilled materials without properly compacting the soil.²¹ They argue that they, or any buyer for that matter, could not have known that the soil beneath the cemented flooring of their housing units were not compacted or leveled properly and that the water beneath continuously seeped, causing the soil foundation to soften resulting in the differential settlement of the area.²²

The Court's Ruling

After a judicious review of the records of this case, the Court finds merit in the petition.

Under the Civil Code, the vendor shall be answerable for warranty against hidden defects on the thing sold under the following circumstances:

²⁰ Id. at 27-28.

²¹ Id. at 32.

²² Id. at 40.

Art. 1561. The vendor shall be responsible for warranty against the hidden defects which the thing sold may have, should they render it unfit for the use for which it is intended, or should they diminish its fitness for such use to such an extent that, had the vendee been aware thereof, he would not have acquired it or would have given a lower price for it; but said vendor shall not be answerable for patent defects or those which may be visible, or for those which are not visible if the vendee is an expert who, by reason of this trade or profession, should have known them. (Emphasis supplied)

Art. 1566. The vendor is responsible to the vendee for any hidden faults or defects in the thing sold, even though he was not aware thereof.

This provision shall not apply if the contrary has been stipulated and the vendor was not aware of the hidden faults or defects in the thing sold.

For the implied warranty against hidden defects to be applicable, the following conditions must be met:

- a. Defect is Important or Serious
 - i. The thing sold is unfit for the use which it is intended
 - ii. Diminishes its fitness for such use or to such an extent that the buyer would not have acquired it had he been aware thereof
- b. Defect is Hidden
- c. Defect Exists at the time of the sale
- d. Buyer gives Notice of the defect to the seller within reasonable time

Here, the petitioners observed big cracks on the walls and floors of their dwellings within two years from the time they purchased the units. The damage in their respective houses was substantial and serious. They reported the condition of their houses to La Paz, but the latter did not present a concrete plan of action to remedy their predicament. They also brought up the issue of water seeping through their houses during heavy rainfall, but again La Paz failed to properly address their concerns. The structural cracks and water seepage were evident indications that the soil underneath the said structures could be unstable. Verily, the condition of the soil would not be in the checklist that a potential buyer would normally inquire about from the developer considering that it is the latter's prime obligation to ensure suitability and stability of the ground.

Furthermore, on June 11, 2002, HLURB Director Belen G. Ceniza, after confirming the cracks on the walls and floors of their houses, requested MGB-DENR and the Office of the Municipal Mayor to conduct a geological/geohazard assessment and thorough investigation on the entire Adelina subdivision.²³ Thus, in its August 8, 2002 Letter-Report,²⁴ MGB reported that there was evident ground settlement in the area of the Litlit Creek where the houses of the petitioners were located, probably “caused by hydrocompaction of the backfill and or alluvial deposits xxx.” The Engineering Department of San Pedro Municipality, on the other hand, confirmed the settlement affecting at least six (6) houses along Block 2, Pearl St., including that of Geromo, resulting in various structural damage.²⁵ Records reveal that a portion of Pearl Street itself had sunk, cracking the concrete pavement of the road. For several years, the petitioners had to endure the conditions of their homes while La Paz remained silent on their constant follow-ups. Eventually, they had to leave their own dwellings due to safety concerns.

Based on the said findings, the Court is of the considered view that the petitioners were justified in abandoning their dwellings as they were living therein under unsafe conditions. With the houses uncared for, it was no surprise that, by the time the case was filed in 2004, they were in a worse condition.

La Paz remained unconcerned even after receiving incident reports of structural issues from homeowners and despite constant follow-ups from them for many years. In fact, the petitioners took it upon themselves to build a riprap/retaining wall due to La Paz’s indifference.

One of the purposes of P.D. No. 957, also known as The Subdivision and Condominium Buyers’ Protective Decree, is to discourage and prevent unscrupulous owners, developers, agents, and sellers from renegeing on their obligations and representations to the detriment of innocent purchasers.²⁶

Considering the nature of the damage sustained by the structures, even without the findings of the local governmental agency and the MGB-DENR, La Paz is still liable under the doctrine of *res ipsa loquitur*. In the case of *D.M. Consunji, Inc. v. CA*,²⁷ the Court expounded on this doctrine in this wise:

²³ Id. at 149-150.

²⁴ Id. at 153-154.

²⁵ Id. at 155.

²⁶ *Co Chien v. Sta. Lucia Realty and Development, Inc.*, 542 Phil. 558, 568 (2007).

²⁷ 409 Phil. 275 (2001).

The concept of *res ipsa loquitur* has been explained in this wise:

While negligence is not ordinarily inferred or presumed, and while the mere happening of an accident or injury will not generally give rise to an inference or presumption that it was due to negligence on defendants part, under the doctrine of *res ipsa loquitur*, which means, literally, the thing or transaction speaks for itself, or in one jurisdiction, that the thing or instrumentality speaks for itself, the facts or circumstances accompanying an injury may be such as to raise a presumption, or at least permit an inference of negligence on the part of the defendant, or some other person who is charged with negligence.

x x x where it is shown that the thing or instrumentality which caused the injury complained of was under the control or management of the defendant, and that the occurrence resulting in the injury was such as in the ordinary course of things would not happen if those who had its control or management used proper care, there is sufficient evidence, or, as sometimes stated, reasonable evidence, in the absence of explanation by the defendant, that the injury arose from or was caused by the defendant's want of care.

One of the theoretical bases for the doctrine is its necessity, i.e., that necessary evidence is absent or not available.

The *res ipsa loquitur* doctrine is based in part upon the theory that the defendant in charge of the instrumentality which causes the injury either knows the cause of the accident or has the best opportunity of ascertaining it and that the plaintiff has no such knowledge, and therefore is compelled to allege negligence in general terms and to rely upon the proof of the happening of the accident in order to establish negligence. The inference which the doctrine permits is grounded upon the fact that the chief evidence of the true cause, whether culpable or innocent, is practically accessible to the defendant but inaccessible to the injured person.

It has been said that the doctrine of *res ipsa loquitur* furnishes a bridge by which a plaintiff, without knowledge of the cause, reaches over to defendant who knows or should know the cause, for any explanation of care exercised by the defendant in respect of the matter of which the plaintiff complains. The *res ipsa loquitur* doctrine, another court has said, is a rule of necessity, in that it proceeds on the theory that under the peculiar circumstances in which the doctrine is applicable, it is within the power of the defendant to show that there was no negligence on his part, and direct proof of defendants negligence is beyond plaintiffs power. Accordingly, some courts add to the three prerequisites for the application of the *res ipsa*

loquitur doctrine the further requirement that for the *res ipsa loquitur* doctrine to apply, it must appear that the injured party had no knowledge or means of knowledge as to the cause of the accident, or that the party to be charged with negligence has superior knowledge or opportunity for explanation of the accident.²⁸

Under the said doctrine, expert testimony may be dispensed with to sustain an allegation of negligence if the following requisites obtain: a) the event is of a kind which does not ordinarily occur unless someone is negligent; b) the cause of the injury was under the exclusive control of the person in charge; and c) the injury suffered must not have been due to any voluntary action or contribution on the part of the person injured.²⁹

In this case, the subdivision plan/layout was prepared and approved by La Paz. The actual excavation, filling and levelling of the subdivision grounds were exclusively done under its supervision and control. There being no contributory fault on the part of the petitioner, there can be no other conclusion except that it was the fault of La Paz for not properly compacting the soil, which used to be an old creek.

It should have taken adequate measures to ensure the structural stability of the land before they started building the houses thereon. The uneven street pavements and visible cracks on the houses were readily apparent yet La Paz did not undertake any corrective or rehabilitative work.

La Paz's argument that the damage could have been sustained because of the 1990 earthquake or through the various enhancements undertaken by the petitioners on their respective structures was not substantiated. Records undeniably show that the petitioners had raised their concerns as early as 1988 – before the earthquake occurred in 1990.

On Damages

Due to the indifference and negligence of La Paz, it should compensate the petitioners for the damages they sustained. On actual damages, the standing rule is that to be entitled to them, there must be pleading and proof of actual damages suffered.

Actual damages, to be recoverable, must not only be capable of proof, but must actually be proved with a reasonable degree of certainty. Courts cannot simply rely on speculation, conjecture or guesswork in determining the fact and amount of damages. To

²⁸ Id. at 289-291.

²⁹ *DM Consunji v. Court of Appeals*, supra note 27, at 291.

justify an award of actual damages, there must be competent proof of the actual amount of loss, credence can be given only to claims which are duly supported by receipts.³⁰

In this regard, the petitioners failed to prove with concrete evidence the amount of the actual damages they suffered. For this reason, the Court does not have any basis for such an award.

Nevertheless, temperate or moderate damages may be recovered when some pecuniary loss has been suffered but its amount cannot, from the nature of the case, be proved with certainty.³¹ The amount thereof is usually left to the discretion of the courts but the same should be reasonable, bearing in mind that temperate damages should be more than nominal but less than compensatory.³² In this case, the petitioners suffered some form of pecuniary loss due to the impairment of the structural integrity of their dwellings. In view of the circumstances obtaining, an award of temperate damages amounting to ₱200,000.00 is just and reasonable.

The petitioners are also entitled to moral and exemplary damages. Moral damages are not meant to be punitive but are designed to compensate and alleviate the physical suffering, mental anguish, fright, serious anxiety, besmirched reputation, wounded feelings, moral shock, social humiliation, and similar harm unjustly caused to a person. To be entitled to such an award, the claimant must satisfactorily prove that he indeed suffered damages and that the injury causing the same sprung from any of the cases listed in Articles 2219³³ and 2220³⁴ of the Civil Code. Moreover, the damages must be shown to be the proximate result of a wrongful act or omission. Moral damages may be awarded when the breach of contract was attended with bad faith,³⁵ or is guilty of gross negligence amounting to bad

³⁰ *Viron Transportation Co., Inc. v. Delos Santos*, 399 Phil. 243 (2000).

³¹ Art. 2224, Civil Code of the Philippines.

³² *College Assurance Plan v. Belfranlt Development, Inc.*, 563 Phil. 355, 367 (2007).

³³ Article 2219. Moral damages may be recovered in the following and analogous cases:

- (1) A criminal offense resulting in physical injuries;
- (2) Quasi-delicts causing physical injuries;
- (3) Seduction, abduction, rape or other lascivious acts;
- (4) Adultery or concubinage;
- (5) Illegal or arbitrary detention or arrest;
- (6) Illegal search;
- (7) Libel, slander or any other form of defamation;
- (8) Malicious prosecution;
- (9) Acts mentioned in article 309;
- (10) Acts and actions referred to in articles 21, 26, 27, 28, 29, 30, 32, 34, and 35.

The parents of the female seduced, abducted, raped, or abused, referred to in No. 3 of this article, may also recover moral damages.

The spouse, descendants, ascendants, and brothers and sisters may bring the action mentioned in No. 9 of this article, in the order named.

³⁴ Willful injury to property may be a legal ground for awarding moral damages if the court should find that, under the circumstances, such damages are justly due. The same rule applies to breaches of contract where the defendant acted fraudulently and in bad faith.

³⁵ *Frias v. San Diego-Sison*, 549 Phil. 49, 61 (2007).

faith.³⁶ Obviously, the uncaring attitude of La Paz amounted to bad faith. For said reason, the Court finds it proper to award moral damages in the amount of ₱150,000.00.

Petitioners are also entitled to exemplary damages which are awarded when a wrongful act is accompanied by bad faith or when the guilty party acted in a wanton, fraudulent, reckless, oppressive, or malevolent manner³⁷ under Article 2232³⁸ of the Civil Code. The indifference of La Paz in addressing the petitioners' concerns and its subsequent failure to take remedial measures constituted bad faith.

Considering that the award of moral and exemplary damages is proper in this case, attorney's fees and cost of the suit may also be recovered as provided under Article 2208³⁹ of the Civil Code.⁴⁰

GSIS not liable

As to the petitioners' prayer to make GSIS jointly and severally liable with La Paz, the Court finds that there is no legal basis to juridically bind GSIS because it was never a party in the contracts between La Paz and the petitioners. The housing loan agreements that the petitioners entered into with GSIS were separate and distinct from the purchase contracts they executed with La Paz. GSIS merely agreed to pay the purchase price of the housing unit that each petitioner purchased from La Paz. It was merely the lender, not the developer.

³⁶ *Bankcard, Inc. v. Feliciano*, 529 Phil. 53, 62-63 (2006).

³⁷ *Amado v. Salvador*, 564 Phil. 728, 745 (2007).

³⁸ In contracts and quasi-contracts, the court may award exemplary damages if the defendant acted in a wanton, fraudulent, reckless, oppressive, or malevolent manner.

³⁹ Art. 2208. In the absence of stipulation, attorneys fees and expenses of litigation, other than judicial costs, cannot be recovered, except:

(1) **When exemplary damages are awarded;**

(2) When the defendants act or omission has compelled the plaintiff to litigate with third persons or to incur expenses to protect his interest;

(3) In criminal cases of malicious prosecution against the plaintiff;

(4) In case of a clearly unfounded civil action or proceeding against the plaintiff;

(5) Where the defendant acted in gross and evident bad faith in refusing to satisfy the plaintiffs plainly valid, just and demandable claim;

(6) In action for legal support;

(7) In actions for the recovery of wages of household helpers, laborers and skilled workers;

(8) In actions for indemnity under workmens compensation and employers liability laws;

(9) In a separate civil action to recover civil liability arising from a crime;

(10) When at least double judicial costs are awarded;

(11) In any other case where the court deems it just and equitable that attorneys fees and expenses of litigation should be recovered.

In all cases, the attorneys fees and expenses of litigation must be reasonable. (Emphasis supplied)

⁴⁰ *Unlad Resources Development Corporation v. Dragon*, 582 Phil. 61, 86 (2008).

WHEREFORE, the petition is **GRANTED**. The August 9, 2004 Decision of the HLURB Arbiter is hereby **REINSTATED with MODIFICATIONS** to read as follows:

WHEREFORE, Judgment is hereby rendered

1) Ordering respondent La Paz Housing and Development Corporation to immediately undertake and cause the necessary repairs/construction of the subject units to make it suitable for human habitation for which it was originally intended;

2) In the alternative, if it would no longer possible for the said units to be repaired to make it suitable for human habitation, ordering respondent La Paz to give each petitioner another property of the same nature and size, more or less, within the subdivision project or in any project owned and developed by La Paz in San Pedro, Laguna, or pay the monetary equivalent thereof; and

3) Ordering respondent La Paz to pay each of the petitioners:

- a. the sum of ₱200,000.00 as temperate damages;
- b. the sum of ₱150,000.00 as moral damages;
- c. the sum of ₱150,000.00 as exemplary damages;
- d. the sum of ₱100,000.00 as attorney's fees; and
- e. cost of suit.

All awards shall earn legal interest at the rate of six percent (6%) per annum from the finality of judgment until full payment, in line with recent jurisprudence.⁴¹

SO ORDERED.


JOSE CATRAL MENDOZA
Associate Justice

⁴¹ *Nacar v. Gallery Frames*, 716 Phil. 267, 280-281 (2013).

WE CONCUR:



ANTONIO T. CARPIO
Associate Justice
Chairperson



DIOSDADO M. PERALTA
Associate Justice



MARVIC M.V.F. LEONEN
Associate Justice



FRANCIS H. JARDELEZA
Associate Justice

ATTESTATION

I attest 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.



ANTONIO T. CARPIO
Associate Justice
Chairperson, Second Division

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.



MARIA LOURDES P. A. SERENO
Chief Justice

