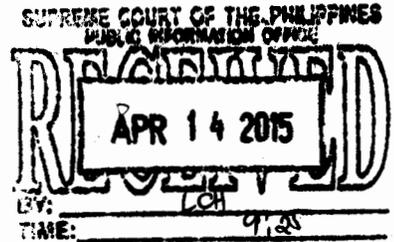


PTD



REPUBLIC OF THE PHILIPPINES  
SUPREME COURT  
Manila

SECOND DIVISION



**NOTICE**

Sirs/Mesdames:

Please take notice that the Court, Second Division, issued a Resolution dated **09 March 2015** which reads as follows:

**"G.R. No. 211743: TECHNOGAS PHILIPPINES MANUFACTURING CORP. v. PHILIPPINE NATIONAL BANK**

X-----X

Before this court is a Joint Manifestation and Motion (For Approval of Compromise Agreement, Withdrawal/Dismissal of the Petition, and For Judgment Based on the Agreement)<sup>1</sup> filed by the parties, petitioner Technogas Philippines Manufacturing Corp. and respondent Philippine National Bank.

Petitioner filed its Petition for Review<sup>2</sup> under Rule 45, seeking a reversal of the Court of Appeals Decision<sup>3</sup> dated September 10, 2013 and Resolution<sup>4</sup> dated March 10, 2014. The Court of Appeals reversed the Decision of the Regional Trial Court of Parañaque City and dismissed the Complaint for injunction and annulment of extrajudicial foreclosure sale.

Respondent filed its Comment<sup>5</sup> on September 11, 2014.

On October 29, 2014, petitioner filed its Manifestation and Motion,<sup>6</sup> informing the court of the impending execution of the Compromise Agreement between the parties and praying that the court hold in abeyance any action on the Petition pending its submission of the Compromise Agreement.

On December 11, 2014, the parties submitted for approval their Joint Manifestation and Motion with the attached Compromise Agreement<sup>7</sup> dated December 4, 2014:

**COMPROMISE AGREEMENT**

<sup>1</sup> Rollo, pp. 181-190.  
<sup>2</sup> Id. at 30-114.  
<sup>3</sup> Id. at 125-134. The Decision, docketed as CA-G.R. CV No. 98182, was penned by Associate Justice Apolinario D. Bruselas, Jr. and concurred in by Associate Justices Rebecca De Guia-Salvador (Chair) and Samuel H. Gaerlan of the Third Division, Court of Appeals Manila.  
<sup>4</sup> Id. at 136-137.  
<sup>5</sup> Id. at 151-163.  
<sup>6</sup> Id. at 166-169.  
<sup>7</sup> Id. at 191-194.

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(251[b])URES

This Compromise Agreement (the "Agreement") made and executed by and between:

**TECHNOGAS PHILIPPINES MANUFACTURING CORPORATION**, a corporation organized and existing under Philippine laws, with postal address c/o De Jesus Manimtim & Associates, No. 5625 Don Pedro corner Gabaldon Streets, Makati City, Metro Manila, and with principal business address at No. 3295 Dr. Arcadio Santos Avenue (formerly Sucat Road), Parañaque City, Metro Manila (the "**Plaintiff**");

- and -

**PHILIPPINE NATIONAL BANK**, a universal banking corporation organized and existing under Philippine laws, with principal office address at PNB Financial Center, Pres. Diosdado P. Macapagal Boulevard, Pasay City (the "**Defendant**");

**WITNESSETH: That**

**WHEREAS**, the Defendant extended in favor of the Plaintiff certain loans and credit accommodations (the "Credit Facilities"), secured by a real estate mortgage on a parcel of land, together with the improvements thereon, located at Lot 4531-A-1, No. 8295 Dr. A. Santos Avenue (formerly Sucat Road), Brgy. San Dionisio, Parañaque City, with an area of 15,842 square meters, more or less, covered by *Transfer Certificate of Title (TCT) No. 122533* of the Registry of Deeds for Parañaque, Metro Manila, registered in the name of the Plaintiff (the "Property");

**WHEREAS**, for failure of the Plaintiff to pay the outstanding obligation under the Credit Facilities, the Defendant filed a Petition for Extrajudicial Foreclosure of the Property on August 16, 2001;

**WHEREAS**, before the scheduled auction sale, the Plaintiff filed against the Defendant a Complaint for Annulment of Foreclosure with Injunction with the Regional Trial Court of Parañaque City Branch 196 (the "RTC"), docketed as Civil Case No. 01-0330 (the "Civil Case"), which prayer for injunction was granted by the RTC thereby preventing the Defendant from foreclosing the Property;

**WHEREAS**, on July 24, 2003, the Court of Appeals set aside the writ of injunction thereby enabling the Defendant to foreclose the Property. The Plaintiff thereafter elevated the Court of Appeals' decision to the Supreme Court which (1) upheld the Court of Appeals decision, and (2) remanded the Civil Case to the RTC for further proceedings and hearing on the merits of the case, thus title to the Property was not consolidated in the Defendant's name and remained in the name of the Plaintiff;

**WHEREAS**, on November 24, 2011, the RTC rendered a judgment nullifying the Defendant's foreclosure sale of the

- more -

Property, which decision was reversed by the Court of Appeals on September 10, 2013;

**WHEREAS**, the Plaintiff appealed the Court of Appeals' decision to the Supreme Court by way of a Petition for Review dated May 2, 2014 and docketed as G.R. No. 211743, which is pending resolution to date;

**WHEREAS**, the parties have agreed to the compromise settlement of the Civil Case, in accordance with the terms and conditions hereinafter set forth;

**NOW, THEREFORE**, for and in consideration of the foregoing premises which are essential conditions and integral parts of this Agreement, and the stipulations and conditions set forth herein, the parties hereby agree as follows:

#### **SECTION 1. TERMS OF THE SETTLEMENT**

1.01 **Compromise Settlement.** In settlement of the Plaintiff's obligations to the Defendant under the Credit Facilities, and the Civil Case, the parties hereby agree as follows:

- (a) Simultaneous with the execution of this Agreement, the Plaintiff shall pay the Defendant the amount of **PESOS: TWO HUNDRED SIXTY-SEVEN MILLION SIX HUNDRED THIRTY THOUSAND (P267,630,000.00)** [the "Compromise Amount"], payable in cash or check in readily available funds, in full settlement of its obligations under the Credit Facilities.
- (b) Upon receipt of the full proceeds of the Compromise Amount in cleared funds, the Defendant shall:
  - (1) release the owner's duplicate copy of TCT No. 122533;
  - (2) issue the original Release of Real Estate Mortgage to cancel the Defendant's mortgage liens under Entry Nos. 5078 and 1456 annotated on February 4, 1992 and April 22, 1997, respectively;
  - (3) give its written conformity to the Plaintiff's Notice of Withdrawal of Lis Pendens to cancel Entry No. 3233 annotated on August 12, 2004;
  - (4) issue the Affidavit of Cancellation of the Certificate of Sale ("COS") to cancel Entry No.

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4724 annotated on September 22, 2004;

(5) issue the Application for Withdrawal of the Consolidation of TCT No. 122533.

- (c) In connection with the foregoing, the parties shall jointly cause the approval by the Court of (1) the termination/withdrawal with prejudice of the Civil Case by filing the necessary motions/manifestations for the said purpose, and (2) the cancellation by the Register of Deeds of Parañaque City of the annotations on the title to the Property corresponding to the COS under Entry No. 4724, the Defendant's mortgage liens under Entry Nos. 5078 and 1456, and the Plaintiff's Lis Pendens under Entry No. 3233.
- (d) Any and all taxes, fees and expenses that may be due or incurred in connection with this Compromise Agreement and the return of TCT No. 122533 to the Plaintiff, the cancellation of the COS, the Defendant's mortgage liens and Lis Pendens thereon shall be borne by the Plaintiff.

1.02 **Quitclaim and Waiver.** The parties shall waive any and all claims and counterclaims and causes of action that may have arisen or will arise against each other in relation with, incident to or in connection with the Civil Case. In this connection, the parties hereby fully and comprehensively release, forgive, quitclaim and discharge each other from any claims, demands, obligations, liabilities, indebtedness, causes of action and expenses of whatever kind, nature, description or character, whether known or unknown, real or contingent, arising out of, incident to or in connection therewith.

The parties further understand that this is a general release of any and all their claims against each other with respect to the Property and may be pleaded for the dismissal of any pending case and as a bar to future suits which they may bring in any court, office or agency of whatever jurisdiction, as a result of or in connection therewith.

1.03 **Court Approval of the Compromise Agreement.** The parties shall cause the approval of this Agreement by the appropriate court and shall immediately file a Joint Motion or Manifestation to dismiss the Civil Case and shall, for such purpose, secure an Entry of Judgment thereto.

## **SECTION 2. EFFECTIVE DATE**

This Agreement shall take effect on the date of signing hereof by the parties (the "Effective Date").

**SECTION 3. WARRANTIES AND REPRESENTATIONS**

The parties hereto represent and warrant that:

- (a) They have the power to enter into the transactions embodied in this Agreement and to perform the terms and conditions hereof;
- (b) This Agreement constitutes their legal, valid and binding obligation enforceable in accordance with its terms; and
- (c) All necessary consents, approvals and authorizations required in connection with the execution, delivery and performance of the terms and conditions of this Agreement or for the validity or enforceability hereof have been obtained and are in full force and effect.

**SECTION 4. OTHER CONDITIONS**

4.01 **Breach and Remedies.** Each party's failure to perform or cause the performance of its obligations to the other under the conditions specified herein shall give rise to the right of the aggrieved party to enforce this Agreement thru a Writ of Execution.

4.02 **Separability Clause.** Should any of the terms and conditions of this Agreement be declared invalid, illegal or unenforceable by any court of competent jurisdiction, the rest of the provisions hereunder shall not be affected.

IN WITNESS WHEREOF, the parties hereto have signed this instrument on 04 DEC 2014 at PASAY CITY.

<b>PHILIPPINE NATIONAL BANK</b> Defendant	<b>TECHNOGAS PHILIPPINES MANUFACTURING CORPORATION</b> Plaintiff
--	---

By:  
(Signed)

By:  
(Signed)

\_\_\_\_\_  
**EMMANUEL GERMAN V. PLAN II**  
First Senior Vice President

\_\_\_\_\_  
**FRANCIS T. TAN**  
Property Administrator

Assisted by:

**PNB LEGAL GROUP**  
Counsel for the Defendant

**DE JESUS MANIMTIM &  
ASSOCIATES**  
Counsel for the Plaintiff

By:  
(Signed)

By:  
(Signed)

_____ <b>ATTY. MANUEL C. BAHENA, JR.</b> (Signed)	_____ <b>ATTY. CONSTANTINO B. DE JESUS</b>
---	---

ATTY. NORMAN BUENO

Signed in the Presence Of:

(Signed)

(Signed)

Name: MADYLANE T. SOBREMONTTE

Name: OLIVIA A. PALOSO

A compromise agreement is a contract where the parties freely enter into stipulations to prevent or put an end to litigation.<sup>8</sup> Under Article 1306 of the Civil Code of the Philippines, the “contracting parties may establish such stipulations, clauses, terms, and conditions, as they may deem convenient, provided that these are not contrary to law, morals, good customs, public order, or public policy. . . . Such means of dispute settlement is an accepted, even desirable and encouraged, practice in courts of law and administrative tribunals.”<sup>9</sup>

This court finds the Compromise Agreement as validly executed and not contrary to law, morals, customs, or public policy and, therefore, approves it.

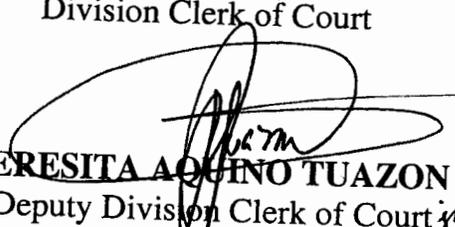
**WHEREFORE**, the Compromise Agreement dated December 4, 2014 is **APPROVED**, and judgment is hereby rendered in accordance with the Compromise Agreement. The Petition is **DISMISSED**. No pronouncement as to costs.

**SO ORDERED.**”

Very truly yours,

**MA. LOURDES C. PERFECTO**  
Division Clerk of Court

By:

  
**TERESITA AQUINO TUAZON**  
Deputy Division Clerk of Court *jde*  
04/07

<sup>8</sup> CIVIL CODE, art. 2028.

<sup>9</sup> *Spouses Tankiang v. Hon. Alaraz*, 608 Phil. 284, 295–296 (2009) [Per J. Nachura, Third Division], citing *Philippine National Oil Company-Energy Development Corporation (PNOC-EDC) v. Abella*, 489 Phil. 515 (2005) [Per J. Chico-Nazario, Second Division].

DE JESUS MANIMTIM & ASSOCIATES (reg)  
(ATTY. CONSTANTINO B. DE JESUS)  
Counsel for Petitioner  
5625 Don Pedro corner Gabaldon Streets  
Poblacion, 1200 Makati City

ATTYS. MANUEL C. BAHENA, JR.  
AND NORMAN R. BUENO (reg)  
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Pres. Diosdado Macapagal Boulevard  
1300 Pasay City

COURT OF APPEALS (x)  
Ma. Orosa Street  
Ermita, 1000 Manila  
CA-G.R. CV No. 98182

JUDGMENT DIVISION (x)  
Supreme Court, Manila

OFFICE OF THE CHIEF ATTORNEY (x)  
OFFICE OF THE REPORTER (x)  
Supreme Court, Manila

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*Please notify the Court of any change in your address.*  
GR211743. 03/09/15 (251[b])URES *M/3*