



Republic of the Philippines
Supreme Court
Manila

THIRD DIVISION

TJ LENDING INVESTORS,
INC., represented by TED
JOSEPH B. PUNZALAN,
Petitioner,

G.R. No. 265651

Present:

CAGUIOA, J., *Chairperson*,
INTING,
GAERLAN,
DIMAAMPAO, and
SINGH, JJ.

- versus -

SPOUSES ARTHUR YLADE
and LITA YLADE and the
REGISTER OF DEEDS OF
MANILA,
Respondents.

Promulgated:

July 31, 2024

Misael B. B. B.

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DECISION

INTING, J.:

Before the Court is a Petition for Review on *Certiorari*¹ (Petition) under Rule 45 of the Rules of Court assailing the Decision² dated July 5, 2022, and the Resolution³ dated February 14, 2023, of the Court of

¹ *Rollo*, pp. 10–19.

² *Id.* at 23–34. Penned by Associate Justice Alfredo D. Ampuan and concurred in by Associate Justices Zenaida T. Galapate-Laguilles and Alfonso C. Ruiz II of the Fifteenth Division, Court of Appeals, Manila.

³ *Id.* at 35–36. Penned by Associate Justice Alfredo D. Ampuan and concurred in by Associate Justices Zenaida T. Galapate-Laguilles and Alfonso C. Ruiz II of the Former Fifteenth Division,

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Appeals (CA) in CA-G.R. CV No. 112633. The CA reversed and set aside the Decision⁴ dated August 20, 2018, and the Resolution⁵ dated October 22, 2018, of Branch 4, Regional Trial Court (RTC Branch 4), Manila, in Case No. P-16-0214 which granted the Petition for the surrender of Transfer Certificate of Title (TCT) No. 170488 filed by petitioner TJ Lending Investors, Inc. (TJ Lending) against respondents Spouses Arthur Ylade (Arthur) and Lita Ylade (Lita) (collectively, Spouses Ylade).⁶

The Antecedents

The present Petition stemmed from a Complaint for sum of money filed by TJ Lending entitled, “*TJ Lending Investors, Inc., represented by its Collection Manager Eduardo M. Punzalan v. Sps. Nenita Generosa-Cubing and Egmedio Cubing, Sps. Roberto Bueno and Elimar Generosa-Bueno, and Sps. Lita Generosa-Ylade and Arthur Ylade*”, which was docketed as Civil Case No. 11-125134 (Collection Case) and raffled to Branch 173, RTC, Manila (RTC Branch 173).⁷

As may be gleaned from the Decision⁸ dated June 22, 2012 of the RTC Branch 173 in the Collection Case, the Spouses Nenita Generosa-Cubing and Egmedio Cubing (collectively, the Spouses Cubing) obtained a loan from TJ Lending in the amount of PHP 940,190.94, evidenced by a promissory note that they executed in favor of TJ Lending. In support of the loan, Lita, the sister of Nenita Generosa-Cubing,⁹ executed and signed a co-maker statement, which made her solidarily liable with the Spouses Cubing for the payment of the loan obligation to TJ Lending. The Spouses Cubing defaulted in their payment that prompted TJ Lending to institute the Collection Case.

In its Decision,¹⁰ the RTC Branch 173 held that the obligations of the Spouses Cubing, as principal debtors under the promissory note, and Lita, as co-maker and solidary debtor under the co-maker statement, must

Court of Appeals, Manila.

⁴ *Id.* at 55–56. Penned by Presiding Judge Jose Lorenzo R. Dela Rosa.

⁵ *Id.* at 61. Penned by Presiding Judge Jose Lorenzo R. Dela Rosa.

⁶ *Id.* at 57.

⁷ RTC records, p. 2, Petition in Case No. 16-0214.

⁸ *Rollo*, pp. 51–53. Penned by Judge Armando A. Yanga.

⁹ RTC records, p. 225, Judicial Affidavit of Arthur C. Ylade.

¹⁰ *Rollo*, pp. 51–53.

be complied with pursuant to Articles 1157¹¹ and 1159¹² of the Civil Code. However, the RTC Branch 173 dismissed the action against Arthur and the Spouses Roberto Bueno and Elimer Bueno because they were not signatories to the promissory note or the co-maker statement, viz.:

WHEREFORE, judgment is hereby rendered ordering defendants Spouses Nenita Generosa-Cubing and Egmedio Cubing (jointly) and Lita Generosa-Ylade (solidarily) to pay TJ Lending Investors, Inc. the following sums, to wit:

- 1) [PHP] 940,190.94 with legal interest of twelve percent (12%) per annum from the filing of the complaint on February 7, 2011 up to its full satisfaction;
- 2) [PHP] 20,000.00 as attorney's fees; and
- 3) [PHP] 35,284.74 as cost of suit.

The actions against Spouses Roberto Bueno and Elimar Bueno and Arthur Ylade are hereby **DISMISSED** for lack of evidence.

SO ORDERED.¹³ (Emphasis in the original)

The Decision of the RTC Branch 173 became final and executory.¹⁴ To satisfy the judgment debt, the Sheriff attached and levied upon a real property located in Tondo, Manila and covered by TCT No. 170488 (subject property).¹⁵ In the TCT, it is stated that the subject property "is registered in accordance with the provisions of section 103 of the Property Registration Decree in the name of ARTHUR C. YLADE, married to Lita Ylade, both of legal age, Filipino citizens[.]"¹⁶

¹¹ CIVIL CODE, art. 1157 states:
ARTICLE 1157. Obligations arise from:

(1) Law;
(2) Contracts;
(3) Quasi-contracts;
(4) Acts or omissions punished by law; and
(5) Quasi-delicts.

¹² CIVIL CODE, art. 1159 states:
ARTICLE 1159. Obligations arising from contracts have the force of law between the contracting parties and should be complied with in good faith.

¹³ *Rollo*, p. 53.

¹⁴ RTC records, p. 2, Petition in Case No. 16-0214.

¹⁵ *Id.* at 23-25, Notice to Parties of Public Auction Sale and Sheriff's Notice of Execution Sale of Real Property.

¹⁶ *Id.* at 18-22, TCT No. 170488.

During the execution sale of the subject property, TJ Lending won as the highest bidder. The Sheriff then issued a Certificate of Sale¹⁷ to TJ Lending.¹⁸

The subject property was not redeemed within the one-year redemption period.¹⁹ Thus, the RTC Branch 173 issued a Final Deed of Sale²⁰ to TJ Lending.²¹

Arthur filed with the RTC Branch 173 a Motion to Nullify Levy and Execution Sale and to Cancel the Certificate of Sale and the Final Deed of Sale²² (Motion to Annul Execution Sale). He averred that the judgment debt cannot be satisfied with the subject property that he exclusively owns considering that the Collection Case was dismissed as to him and he was not among the judgment debtors found liable by the RTC Branch 173; hence, the execution sale was null and void.²³

However, the RTC Branch 173 denied Arthur's motion. It emphasized that Arthur was declared in default in the Collection Case; thus, he has lost his standing in court and cannot question the execution sale of the subject property. It also determined that Arthur has waived any objection to the execution sale due to his failure to redeem the subject property within the one-year redemption period.²⁴

TJ Lending then sent a demand letter²⁵ to the Spouses Ylade and demanded the surrender of the Owner's Duplicate of TCT No. 170488.²⁶ However, the demand was unheeded. Thus, TJ Lending filed its Petition for the Surrender of Title against respondents which was docketed as Case No. P-16-0214 and raffled to RTC Branch 4.²⁷ It argued that respondents must be directed to surrender the Owner's Duplicate of TCT No. 170488 because the RTC Branch 173 already issued a Final Deed of Sale to TJ Lending.

¹⁷ *Id.* at 26–27.

¹⁸ *Rollo*, p. 25.

¹⁹ *Id.* at 24 and 53; RTC records, pp. 35–37, Court's Final Deed.

²⁰ RTC records, pp. 35–37.

²¹ *Rollo*, p. 25.

²² RTC records, pp. 81–104.

²³ *Id.* at 25–26.

²⁴ *Id.* at 193–195, Order dated September 22, 2017.

²⁵ *Id.* at 51.

²⁶ *Rollo*, pp. 24 and 53.

²⁷ *Id.* at 56–57.

In his Answer and Opposition to the Petition for Surrender of Title, Arthur insisted that the subject property is his exclusive property because he acquired it from the National Housing Authority (NHA) before he married Lita on December 28, 1985, although TCT No. 170488 was issued later, on August 7, 1986. Given that the Collection Case was dismissed against him and he was not found liable as a judgment debtor in that case, the execution sale of the subject property to satisfy the money judgment in the Collection Case was improper.²⁸

Arthur further averred that, even assuming that the subject property is a conjugal property, a debt separately incurred by Lita cannot be automatically charged against the conjugal properties, unless it is established that the debt redounded to the benefit of the family. He argued that the judgment debt in the Collection Case has not been shown to have redounded to the benefit of his family considering that Lita was merely a co-maker for the principal debtors, the Spouses Cubing.²⁹

Ruling of RTC Branch 4

After due proceedings, the RTC Branch 4 rendered its Decision³⁰ dated August 20, 2018, which granted the Petition for Surrender of Title. It determined that based on Arthur's testimony and the date of the issuance of TCT No. 170488, the subject property was acquired by Arthur during his marriage to Lita; thus, in accordance with Article 160³¹ of the Civil Code, it is presumed that the subject property belongs to the conjugal partnership, which Arthur failed to overcome. Hence, the RTC Branch 4 concluded that the subject property may be attached and sold on execution to satisfy the judgment debt against Lita in the Collection Case. The Decision reads:

Wherefore, premises considered, the relief sought by the petitioner is GRANTED. Respondent Arthur C. Ylade is directed to surrender possession of owner's duplicate copy of Transfer Certificate of Title No. 170488 Ind. of the Registry of Deeds for the City of Manila to the petitioner TJ Lending Investors, Inc. If the owner's duplicate cannot be surrendered, the Registry of Deeds of Manila is directed to declare Transfer Certificate of Title No. 170488 Ind. be [sic] null and void and to issue a New Certificate of Title provided by Section 107 of

²⁸ *Id.* at 24–25 and 56.

²⁹ *Id.*

³⁰ *Id.* at 56–57.

³¹ CIVIL CODE, art. 160 states:

ARTICLE 160. All property of the marriage is presumed to belong to the conjugal partnership, unless it be proved that it pertains exclusively to the husband or to the wife.

the Presidential Decree No. 1529.

Let copy of this Decision be sent to the concerned parties.

SO ORDERED.³²

Arthur filed his Motion for Reconsideration,³³ but the RTC Branch 4 denied it in the Resolution³⁴ dated October 22, 2018.

Aggrieved, Arthur appealed³⁵ the RTC Branch 4 Decision to the CA which docketed the appeal as CA-G.R. CV No. 112633.

Ruling of the CA

After due proceedings, the CA rendered its Decision³⁶ dated July 5, 2022, wherein it granted the appeal of Arthur, reversed and set aside the RTC Branch 4 Decision and Resolution, and dismissed the Petition for the Surrender of Title for lack of merit, viz.:

WHEREFORE, the appeal is **GRANTED**. The *Decision* dated 20 August 2018 and *Resolution* dated 22 October 2018 of the Regional Trial Court, Branch 4, Manila in Case No. P-16-0214 are **REVERSED** and **SET ASIDE**. The *Petition* of TJ Lending Investors, Inc. is **DISMISSED** for lack of merit.

SO ORDERED.³⁷ (Emphasis in the original)

The CA stated that there was insufficient evidence to prove that the subject property was acquired during the marriage of the Spouses Ylade. While TCT No. 170488 states that Arthur is “married to” Lita, the CA ruled that the statement was merely descriptive of Arthur’s civil status and is not conclusive proof that the subject property is conjugal.³⁸

The CA further held that, even assuming that the subject property is conjugal, it may only be attached and executed if it is established that the judgment debt in the Collection Case redounded to the benefit of the

³² *Rollo*, p. 57.

³³ *Id.* at 58–60.

³⁴ *Id.* at 61.

³⁵ RTC records, pp. 304–305, Notice of Appeal dated December 17, 2018.

³⁶ *Rollo*, pp. 23–34.

³⁷ *Id.* at 34.

³⁸ *Id.* at 32.

Spouses Ylade and their family. Absent proof of the foregoing, the CA concluded that the execution sale of the subject property to satisfy the money judgment against Lita was improper.³⁹

TJ Lending sought a reconsideration⁴⁰ of the CA Decision, but the CA denied it in its Resolution⁴¹ dated February 14, 2023.

Thus, the present Petition.⁴²

Petitioner's Arguments

TJ Lending argues that the CA rulings must be reversed because Arthur failed to present sufficient evidence to overcome the presumption that the subject property is conjugal. It asserts that the Spouses Ylade should be directed to surrender their Owner's Duplicate of TCT No. 170488 because the RTC Branch 173 already issued a Final Deed of Sale for the subject property in favor of TJ Lending.

In its Resolution⁴³ dated August 7, 2023, the Court directed Arthur to file his Comment on the Petition within 10 days from notice. To date, no comment has been filed. Thus, the Court is constrained to resolve the Petition *sans* any comment from Arthur.

The Issue

The issue before the Court is *whether the CA erred in ruling that the subject property is the exclusive property of Arthur that cannot be sold on execution to satisfy the judgment debt against Lita in the Collection Case.*

The Ruling of the Court

The Petition is denied for lack of merit. The CA Decision and Resolution are affirmed with modification in that, the execution sale of the subject property is also declared null and void.

³⁹ *Id.*

⁴⁰ CA rollo, pp. 68–72, Motion for Reconsideration (Re: Decision dated July 5, 2022).

⁴¹ Rollo, pp. 35–36.

⁴² *Id.* at 10–19.

⁴³ *Id.* at 70–71.

TJ Lending failed to adduce preponderant evidence proving that the subject property is presumed conjugal under Article 160 of the Civil Code

The marriage between the Spouses Ylade was celebrated on December 28, 1985,⁴⁴ before the Family Code took effect in 1988.⁴⁵ As such, the property regime of the Spouses Ylade is that of conjugal partnership of gains under the Civil Code.⁴⁶

Under Article 160 of the Civil Code, “[a]ll property of the marriage is presumed to belong to the conjugal partnership, unless it be proved that it pertains exclusively to the husband or to the wife.” For the presumption to apply, TJ Lending should have presented a *preponderance* of evidence proving that the subject property was acquired *during the marriage* of the Spouses Ylade.⁴⁷ “Proof of acquisition during the coverture is a condition *sine qua non* to the operation of the presumption in favor of the conjugal partnership.”⁴⁸ Otherwise said, the presumption cannot operate absent sufficient evidence proving that the property was acquired during the marriage.⁴⁹

The Court finds that TJ Lending *failed* to present a preponderance of evidence proving that the subject property was acquired during the marriage of the Spouses Ylade which would, in turn, give rise to the presumption that the property belongs to the conjugal partnership.

To support its claim, TJ Lending relies on TCT No. 170488 which states that the subject property “is registered in accordance with the provisions of section 103 of the Property Registration Decree in the name of ARTHUR C. YLADE, married to Lita Ylade, both of legal age, Filipino citizens[.]”⁵⁰ It also emphasizes that TCT No. 170488 was issued on August 7, 1986, during the subsistence of the marriage of the Spouses Ylade. Supposedly, the foregoing are sufficient proof that the property was acquired during the marriage of the Spouses Ylade.

⁴⁴ RTC records, p. 223, Judicial Affidavit of Arthur C. Ylade.

⁴⁵ *Pana v. Heirs of Juanite, Sr.*, 700 Phil. 525, 530 (2012).

⁴⁶ *Sps. German v. Sps. Santuyo*, 869 Phil. 82, 89 (2020).

⁴⁷ *Pintiano-Anno v. Anno*, 516 Phil. 212, 217 (2006). (Emphasis supplied)

⁴⁸ *Id.* (Emphasis supplied)

⁴⁹ *Mendoza v. Reyes*, 209 Phil. 120, 128 (1983).

⁵⁰ RTC records, pp. 18–22, TCT No. 170488.

The Court disagrees.

In the similar case of *Jorge v. Marcelo*,⁵¹ the same argument raised by TJ Lending was found unmeritorious by the Court. The Court ruled therein that a statement in the TCT that the registered owner was married to another person is merely descriptive of the civil status of the owner. Further, the date of registration of title cannot be automatically equated to the date of acquisition of the property, for it is well settled that registration under the Torrens title system does not confer or vest title but merely confirms title that already exists, to wit:

The Court agrees with Rufina's contention that the phrase "*married to Romeo J. Jorge*" written after her name in TCT No. N-45328 is merely descriptive of her civil status as the registered owner. It does not necessarily prove or indicate that the land is a conjugal property of Rufina and Romeo or that they co-own it. It is not a proof that the property was acquired during the marriage. *The only import of the title is that Rufina is the owner of the property, the same having been registered in her name alone, and that she is married to Romeo.* Before the presumption of conjugal nature of property can apply, it must first be established that the property was in fact acquired during the marriage. Proof of acquisition during the coverture is a condition *sine qua non* for the operation of the presumption in favor of conjugal partnership. The party who asserts this presumption must first prove said time element. *The presumption does not operate when there is no showing as to when the property alleged to be conjugal was acquired. If there is no showing as to when the property in question was acquired, the fact that the title is in the name of the wife alone is determinative of its nature as paraphernal, i.e., belonging exclusively to said spouse.* Notably, acquisition of title and registration thereof are two different acts. It is well settled that registration under the Torrens title system does not confer or vest title but merely confirms one already existing.⁵² (Emphasis supplied; citations omitted)

With the foregoing, it is clear that TCT No. 170488, *on its own*, is insufficient proof that the subject property is conjugal. The statement in the TCT that Arthur is "married to Lita Ylade" merely describes his civil status and indicates that he, as the registered owner, is married to Lita. Moreover, the fact that TCT No. 170488 was issued on August 7, 1986 is inadequate to prove that Arthur acquired the property during the marriage because its registration under the Torrens system is not a mode of acquiring title thereto, but merely *confirms* the title that was already vested in Arthur.

⁵¹ 849 Phil. 707 (2019).

⁵² *Id.* at 724-726.

There being no preponderant evidence proving *when* the subject property was acquired, the fact that it is registered in the name of Arthur alone is determinative of its nature as his exclusive property.⁵³ Simply put, the identification of Arthur in TCT No. 170488 as the registered owner must prevail. Thus, the subject property must be considered as Arthur's exclusive property.

The execution sale of the subject property to satisfy the judgment debt is null and void because the judgment debtors had no title to it

TJ Lending insists that the Owner's Duplicate of TCT No. 170488 must be surrendered to it because a Final Deed of Sale was already issued in its favor. Supposedly, TJ Lending has acquired title over the subject property; thus, the Owner's Duplicate must be surrendered to it as a necessary consequence of its ownership over the property.

The Court is not persuaded.

It is elementary that money judgments are enforceable only against property *incontrovertibly* belonging to the judgment debtor.⁵⁴ The judgment debt affects only the rights of the judgment debtor; thus, "the power of the [courts] in execution of judgment extends only to properties unquestionably belonging to the judgment debtor."⁵⁵ *Ergo*, it is *illegal* for the sheriff to levy upon property that does not belong to the judgment debtor.⁵⁶

An execution sale that is not preceded by a valid levy is *void*.⁵⁷ Otherwise said, when the sheriff illegally levies upon properties belonging to third persons and over which the judgment debtor has no title, the execution sale of the properties must be deemed void.⁵⁸ If property belonging to any third person, such as Arthur,⁵⁹ is mistakenly

⁵³ See *Jorge v. Marcelo*, *supra* note 51, citing *Dela Peña v. Avila*, 681, Phil. 553, 565 (2012) and further citing *Ruiz v. Court of Appeals*, 449 Phil. 419, 431-432 (2003).

⁵⁴ *Villasi v. Garcia*, 724 Phil. 519, 526-527 (2014).

⁵⁵ *Sampaguita Pictures, Inc. v. Jalwindor Manufacturers, Inc.*, 182 Phil. 16, 23 (1979).

⁵⁶ *Id.*

⁵⁷ *Yupangco Cotton Mills, Inc. v. Court of Appeals*, 424 Phil. 469, 480 (2002), citing *Consolidated Bank and Trust Corp. v. Court of Appeals*, 271 Phil. 160, 179 (1991).

⁵⁸ *Sampaguita Pictures, Inc. v. Jalwindor Manufacturers, Inc.*, *supra*; *Bonzon v. Standard Oil Co. of New York*, 27 Phil. 141 (1914).

⁵⁹ See *Spouses Ching v. Court of Appeals*, 446 Phil. 121 (2003).

levied upon to answer for another person's indebtedness, the third person has the right to challenge the levy through any of the remedies provided for under Rule 39, Section 16⁶⁰ of the Rules of Court⁶¹ which are: (1) *terceria*, to determine whether the sheriff has rightly or wrongly taken hold of the property not belonging to the judgment debtor or obligor; and/or (2) an independent separate action to recover ownership and/or possession over the property.⁶²

Given that the subject property is the exclusive property of Arthur and it does not belong to Lita or any of the judgment debtors, the levy thereon to satisfy the judgment debt in the Collection Case was illegal; consequently, the execution sale of the subject property is *void* and has no force and effect. It follows that TJ Lending did not acquire any title over the subject property as the purchaser during the execution sale, notwithstanding the issuance of the Final Deed of Sale to it.⁶³

Moreover, it is a well-settled principle in law that no one can give what one does not have — *nemo dat quod non habet*.⁶⁴ In other words, a buyer can acquire no more than what the seller can legally transfer.⁶⁵ Further, by the principle of *caveat emptor* in execution sales, the sheriff does *not* warrant the title to the property sold by him or her, and the purchaser at the auction acquires only whatever rights that the judgment debtor may have over the property at the time of levy.⁶⁶ Thus, if it turns

⁶⁰ RULES OF COURT, Rule 39, sec. 16 states:

SECTION 16. *Proceedings where property claimed by third person.* — If the property levied on is claimed by any person other than the judgment obligor or his agent, and such person makes an affidavit of his title thereto or right to the possession thereof, stating the grounds of such right or title, and serves the same upon the officer making the levy and a copy thereof, stating the grounds of such right or title, and serves the same upon the officer making the levy and a copy thereof upon the judgment obligee, the officer shall not be bound to keep the property, unless such judgment obligee, on demand of the officer, files a bond approved by the court to indemnify the third-party claimant in a sum not less than the value of the property levied on. In case of disagreement as to such value, the same shall be determined by the court issuing the writ of execution. No claim for damages for the taking or keeping of the property may be enforced against the bond unless the action therefor is filed within one hundred twenty (120) days from the date of the filing of the bond. The officer shall not be liable for damages for the taking or keeping of the property, to any third-party claimant if such bond is filed. Nothing herein contained shall prevent such claimant or any third person from vindicating his claim to the property in a separate action, or prevent the judgment obligee from claiming damages in the same or a separate action against a third-party claimant who filed a frivolous or plainly spurious claim.

⁶¹ *Villasi v. Garcia*, *supra* note 54, at 520.

⁶² *Id.*; *Yupangco Cotton Mills, Inc. v. Court of Appeals*, *supra* note 57, at 477–478, citing *Sps. Sy v. Discaya*, 260 Phil. 401 (1990).

⁶³ *See Yupangco Cotton Mills, Inc. v. Court of Appeals*, *id.* at 480, citing *Consolidated Bank and Trust Corp. v. Court of Appeals*, *supra* note 57, at 179.

⁶⁴ *Gonzales v. Heirs of Cruz*, 373 Phil. 368, 381 (1999).

⁶⁵ *Tamayao v. Lacambra*, 888 Phil. 910, 941 (2020). *See also Nool v. Court of Appeals*, 342 Phil. 106, 118 (1997).

⁶⁶ *See Miranda v. Sps. Mallari*, 844 Phil. 176, 197 (2018); *Allure Manufacturing, Inc. v. Court of*

out that the judgment debtor had no interest in the property – as in this case – then the purchaser at the auction sale also acquires no interest thereon.⁶⁷ Considering that Lita or any of the judgment debtors in the Collection Case had no title over the subject property at the time that it was levied, then TJ Lending could not have acquired any title over the subject property as its purported purchaser.

The Court is aware that in his Answer to the Petition for the Surrender of Title, Arthur merely prayed for the dismissal of the Petition. Although he insisted that the execution sale of the subject property was improper and void, his Answer did not include a prayer for the annulment of the sale. Further, while he filed a Motion to Annul Execution Sale with the RTC Branch 173, it was denied. Pertinently, the Court has repeatedly ruled that the remedies under Rule 39, Section 16 of the Rules of Court are cumulative,⁶⁸ and the availment of the remedy of *terceria* followed by the filing of a subsequent action to recover the property does not constitute forum shopping.⁶⁹ It appears, therefore, that Arthur's remedy is to file a separate action to vindicate the subject property from TJ Lending.

However, on many occasions, the Court, in the public interest and for the expeditious administration of justice, has resolved actions on the merits, instead of remanding them for further proceedings, as where the ends of justice would not be sub-served by the remand of the case.⁷⁰ The same rationale applies in the case at bar. Indeed, both parties have repeatedly argued on the validity of the execution sale of the subject property such that the records before the Court are sufficient to resolve the issue with finality. Besides, the resolution of this issue is also necessary to determine whether TJ Lending has a cause of action for the surrender of the Owner's Duplicate of TCT No. 170488.

Thus, to write *finis* to the controversy, the Court finds it proper to declare the execution sale of the subject property as null and void for being beyond the powers of the RTC Branch 173 in relation to the execution of its Decision dated June 22, 2012. Given that Arthur is not among the judgment debtors in the Collection Case, the levy upon his exclusive

Appeals, 276 Phil. 309, 321 (1991).

⁶⁷ *Id.*

⁶⁸ *Villasi v. Garcia*, *supra* note 54, at 527–528; *Yupangco Cotton Mills, Inc. v. Court of Appeals*, *supra* note 54, at 478.

⁶⁹ *Yupangco Cotton Mills, Inc. v. Court of Appeals*, *id.*

⁷⁰ *PMI-Faculty and Employees Union v. PMI Colleges Bohol*, 788 Phil. 774, 784–785 (2016), *citing Metro Eye Security, Inc. v. Salsona*, 560 Phil. 632, 642 (2007), and *further citing Real v. Belo*, 542 Phil. 109, 120–121 (2007).

property to satisfy the judgment debt was illegal; as a necessary consequence, the execution sale, too, is void and without legal effect.

WHEREFORE, the Petition for Review on *Certiorari* is **DENIED** for lack of merit. The Decision dated July 5, 2022 and the Resolution dated February 14, 2023 of the Court of Appeals in CA-G.R. CV No. 112633 are **AFFIRMED** with **MODIFICATION**, in that:

(1) the Petition for Surrender of Title of TJ Lending Investors, Inc. in Case No. P-16-0214 before Branch 4, Regional Trial Court, Manila is **DISMISSED** for lack of merit; and

(2) the execution sale of the property registered in Transfer Certificate of Title No. 170488 and the Final Deed of Sale issued to TJ Lending Investors, Inc. by Branch 173, Regional Trial Court, Manila in Civil Case No. 11-125134 are **DECLARED NULL** and **VOID**.

SO ORDERED.

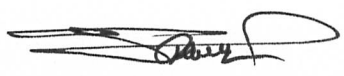


HENRI JEAN PAUL B. INTING
Associate Justice

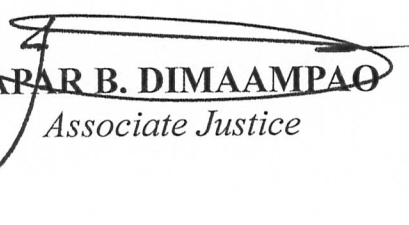
WE CONCUR:



ALFREDO BENJAMIN S. CAGUIOA
Associate Justice



SAMUEL H. GAERLAN
Associate Justice



JAPAR B. DIMAAMPAO
Associate Justice

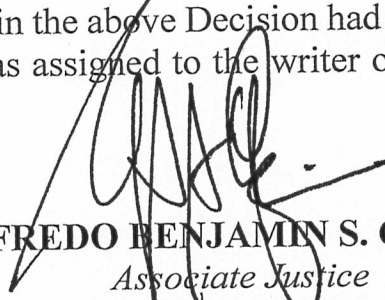


MARIA ELOMENA D. SINGH

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.



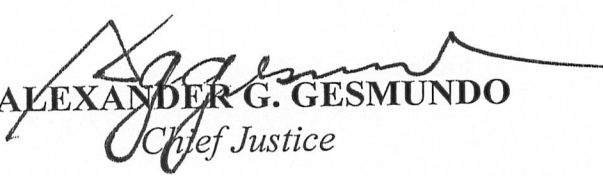
ALFREDO BENJAMIN S. CAGUIOA

Associate Justice

Chairperson, Third Division

CERTIFICATION

Pursuant to Article VIII, Section 13 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.



ALEXANDER G. GESMUNDO

Chief Justice