Republic of the Philippines
Supreme Court
Manila

SECOND DIVISION

FAR EAST BANK AND TRUST COMPANY,
Petitioner,

- versus -

PHILIPPINE DEPOSIT INSURANCE CORPORATION,
Respondent.

G.R. No. 172983

Present:

CARPIO, *J., Chairperson,*
BRION,
DEL CASTILLO,
MENDOZA, and
LEONEN, *JJ.*

Promulgated:
JUL 22 2015

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DECISION

BRION, *J.*:

Before the Court is a petition for review on *certiorari*[1] filed by the petitioner Far East Bank and Trust Company *(FEBTC),* assailing the May 31, 2006 decision[2] of the Court of Appeals *(CA)* in CA-G.R. C.V. No. 56624.

The CA decision reversed and set aside the orders dated February 26, 1997, and May 21, 1997, of the Regional Trial Court (*RTC)*, Branch 31, Manila, in Special Proceeding No. 86-35313.

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1 *Rollo*, pp. 9-37.
2 Id. at 39-47, penned by Associate Justice Elvi John S. Asuncion and concurred in by Associate Justices Noel G. Tijam and Mariflor P. Punzalan Castillo.

The Factual Antecedents

On July 5, 1985, the Central Bank of the Philippines *(Central Bank)* issued Monetary Board *(MB)* Resolution No. 699, placing Pacific Banking Corporation *(PBC)* under receivership.[3]

On October 28, 1985, the Central Bank formally invited banks to submit their proposals for the purchase of the assets and franchise of the various offices of the PBC and the assumption of an equivalent amount of the PBC's liabilities.[4]

In answer to the formal invitation, the FEBTC submitted its bid[5] on November 14, 1985.

The FEBTC's bid covered the purchase of the PBC's non-fixed and fixed assets and the assumption of the PBC's recorded liabilities.[6] According to the bid, the fixed assets are those described in the Asian Appraisal Report of August 1, 1984, and August 9, 1984 *(Asian Appraisal Report)*, which the FEBTC offered to purchase at a price equivalent to the sound values indicated in the report, subject to the discounts proposed in the bid.[7]

Specifically, the assets and their corresponding valuation that were enumerated in the Asian Appraisal Report[8] are as follows:

	Cost of Reproduction	Sound Value
Cubao, Quezon City, Metropolitan Manila	₱ 19,604,000	₱ 16,844,000
Paco, Manila	3,836,000	3,288,000
Sta. Cruz, Manila (Soler)[9]	3,126,750	2,445,750
Sta. Mesa, Manila	12,500,400	10,213,000
Bacolod City	12,522,900	9,728,000
Melencio Street, Cabanatuan City	3,878,600	3,157,500
A.V. Fernandez Avenue, Dagupan City	9,873,000	8,325,000
E. Tañedo Street, Tarlac, Tarlac	5,622,000	5,227,000
A. Flores Street, San Pablo City	3,434,800	3,151,800
Cebu City	3,921,700	3,112,200

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3 Id. at 40.
4 Id. at 40, 48.
5 Exhibits B and 5 (common exhibit).
6 *Rollo,* pp. 40 and 48.
7 Id. at 48.
8 Id. at 501.
9 *See* Record on Appeal, at p. 315 identifying Soler Branch as the branch located at Soler, Sta. Cruz Manila.

Davao City	6,844,200	5,938,800
Iloilo City	5,383,000	3,803,000
Quezon Avenue, San Fernando, La Union	3,587,800	2,729,400
Laoag City	1,781,000	1,293,000
Bo. Centro, Legaspi City	3,132,300	2,400,000
Poblacion, Naga City	6,280,900	5,569,600
Grand Total	**₱105,329,350**	**₱87,226,050**
Rounded To	**₱105,329,000**	**₱87,226,000**

On November 22, 1985, the Monetary Board issued MB Resolution No. 1234, accepting the FEBTC's bid after finding it as the most advantageous.[10]

On April 16, 1986, **the FEBTC *as the buyer*, the PBC *as the seller*, and the Central Bank** entered into a Memorandum of Agreement *(MOA)*. The PBC was represented by its Liquidator Renan V. Santos *(Liquidator Santos)*[11] who was then the Special Assistant to the Central Bank Governor.

Section 1[12] of the MOA stated that the parties shall execute an absolute purchase agreement covering **all the assets of the PBC.**[13] Specifically, these assets covered the **non-fixed assets**, as provided under Section 3(a)[14] of the MOA and the **fixed assets** defined under Section 3(c).[15] Reflecting the FEBTC's bid, Section 3(c)[16] of the MOA stated that the fixed assets are those enumerated in the Asian Appraisal Report dated August 1984.[17]

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10 Id. at 40 and 49.

11 Id. at 78.

12 Section 1 - Purchase Agreement

a. Within ninety (90) calendar days from the date of the execution of this Memorandum of Agreement, subject to such extension of time as shall be mutually agreed upon by the parties, the BUYER shall purchase all the assets of the SELLER as shall be defined and specifically described in the corresponding Purchase Agreement to be executed by the parties, inclusive of the SELLER's authority to operate its forty-three (43) banking offices/branches but exclusive of the following items:

13 *Supra* note 6.

14 Section 3- Valuation of Assets and Liabilities

a. It is hereby agreed that the determination and valuation of the assets and liabilities of the SELLER, excluding the fixed assets, shall be made by the auditing firm of SGV and Co., whose opinion shall be considered final and mutually binding on the parties. The audit expense shall be for the account of the BUYER. The auditor must submit its opinion within a period of ninety (90) days from the date of this Memorandum of Agreement, provided that all the schedules requested shall have been submitted to SGV & Co. and unless otherwise extended by the parties for causes beyond the control of the auditing firm.

15 *Rollo,* pp. 80-81.

16 Section 3- Valuation of Assets and Liabilities

c. It is further understood that the BUYER shall purchase on the basis of its sound value less any assigned depreciation accruing thereon from August, 1984 up to the valuation date, all the fixed assets of the SELLER as described in the Asian Appraisal's Report of August, 1984 which is herein incorporated by way of reference, but shall not purchase fixed assets not yet appraised, equipment, furniture and other fixtures provided that the BUYER within a period of ninety (90) days from the date hereof shall have the first option to buy any of the said assets of the SELLER which shall form part of the assets bought under this Memorandum Agreement.

17 *Rollo,* p. 48.

The parties agreed, however, in Section 1(a)(vii) of the MOA that the PBC assets submitted to the Central Bank as collaterals shall be excluded from the purchase.[18]

In accordance with Section 1(a)[19] of the MOA, **the PBC as the *seller*, the FEBTC as the *buyer*, and the Central Bank, executed a purchase agreement** *(PA)* for the FEBTC's purchase of the PBC assets and the assumption of its liabilities.[20] The PBC was again represented by Liquidator Santos.

The PA merely covered the non-fixed assets of the PBC and did not include the fixed assets agreed upon under Section 3(c)[21] of the MOA.[22]

The parties acknowledged, however, that there were other assets not yet covered by the PA and that **the parties may agree, within a period of ninety (90) days from the effectivity date of the PA, to purchase the additional assets.** [23] The parties agreed that the effectivity date of the PA shall be the date of its approval by the Liquidation Court.[24]

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18 Section 1 - Purchase Agreement

a. Within ninety (90) calendar days from the date of the execution of this Memorandum of Agreement, subject to such extension of time as shall be mutually agreed upon by the parties, the BUYER shall purchase all the assets of the SELLER as shall be defined and specifically described in the corresponding Purchase Agreement to be executed by the parties, inclusive of the SELLER's authority to operate its forty-three (43) banking offices/branches but exclusive of the following items:

x x x x

vii. Assets submitted as collaterals with the Central Bank;

x x x x

19 Section 1 - Purchase Agreement

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20 *Rollo,* pp. 40 and 49.

21 Section 3- Valuation of Assets and Liabilities

c. It is further understood that the BUYER shall purchase on the basis of its sound value less **any assigned depreciation accruing thereon from August, 1984 up to the valuation date, all the fixed assets of the SELLER as described in the Asian Appraisal's Report of August, 1984 which is herein incorporated by way of reference, but shall not purchase fixed assets not yet appraised, equipment, furniture and other fixtures provided that the BUYER within a period of ninety (90) days from the date hereof shall have the first option to buy any of the said assets of the SELLER which shall form part of the** assets bought under this Memorandum Agreement.

22 Section 1 (Assets Purchased) of the PA at p. 93, provides that:

The BUYER hereby purchases and the SELLER hereby sells, transfers, and conveys unto the BUYER, its successors, and assigns, for a total sum of PESOS: SIX HUNDRED FIFTY-FIVE MILLION, NINE HUNDRED TWENTY-NINE THOUSAND, FOUR HUNDRED NINETY-THREE (₱655,929,493.00), the assets of the SELLER as described in Annex "A" hereto attached and made a part hereof. Aforesaid assets are more particularly described in the SGV report on the assets and liabilities of the SELLER, conducted pursuant to the aforementioned Memorandum of Agreement, which report is incorporated herein by way of reference.

23 See Section 4 of the PA at p. 94 provides that:

Section 4- Additional Assets for Purchase - In view of the time constraint within which the parties can agree on the purchase of assets other than those referred to in the other provisions of this Purchase Agreement, the parties may agree, for a period of ninety (90) days from the effectivity date hereof, on the purchase by the BUYER of such additional assets, subject to the terms and conditions agreed upon by the parties.

24 See Section 12(a) of the PA, at p. 97 which provides that:

The PA was approved[25] by the Monetary Board on October 24, 1986, **and by the RTC, as the liquidating court, on December 18, 1986.**[26]

According to the FEBTC, it complied with its obligation under the MOA, including the payment of ₱260,000,000.00 as additional consideration for the purchase. The FEBTC also took possession and custody of the fixed assets of the PBC, including those mentioned in the Asian Appraisal Report, and opened its branches thereon including the servicing of the PBC's deposit liability.[27]

In January 1987, the FEBTC wrote a letter to Liquidator Santos, following up the execution of the deeds of sale over the fixed assets of the PBC.[28]

Initially, Liquidator Santos positively responded to the FEBTC request by furnishing it with copies of the transfer certificates of title of the fixed assets.[29] However, he failed to execute the purchase agreement covering the disputed fixed assets.[30]

The respondent Philippine Deposit Insurance Commission *(PDIC)*, thereafter, took over as the new PBC Liquidator. The PDIC President Mr. Vitaliano Nañagas II *(Liquidator Nañagas)* replaced Liquidator Santos.

Liquidator Nañagas informed the FEBTC that all the fixed assets of the PBC can be purchased only at their present appraisal value which is much higher than their sound value.[31] He also proceeded to start the bidding or negotiated sale to third persons of the PBC's fixed assets, including those enumerated in the Asian Appraisal's Report.[32]

This move prompted the FEBTC to file before the RTC (the Liquidating Court) a **motion to compel the Liquidator to execute the implementing deeds of sale over the disputed PBC fixed assets,**[33] **with application for the issuance of preliminary injunction and/or temporary restraining order *(TRO)*.**[34]

The disputed fixed assets are the PBC branches located at the following sites:

Section 12- Effectivity and Construction- (a) This Purchase Agreement shall become valid, enforceable and effective only upon its approval by the Liquidation Court. The term "effectivity date" as used therein, shall refer to the date on which such approval is given by the Liquidation Court.

25 Resolution No. 596.
26 *Rollo*, pp. 40 and 50.
27 Id. at 40.
28 Id. at 50.
29 Id. at. 50.
30 Id.
31 Id. at 50-51.
32 Id. at 40.
33 Id. at 41 and 51.
34 Id. at 103.

1. Soler (Arranque)
2. Bacolod City
3. Cabanatuan City
4. San Pablo City
5. Cebu-Manalili
6. Davao-Sta. Ana
7. San Fernando, La Union
8. Legaspi City
9. Iloilo City-Central Market
10. PBC Condominium Bldg.-Paseo de Roxas

The PBC Condominium Bldg.-Paseo de Roxas was sold to Security Bank and Trust Company in the RTC-approved compromise agreement with PDIC and FEBTC; thus, this PBC asset is no longer in dispute.[35]

The RTC issued a TRO, directing the PDIC to desist from proceeding with the bidding or negotiated sale of the PBC fixed assets.[36]

However, on November 16, 1993, the RTC denied the FEBTC's prayer for the issuance of a writ of preliminary injunction and declared the TRO automatically dissolved.[37] **The RTC likewise ruled that the disputed assets had been submitted as collaterals with the Central Bank and are therefore excluded from the purchase pursuant to Section 1(a)(vii)**[38] **of the MOA.**[39]

The CA and the Court affirmed the RTC's order denying the preliminary injunction.[40]

The Motion-for-Intervention of Central Bank Board of Liquidators before the Court

On December 4, 2013, the Central Bank Board of Liquidators *(CB-BOL)* filed **before the Court** a motion for leave to intervene with motion for extension to file its memorandum-in-intervention.[41] In its memorandum-in-intervention,[42] the CB-BOL alleged that the PBC had assigned to it the disputed fixed assets by virtue of a deed of assignment.[43]

The FEBTC filed its opposition[44] to the motion for leave to intervene.

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35 Id.
36 Id. at 41.
37 Id.
38 *Supra* note 19.
39 Id. at 43.
40 Id.
41 Id. at 895-920.
42 Id. at 996-1014.
43 Id. at 895-896.
44 Id. at 937-947.

The Court granted the motion for leave to intervene in its Resolution dated August 13, 2014.[45] The Court ruled that the CB-BOL is a necessary party in the case since it is the transferee of the properties in litigation. Additionally, since the case arose from the liquidation proceedings before the RTC, it is only proper that the Court decide who – between FEBTC (as the alleged purchaser) and the Central Bank (the creditor and the PBC's former liquidator) – has the superior right over the disputed properties.[46]

The RTC Ruling

After the trial on the merits, the RTC issued the assailed order dated February 26, 1997: (1) directing the PDIC to execute the implementing deeds of absolute sale in favor of the FEBTC; and (2) ordering the FEBTC to pay the price for the fixed assets in the amount equivalent to their sound values as stated in the Asian Appraisal Report.[47]

The RTC concluded that, ***first***, there was a perfected contract of sale or direct purchase of the disputed fixed assets under both the MOA and the PA; these fixed assets were identified and valuated in the Asian Appraisal Report.[48]

Furthermore, the amount of ₱260,000,000.00 that the FEBTC previously paid pursuant to the MOA was part of the consideration and did not merely serve as authority to operate and reopen the PBC branches.[49]

Second, the RTC ruled that the fixed assets were not actually submitted as collaterals with the Central Bank, as admitted by Ms. Teresa Salcor who was an Account Officer of the Central Bank Board of Liquidators.[50] Therefore, the disputed assets should not be excluded from the assets that the FEBTC purchased under the MOA.

According to the RTC, Ms. Salcor also admitted that the FEBTC was not notified that the disputed assets were mortgaged to the Central Bank.[51]

Third, the authenticity of the deeds of real estate mortgage submitted to the court was suspicious. The deeds and annexes were not signed and did not bear any notarial seal, contrary to the statement in the acknowledgment portion of the deeds.

The alleged mortgages were also not annotated on the respective titles of the mortgaged properties, and hence, were not binding on third parties such as the FEBTC.

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45 Id. at 951-953.
46 Id. at 952.
47 Id. at 41 and 65.
48 Id. at 41 and 56.
49 Id. at 63-64.
50 Id. at 59.
51 Id. at 60.

Lastly, **after the execution of the MOA and the PA in 1986, the FEBTC immediately took possession of the fixed assets and introduced improvements thereon with the knowledge of the PDIC.** It was only in June 1993 that the PDIC assessed rentals for the use and occupation of the disputed assets.[52]

On May 21, 1997, the RTC denied the PDIC's motion for reconsideration, prompting the PDIC to file an appeal with the CA.[53]

The CA Ruling

The CA granted the petition and reversed the RTC's decision.[54]

First, the CA relied on the RTC's initial findings during the preliminary injunction proceedings that the disputed fixed assets had been submitted as collaterals with the Central Bank and are thus excluded from the purchase.[55] The CA emphasized that this RTC ruling was upheld by the CA and by the Court.[56]

Second, the CA concluded that the parties intended the PA to be the final and absolute repository of the terms of their transactions. Although the RTC subsequently found that the fixed assets were not submitted as collaterals to the Central Bank, the fact remains that these were not included in the PA and, therefore were not purchased by the FEBTC.[57]

Third, since the PA was the final repository of the parties' agreement, Section 10 of the MOA (which provides that the ₱260 million shall be paid by the FEBTC as further consideration) should yield to Section 9 of the PA which provides that the ₱260 million was paid as a premium concomitant with the transfer of authority to the FEBTC to open and operate the 43 banking offices/branches of PBC.[58]

Based on the above reasons, the CA ruled that the RTC erred in directing the Liquidator to execute the deeds of sale over these properties.[59]

The Parties' Arguments

The FEBTC Arguments

The FEBTC argues that, ***first,*** the CA failed to address the real issue and had decided the case on the bases of a non-issue, by ruling that the

52 Id. at 40.
53 Id. at 41, 65.
54 Id. at 41.
55 RTC Order dated November 16, 1993.
56 *Rollo,* p. 43.
57 Id.
58 Id. at 46.
59 Id.

disputed fixed assets of the PBC were not part of the assets that the FEBTC purchased under the PA.[60] The real issue is whether or not there had been a perfected contract of sale under the MOA among the FEBTC, the PBC, and the Central Bank, which imposed upon the Liquidator the obligation to execute the deeds of sale over the disputed fixed assets.[61]

Second, the FEBTC further argues that the MOA adopted the FEBTC's bid to purchase all the PBC's fixed assets as described in the Asian Appraisal Report on the basis of its sound value less any assigned depreciation accruing thereon from August 1984 up to the valuation date. The MOA further clarified that the ₱260 million bid price proposed by the FEBTC was a premium to be paid as further consideration for the sale of the assets and the assumption of the liabilities of PBC. [62]

Lastly, the CA erred in relying on the initial findings of the RTC that the disputed fixed assets had been submitted to the Central Bank as collateral and were thus excluded from the purchase under the MOA.[63]

The PDIC Arguments

The PDIC countered that ***first,*** the CA was correct when it addressed the issue of whether or not the FEBTC acquired ownership over the disputed PBC fixed assets.[64]

Second, the CA was correct in ruling that the PA was the final and absolute repository of the terms of the sale transaction between the parties and not the MOA.[65]

The PDIC also adopted the CA's findings that even if the disputed assets had not been mortgaged, still FEBTC did not directly purchase these assets either under the MOA or the PA.[66]

The Court's Ruling

The issue in this case is whether or not the PDIC, as the Liquidator of the PBC, may be compelled to execute the deeds of sale over the nine (9)[67] disputed PBC fixed assets.

We rule in the affirmative, as there was a perfected contract of sale over the disputed fixed assets.

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60 Id. at 23.
61 Id. at 25, 26, 477.
62 Id. at 30-31.
63 Id. at 32-33.
64 Id. at 394.
65 Id. at 391.
66 Id. at 698.
67 In view of the sale of the PBC Condominium Bldg-Paseo de Roxas to Security Bank, this property is no longer in dispute; *see* page 4.

It is well-established that a contract undergoes various stages that include its negotiation or preparation, its perfection, and finally, its consummation.[68]

Negotiation covers the period *from* the time the prospective contracting parties indicate interest in the contract *to* the time the contract is concluded (perfected). The ***perfection*** of the contract takes place upon the concurrence of its essential elements. A contract which is *consensual* as to perfection is so established upon a mere meeting of minds, *i.e.*, the concurrence of offer and acceptance, on the object and on the cause or consideration. The **consummation** stage begins when the parties perform their respective undertakings under the contract, culminating in its extinguishment.[69]

Specifically, **contracts of sale** are perfected by mutual consent, when the seller obligates himself, for a price certain, to deliver and transfer ownership of a specified thing or right to the buyer over which the latter agrees.[70]

Mutual consent, as a state of mind, may only be inferred from the confluence of two acts of the parties: an offer certain as to the object of the contract and its consideration, and an absolute acceptance of the offer, *i.e.,* with respect to the exact object and consideration embodied in the offer. While it may not be possible to expect the acceptance to *echo* every nuance of the offer, it is imperative that it assents to those points in the offer that, under the operative facts of each contract, are not only material but motivating as well.[71]

Simply put, a contract of sale is perfected upon the meeting of the minds of the parties on the essential elements of the contract, *i.e.,* consent, object certain, and the consideration of the contract.

Based on the above well-established principles, the Court rules that the essential elements of a contract of sale are present in the MOA as confirmed by the FEBTC's bid and the provisions of the MOA and the PA. This conclusion becomes more apparent upon a closer review of the developments in the various stages of the parties' contract of sale, as discussed below.

The negotiation stage of the contract of sale

As mentioned above, the FEBTC submitted its bid[72] to the Central Bank in response to the latter's invitation to submit a formal proposal for the purchase of the assets of the PBC.

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68 *Limketkai Sons Milling, Inc. v. CA et al.*, G.R. No. 118509, 250 SCRA 523, 535-536, December 1, 1995.

69 Id.

70 *Villanueva v. Philippine National Bank,* 539 Phil. 334, 340-341 (2006).

71 Id.

72 *Rollo,* pp. 494-498.

The FEBTC's bid or offer included the purchase of selected assets of the PBC consisting of the **fixed and non-fixed assets**, as follows:

"Our Bid is as follows:

I. The Purchase

We will purchase **all assets of PaBC less** the following items

(a) Past Due Loans
(b) Items under Litigation
(c) DOSRI Loans
(d) Acquired Assets
(e) Loans/Assets which correspond to the foreign currency deposits/liabilities excluded in accordance with No. 1, below
(f) Other assets with unrealizable values as shall be agreed upon by us.

The value of the assets purchased will be matched with the PaBC liabilities which we will assume, to wit:

x x x x

In addition to the above,

a) **As further consideration of our bid,** we shall be authorized to operate forty-two (42) branches of PaBC in the manner and under the terms mentioned in our Bid Prices (See No. II below).

x x x x

c) The determination of the assets and liabilities will be done by an acceptable independent auditor whose opinion shall be considered final and shall mutually bind us.

d) Fixed assets shall be valued based on the sound values per Asian Appraisal Report of August, 1984, subject to the discounts stated in our Bid Prices.

x x x x

i) It is understood that our bid concerns merely the purchase of certain assets and liabilities of PaBC including the authority to operate its branches. xxx

II. The Bid Price

1. We are willing to pay CB, inclusive of the amount which will be paid to the existing shareholders, the following individual bid prices subject to the following conditions:

a. The sum of PESOS: THREE HUNDRED SIXTY MILLION (₱360,000,000.00), provided that:

   i. within two (2) years from the date of our takeover, we shall be authorized to relocate any of the PaBC branches to other service areas irregardless (sic) of category without the need of investment in government securities. Branches which will not be relocated will be opened within a period of one (1) year, and

   ii. **there will be a discount of ten percent (10%) on the sound value of the fixed asset as determined in letter d., above**;

<u>**OR**</u>

b. The sum of PESOS: THREE HUNDRED TEN MILLION (₱310,000,000.00), provided that,

   i. within two (2) years from the date of our takeover, we shall be authorized to relocate any of the PaBC branches to other service areas in the same category and/or lower category areas, without the need of investment in government securities. Branches which will not be relocated will be opened within a period of one (1) year, and

   ii. **there will be a discount of eight percent (8%) of the sound value of the fixed assets determined in letter d., above;**

<u>**OR**</u>

c. <u>**The sum of PESOS: TWO HUNDRED SIXTY MILLION (₱260,000,000.00), provided that:**</u>

   i. within a period of one (1) year from the date of takeover we shall be authorized to relocate any of the PaBC branches to other service areas of the same category and/or lower category areas, without the need of investment in government securities. Branches which will not be relocated will be opened within a period of one year, and

   ii. <u>**there will be a discount of five per cent (5%) of the sound value of the fixed assets per letter d., above;**</u>

<u>**OR**</u>

d. The sum of PESOS: TWO HUNDRED FIFTEEN MILLION (₱215,000,000.00), provided that:

   i. within a period of one (1) year from the date of takeover, we shall be authorized to relocate any of the PaBC branches to other service areas of a lower category; and

ii. there will be no discount on the sound value of the fixed assets as determined by Asian Appraisal Report of August, 1984.

2. <u>**The terms of payment of our bid price is as follows:**</u>

a. A downpayment of thirty percent (30%) of the bid price upon the completion and execution of all documents necessary for us to take over the purchase of all the assets and liabilities mentioned in No. 1 above; and

b. The balance equivalent to seventy percent (70%) of the bid price to be paid in equal semi-annual installments for five (5) years at fourteen percent (14%) per annum.

3. We are agreeable to deposit with the CB the sum of PESOS: FIVE MILLION (₱5,000,000.00) upon the acceptance of our proposal, applicable against the premium payable to CB, and further conditioned, that in the event we fail to implement our proposal within sixty (60) days from the date that all the legal requirements and conditions of our takeover of the assets of the PBC have been complied with and delivered to us, the ₱5 million will be forfeited in favor of CB. xxx" [emphasis supplied]

In all the alternative bids above, the FEBTC consistently stated its intent: (1) to include the purchase of the fixed assets enumerated in the Asian Appraisal's Report of August 1984; and (2) that these fixed assets are to be valued based on their sound values pursuant to the Asian Appraisal Report of August 1984, subject to discount.

The perfection stage of the contract of sale

Subsequently, the FEBTC, the PBC, and the Central Bank entered into a MOA that **essentially adopted the FEBTC's bid.**

Specifically, Section 1(a)[73] of the MOA adopted the FEBTC's bid to purchase **all** the PBC' assets, subject to proposed exclusions from the fixed assets to be purchased. Section 1(a) added a category of assets that were excluded from the purchase – assets that had been submitted to the Central Bank as collaterals.

Section 1(b)[74] of the MOA likewise adopted the FEBTC's offer to match the value of the assets purchased with the PBC's liabilities.

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73 Section 1 - Purchase Agreement
a. Within ninety (90) calendar days from the date of the execution of this Memorandum of Agreement, subject to such extension of time as shall be mutually agreed upon by the parties, the BUYER shall purchase all the assets of the SELLER as shall be defined and specifically described in the corresponding Purchase Agreement to be executed by the parties, inclusive of the SELLER's authority to operate its forty-three (43) banking offices/branches but exclusive of the following items:

74 Section 1 - Purchase Agreement

Among the alternative bids of the FEBTC in its bid offer, the parties chose bid II(1)(d)[75] above, as incorporated in Sections 10(a)[76] and (b)[77] of the MOA. Furthermore, on the terms of payment, the FEBTC's offer in II(2) was substantially incorporated in Sections 10(c)(i),[78] 10(c)(ii),[79] and 10(d)[80] of the MOA.

The MOA covered, therefore, the purchase of the non-fixed assets and the disputed fixed assets, their valuation and the manner of payment, including discounts. The MOA contained the PBC's acceptance, as represented by the Liquidator and by the Central Bank, of the relevant provisions of the FEBTC bid; and the FEBTC's acceptance of any changes or counter-offer made by the Liquidator and by the Central Bank.

We thus find it clear that **the essential elements for the perfection of a contract of sale, *i.e.*, object, consideration, and consent were present in the MOA**. These elements are discussed in detail below.

a) <u>Object of the contract</u>

The object of the contract covered the purchase of the PBC's assets as defined under Sections 1(a),[81] 3(a)[82] and 3(c)[83] of the MOA, specifically the following:

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b) The value of the assets so purchased shall be compensated and matched by the simultaneous assumption by the BUYER of the liabilities in an amount which should be at least equivalent to the value of the assets purchased in accordance with the priorities stated, as follows xxx

75 *Rollo,* p. 497.

76 Section 10- Additional Consideration

a. As further consideration for the sale of the assets and the assumption of the liabilities of the SELLER, the BUYER shall pay the SELLER a premium in the maximum amount of PESOS: TWO HUNDRED SIXTY MILLION (₱260,000,000.00), provided that all other claims and expenses which will be incurred except those agreed upon by the parties under this Memorandum of Agreement or from time to time, shall be charged against the said premium.

77 Section 10- Additional Consideration

b. Furthermore, the BUYER shall be entitled to a discount equivalent to five percent (5%) of the value of the fixed assets, referred to in Section 3 above, per valuation of the Asian Appraisal of August, 1984, less their assigned depreciation from the date of the Appraisal's Report to the date of the execution of the Absolute Purchase Agreement.

78 Section 10- Additional Consideration

c. The amount of ₱260 million shall be paid by the BUYER to the SELLER in the following manner: i. Thirty percent (30%) of this amount shall be paid to the SELLER, as down payment, upon the execution of the Absolute Purchase Agreement and other documents which will empower the BUYER to acquire and have custody and ownership of the assets and assume the liabilities mentioned in Section 1 above.

79 Section 10- Additional Consideration

c. The amount of ₱260 million shall be paid by the BUYER to the SELLER in the following manner:

ii. The balance of seventy percent (70%) shall be paid to the SELLER in equal and semi-annual installments, with fourteen percent (14%) interest per annum, for five (5) years commencing from the date the thirty percent (30%) downpayment was paid with a right of prepayment at anytime in whole or in part without penalty.

80 Section 10- Additional Consideration

d. Upon the execution of this Memorandum of Agreement, the BUYER shall deliver and pay to the SELLER the amount of PESOS: FIVE MILLION (₱5,000,000.00) which shall be applied against the downpayment. Except for causes beyond its control, in the event the BUYER shall fail within ninety (90) days from the date hereof to execute the Absolute Purchase Agreement, the said amount of ₱5 million shall automatically be forfeited in favor of the SELLER.

81 Section 1 - Purchase Agreement

First, the non-fixed assets;[84]

Second, the fixed assets as contained in the Asian Appraisal's Report, which include the disputed fixed assets;[85] and

Third, the authority to re-open/relocate any of the PBC's branches to other service areas within eighteen (18) months from the date of the execution of the Absolute Purchase Agreement.[86]

b) <u>Consideration and Manner of Payment</u>

i. for the non-fixed assets

For the non-fixed assets, Section 1(b)[87] of the MOA provides that it shall be compensated and matched by the FEBTC's simultaneous assumption of the liabilities of the PBC in an amount that should be at least equivalent to the value of the assets purchased as determined and valuated by the SGV & Co., whose opinion shall be considered final and mutually binding on the parties. The reckoning period of the valuation was provided under Section 3(b)[88] of the MOA.

ii. for the fixed assets

The consideration for the fixed assets shall be their sound value less any assigned depreciation accruing thereon from August 1984, up to the valuation date as described in the Asian Appraisal's Report of August 1984, which was incorporated in the MOA by way of reference.[89]

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a. Within ninety (90) calendar days from the date of the execution of this Memorandum of Agreement, subject to such extension of time as shall be mutually agreed upon by the parties, the BUYER shall purchase all the assets of the SELLER as shall be defined and specifically described in the corresponding Purchase Agreement to be executed by the parties, inclusive of the SELLER's authority to operate its forty-three (43) banking offices/branches but exclusive of the following items: xxx

82 Section 3- Valuation of Assets and Liabilities

a. It is hereby agreed that the determination and valuation of the assets and liabilities of the SELLER, excluding the fixed assets, shall be made by the auditing firm of SGV and Co., whose opinion shall be considered final and mutually binding on the parties. The audit expense shall be for the account of the BUYER. The auditor must submit its opinion within a period of ninety (90) days from the date of this Memorandum of Agreement, provided that all the schedules requested shall have been submitted to SGV & Co. and unless otherwise extended by the parties for causes beyond the control of the auditing firm.

83 *Supra* note 21.

84 *Rollo,* p. 80.

85 Id. at 80-81.

86 Id. at 83.

87 *Supra* note 74.

88 Section 3- Valuation of Assets and Liabilities

b. The valuation of the assets and liabilities shall be made as of January 31, 1986.

89 Section 3(c) of the MOA provides that:

There shall also be a discount of five percent (5%) of the value of the fixed assets pursuant to the valuation of the Asian Appraisal of August 1984, less their assigned depreciation from the date of the Appraisal's report to the date of the execution of the Absolute Purchase Agreement.[90]

iii. additional consideration for the purchase of the PBC's assets

In addition to the consideration for the fixed and non-fixed assets, the parties likewise agreed that *the FEBTC shall pay an additional or further consideration* of ₱260,000,000.00 for the sale of assets and the assumption of the liabilities of the PBC.[91]

The MOA also set the manner of payment for the additional consideration above,[92] with an agreement that upon the execution of the MOA, the FEBTC shall pay ₱5,000,000.00, which shall be applied against the downpayment for the ₱260,000,000.00 additional consideration.[93]

Thus viewed, the parties clearly had a meeting of minds on the essential elements of the contract, perfecting therefore their contract of

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Section 3- Valuation of Assets and Liabilities
c. It is further understood that the BUYER shall purchase on the basis of its sound value less any assigned depreciation accruing thereon from August, 1984 up to the valuation date, all the fixed assets of the SELLER as described in the Asian Appraisal's Report of August, 1984 which is herein incorporated by way of reference, but shall not purchase fixed assets not yet appraised, equipment, furniture and other fixtures provided that the BUYER within a period of ninety (90) days from the date hereof shall have the first option to buy any of the said assets of the SELLER which shall form part of the assets bought under this Memorandum Agreement.

90 Section 10(b) of the MOA provides that:
Section 10- Additional Consideration
b. Furthermore, the BUYER shall be entitled to a discount equivalent to five percent (5%) of the value of the fixed assets, referred to in Section 3 above, per valuation of the Asian Appraisal of August, 1984, less their assigned depreciation from the date of the Appraisal's Report to the date of the execution of the Absolute Purchase Agreement.

91 Section 10(a) of the MOA provides that:
Section 10- Additional Consideration a. As further consideration for the sale of the assets and the assumption of the liabilities of the SELLER, the BUYER shall pay the SELLER a premium in the maximum amount of PESOS: TWO HUNDRED SIXTY MILLION (₱260,000,000.00), provided that all other claims and expenses which will be incurred except those agreed upon by the parties under this Memorandum of Agreement or from time to time, shall be charged against the said premium.

92 Section 10(c) of the MOA provides that:
Section 10- Additional Consideration
c. The amount of ₱260 million shall be paid by the BUYER to the SELLER in the following manner:
i. Thirty percent (30%) of this amount shall be paid to the SELLER, as down payment, upon the execution of the Absolute Purchase Agreement and other documents which will empower the BUYER to acquire and have custody and ownership of the assets and assume the liabilities mentioned in Section 1 above.
ii. The balance of seventy percent (70%) shall be paid to the SELLER in equal and semi-annual installments, with fourteen percent (14%) interest per annum, for five (5) years commencing from the date the thirty percent (30%) downpayment was paid with a right of prepayment at anytime in whole or in part without penalty.

93 Section 10(d) of the MOA provides that:
Section 10- Additional Consideration
d. Upon the execution of this Memorandum of Agreement, the BUYER shall deliver and pay to the SELLER the amount of PESOS: FIVE MILLION (₱5,000,000.00) which shall be applied against the downpayment. Except for causes beyond its control, in the event the BUYER shall fail within ninety (90) the date hereof to execute the Absolute Purchase Agreement, the said amount of ₱5 million shall be forfeited in favor of the SELLER.

sale. This meeting was embodied in their MOA which contained the absolute acceptance of the offer and the essential elements of the contract of sale.

Consummation stage, which includes the execution of an absolute purchase agreement over the non-fixed assets

That the contract was already perfected could be confirmed by supervening events enumerated below which prove that the parties consummated the perfected contract of sale:

First, the FEBTC's down payment of ₱5,000,000.00 upon the execution of the MOA was intended to be part of the purchase price as it was part of the additional consideration of ₱260,000,000.00 referred to in Section 10(c)(i)[94] of the MOA. The ₱5 million downpayment therefore is earnest money and is proof of the perfection of contract pursuant to Article 1482[95] of the New Civil Code.

Second, as correctly found by the RTC,[96] the FEBTC took possession of the subject fixed assets immediately after the execution of the MOA and the PA. In fact, the FEBTC introduced improvements thereon with the knowledge of the Liquidator, without the latter demanding any payment of rent from the FEBTC. It was only in 1993 that the Liquidator demanded the payment of rentals.

Third, the parties executed the PA over the non-fixed assets as contemplated under Section 1(a)[97] of the MOA.

Although the PA did not cover the purchase of the fixed assets, **the parties ensured in Section 4[98] of the PA that they may still execute another purchase agreement for the assets that, due to time constraints, were not included in the PA.** That the parties contemplated a purchase agreement for the **fixed assets** is evident since these are the only remaining

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94 *Supra* note 93.

95 Article 1482. Whenever earnest money is given in a contract of sale, it shall be considered as part of the price and as proof of the perfection of the contract.

96 *Rollo,* p. 64.

97 Section 1 - Purchase Agreement
a. Within ninety (90) calendar days from the date of the execution of this Memorandum of Agreement, subject to such extension of time as shall be mutually agreed upon by the parties, the BUYER shall purchase all the assets of the SELLER as shall be defined and specifically described in the corresponding Purchase Agreement to be executed by the parties, inclusive of the SELLER's authority to operate its forty-three (43) banking offices/branches but exclusive of the following items: xxx

98 Section 4- Additional Assets for Purchase
In view of the time constraint within which the parties can agree on the purchase of assets other than those referred to in the other provisions of this Purchase Agreement, the parties may agree, for a period of ninety (90) days from the effectivity date hereof, on the purchase by the BUYER of such additional assets, subject to the terms and conditions agreed upon by the parties.

assets purchased under the MOA that have not been covered by a purchase agreement.

Fourth, upon the request of FEBTC preparatory to the execution of the purchase agreement for the fixed assets, Liquidator Santos (who signed both the MOA and the PA) delivered to FEBTC the corresponding transfer certificates of titles over the disputed assets.

In these lights, the CA clearly erred when it ruled that there was no perfected contract of sale over the disputed fixed assets simply because the PA did not include these fixed assets.

A contract of sale is perfected by the meeting of the minds of the parties **regardless of whether it was reduced to writing.**

In *Limketkai Sons Milling, Inc. v. CA,*[99] we ruled that the fact that the deed of sale still had to be signed and notarized did not mean that no contract had been perfected. A binding contract may exist between the parties whose minds have met, although they did not affix their signatures to any written document, as acceptance may be expressed or implied.

Furthermore, a sale of land, **once consummated**, is valid regardless of the form it may have been entered into. The law or jurisprudence does not mandate that the contract of sale be put in writing before such contract can validly cede or transmit rights over a certain real property between the parties themselves.[100]

In view of the perfection of the contract of sale, the execution of the PA over the fixed assets, like the executed PA over the non-fixed assets, falls under the consummation stage and not the perfection stage.

We emphasize that a contract is the law between the parties. Absent any allegation and proof that the contract is contrary to law, morals, good customs, public order or public policy, it should be complied with in good faith.[101]

Pursuant to the obligatory nature of the contract under Article 1356[102] of the New Civil Code, the terms of the perfected contract of sale over the disputed fixed assets are reciprocally demandable from both parties. Therefore, the Liquidator and the CB-BOL as the intervenor, must execute the corresponding deeds of sale in favor of the FEBTC and the FEBTC must pay the agreed purchase price of these assets.

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99 *Supra* note 69.

100 *Heirs of Cecilio Claudel et al. v. CA*, 276 Phil 114, 121, (1991).

101 *Calilap-Asmeron v. Development Bank of the Philippines et al.*, 677 Phil. 56, 76 (2011).

102 Art. 1356. Contracts shall be obligatory, in whatever form they may have been entered into, provided all the essential requisites for their validity are present. However, when the law requires that a contract be in some form in order that it may be valid or enforceable, or that a contract be proved in a certain way, that requirement is absolute and indispensable. In such cases, the right of the parties stated in the following article cannot be exercised.

The PA did not modify but confirmed the contract of sale that was perfected under the MOA

We now address the CA's ruling that the PA was the final repository of the transactions of the parties or, in other words, that the sale was perfected only with the execution of the PA.

We disagree with the CA on this point.

The perfected contract of sale of the disputed assets under the MOA remained unaltered by the PA. To emphasize, the execution of the PA falls under the consummation stage of the contract.

The PA also did not modify the MOA. In fact, the PA even strengthened the perfection of the contract of sale with respect to the fixed assets, as shown by the provisions of the PA. Consider that:

First, in Section 4[103] of the PA, the parties acknowledged that there were other assets covered by the MOA but were not covered by the PA. The only logical interpretation of Section 4 is that the parties contemplated the purchase agreement for the **fixed assets** as these are the only remaining assets purchased under the MOA that have yet to be covered by a purchase agreement.

Second, the same Section 4 of the PA provided a period within which the parties should enter into a purchase agreement for the sale of the additional assets, *i.e.,* within ninety (90) days from the effectivity of the PA.

According to Section 12(a)[104] of the PA, the effective date of the PA is the date of its approval by the Liquidating Court.

The RTC, as the liquidating court, **approved the PA on December 18, 1986.**

Notably, **on January 15, 1987,** which is well within the 90-day period provided under Section 4 of the PA, the FEBTC wrote then Liquidator Santos for the purchase of the fixed assets as agreed upon in Section 3(c) of the MOA. The letter states that:

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103 Section 4- Additional Assets for Purchase
In view of the time constraint within which the parties can agree on the purchase of assets other than those referred to in the other provisions of this Purchase Agreement, the parties may agree, for a period of ninety (90) days from the effectivity date hereof, on the purchase by the BUYER of such additional assets, subject to the terms and conditions agreed upon by the parties.

104 Section 12- Effectivity and Construction- (a) This Purchase Agreement shall become valid, enforceable and effective only upon its approval by the Liquidation Court. The term "effectivity date" as used therein, shall refer to the date on which such approval is given by the Liquidation Court.

> "Gentlemen:
>
> Under the conditions under which we were requested by the Central Bank to bid for the assets of the PaBC and pursuant to Section 3(c) of our Memorandum of Agreement dated 16 April 1986, we would like to proceed with the 2nd tranche on the purchase of the fixed assets of PaBC on the sale to us of the following branch sites:
>
> 1) Soler, Quiapo; 2) Bacolod City; 3) Cabanatuan City; 4) Dagupan City; 5) San Pablo City; 6) Cebu City; 7) Davao City; 8) San Fernando, La Union; 9) Laoag; 10) Legaspi City; 11) Iloilo City. The above purchase price is net of depreciation as of September 30, 1986, and the 5% discount as agreed upon in the aforementioned Memorandum Agreement. xxx"[105]

This letter was admitted as evidence by the Liquidating Court in its order dated September 7, 1993.[106]

Therefore, the FEBTC timely demanded the implementation of the perfected contract of sale over the fixed assets of the PBC, consistent with Section 3(c)[107] of the MOA and within the conditions set under Sections 4[108] and 12(a)[109] of the PA.

The disputed fixed assets were not submitted as collaterals with the Central Bank and are thus not excluded from the purchase

The CA also erred in relying on the initial RTC findings that the disputed fixed assets were excluded from the sale because they were submitted as collaterals to the CB. This RTC ruling was issued when it denied the FEBTC's prayer for preliminary injunction. The CA gave weight to the fact that this RTC ruling was affirmed both by the CA and the Court.

Again, we disagree with the CA's conclusions.

The affirmation by the CA and by this Court of the RTC's order denying a preliminary injunction on the ground that the disputed assets were submitted as collaterals **does not preclude the RTC from issuing a different ruling after trial on the merits.**

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105 RTC Records, Record on appeal, p. 310.

106 Id. at 539.

107 Section 3- Valuation of Assets and Liabilities
c. It is further understood that the BUYER shall purchase on the basis of its sound value less any assigned depreciation accruing thereon from August, 1984 up to the valuation date, all the fixed assets of the SELLER as described in the Asian Appraisal's Report of August, 1984 which is herein incorporated by way of reference, but shall not purchase fixed assets not yet appraised, equipment, furniture and other fixtures provided that the BUYER within a period of ninety (90) days from the date hereof shall have the first option to buy any of the said assets of the SELLER which shall form part of the assets bought under this Memorandum Agreement.

108 *Supra* note 103.

109 *Supra* note 104.

In *Olalia, et al. v. Hizon, et al.,*[110] the Court ruled that the determination of the issuance of a writ of preliminary injunction is **based on evidence tending to show that the action complained of must be stayed so that the movant will not suffer irreparable injury or that the final judgment granting him relief will not become ineffectual.** Necessarily, the evidence needs only be a "sampling," and is submitted merely to give the court an idea of the justification for the preliminary injunction pending the decision of the case on the merits. **The evidence submitted at the hearing on the motion for the preliminary injunction is not conclusive of the principal action, which has yet to be decided.**

The appellate court's review of the trial court's issuance of a preliminary injunction does not include a final determination of the merits of the case; it is only a determination of whether the preliminary injunction has been properly issued.[111]

In the present case, the Court finds that the RTC's findings after trial on the merits are more credible as opposed to the CA's misguided reliance on the ruling of the RTC in the preliminary injunction.

After trial on the merits, the RTC ruled that the disputed fixed assets had not been submitted as collaterals to the Central Bank. The findings of the RTC were based on: (1) the testimonies and admissions of Ms. Teresa Salcor, who was then an Account Officer of the Central Bank Board of Liquidators; and (2) the RTC's examination of the purported deeds of real estate mortgage over the disputed fixed assets.

First, the RTC found that the FEBTC was not informed that the disputed assets were one of those submitted as collaterals to the Central Bank, as testified to by Ms. Teresa Salcor.[112]

She also admitted during her testimony that there was no annotation of the real estate mortgage on the titles of the disputed assets; [113] hence, the RTC correctly ruled that these purported mortgages cannot bind the FEBTC.

Second, the RTC found that there were doubts on the authenticity of the deeds of real estate mortgage involving the disputed fixed assets. The acknowledgment portion of the deeds indicated that this document and its annexes were signed by the parties.

However, the RTC found that the annexes were not so signed and did not bear any notarial seal. It was therefore easy to insert an entirely different page as an annex of the deeds. Moreover, the integrity of the real estate mortgage was put in question.

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110 274 Phil. 66, 72 (1991).
111 Id at. 73-74.
112 *Rollo,* p. 61
113 Id.

Third, the RTC ruled that the deeds of real estate mortgage were not registered with the Register of Deeds, making it binding only between the Central Bank and the PBC. It cannot bind the FEBTC who was not notified of the alleged mortgage.[114]

In these lights, we find that the disputed fixed assets were not submitted as collaterals to the Central Bank and are thus not excluded from the assets purchased by the FEBTC.

Legal consequences

As discussed, the contract of sale was perfected upon the execution of the MOA. Hence, the terms and conditions of the contract of sale under the MOA, as confirmed by the PA, are reciprocally demandable from both parties.

Therefore, the Liquidator and the CB-BOL as the intervenor, must execute the corresponding deeds of sale in favor of the FEBTC; and the FEBTC must pay the purchase price of the disputed fixed assets. Specifically, these fixed assets are the PBC branches located at:

1. Soler (Arranque)
2. Bacolod City
3. Cabanatuan City
4. San Pablo City
5. Cebu-Manalili
6. Davao-Sta. Ana
7. San Fernando, La Union
8. Legaspi City
9. Iloilo City-Central Market

With respect to the purchase price of these fixed assets, we note that the purchase price and manner of payment were provided under Sections 3(c) and 10(b) of the MOA, to wit:

i. Section 3(c)

Section 3- Valuation of Assets and Liabilities

c. It is further understood that **the BUYER shall purchase on the basis of its sound value less any assigned depreciation accruing thereon from August 1984, up to the valuation date, <u>all the fixed assets</u> of the SELLER as described in the Asian Appraisal's Report of August 1984, which is herein incorporated by way of reference,** but shall not purchase fixed assets not yet appraised, equipment, furniture and other fixtures provided that the BUYER within a period of ninety (90) days from the date hereof shall have the first option to buy any of the said assets of the SELLER which shall form part of the assets bought

[114] Id. at 62.

under this Memorandum Agreement. (emphasis and underscoring supplied)

ii. Section 10(b)

Section 10 - Additional Consideration

b) Furthermore, **the BUYER shall be <u>entitled to a discount equivalent to five percent (5%)</u> of the value of the fixed assets, referred to in Section 3 above, per valuation of the Asian Appraisal of August, 1984, <u>less their assigned depreciation from the date of the Appraisal's Report to the date of the execution of the Absolute Purchase Agreement.</u>** (emphasis and underscoring supplied)

Since the Court does not have sufficient records for the computation of the assigned depreciation from the date of the Asian Appraisal's Report until the execution of the Absolute Purchase Agreement, we deem it proper to remand the case to the RTC for the computation of the purchase price strictly according to the provisions of Sections 3(c) and 10(b) of the MOA.

The FEBTC is ordered to pay the purchase price computed by the RTC, and the Liquidator is ordered to deliver the deeds of sale covering the disputed properties upon payment by the FEBTC of the purchase price.

The RTC is directed to conduct the proceedings in this case with dispatch.

WHEREFORE, premises considered, we hereby **GRANT** the FEBTC's petition for review on *certiorari*, and **REVERSE** the May 31, 2006 Decision of the Court of Appeals in CA-G.R. C.V. No. 56624.

The case is **REMANDED** to the Regional Trial Court (*RTC)*, Branch 31, Manila, for purposes of computing the purchase price of the disputed fixed assets in accordance with the provisions of Sections 3(c) and 10(b) of the MOA.

Specifically, these assets are the PBC branches located in: (1) Soler (Arranque); (2) Bacolod City; (3) Cabanatuan City; (4) San Pablo City; (5) Cebu-Manalili; (6) Davao-Sta. Ana; (7) San Fernando, La Union; (8) Legaspi City; and (9) Iloilo City-Central Market.

The RTC is directed to proceed with the computation with **DISPATCH.**

SO ORDERED.

ARTURO D. BRION
Associate Justice

WE CONCUR:

ANTONIO T. CARPIO
Associate Justice
Chairperson

MARIANO C. DEL CASTILLO
Associate Justice

JOSE CATRAL MENDOZA
Associate Justice

MARVIC M.V.F. LEONEN
Associate Justice

CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution, 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.

ANTONIO T. CARPIO
Acting Chief Justice