



Republic of the Philippines  
Supreme Court  
Manila

THIRD DIVISION

TERESITA CORDOVA and  
JEAN ONG CORDOVA,  
*Petitioners,*

G.R. No. 246255

Present:

LEONEN, J.,  
Chairperson,  
HERNANDO,  
INTING,  
DELOS SANTOS, and  
LOPEZ, J., JJ.

- versus -

EDWARD TY,  
*Respondent.*

Promulgated:

February 3, 2021

MisADC Batt

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DECISION

DELOS SANTOS, J.:

Before the Court is a Petition for Review on *Certiorari* under Rule 45 of the Rules of Court which assails the Decision<sup>1</sup> dated November 15, 2018 and the Resolution<sup>2</sup> dated April 2, 2019 rendered by the Court of Appeals (CA) in CA-G.R. SP No. 155547. The CA granted respondent Edward Ty's (Ty) appeal and reinstated the writ of execution issued by the Metropolitan Trial Court (MeTC) of Manila, Branch 27.

*The Case*

The instant controversy arose from a writ of execution issued to satisfy the civil aspect of the Decision<sup>3</sup> dated July 27, 2007 of the MeTC for

<sup>1</sup> Penned by Associate Justice Danton Q. Bueser, with Associate Justices Mariflor P. Punzalan Castillo and Pablito A. Perez, concurring; *rollo*, pp. 29-40.

<sup>2</sup> *Id.* at 50-52.

<sup>3</sup> Penned by Presiding Judge Joel A. Lucasan; *id.* at 66-72.

eleven (11) counts of violation of Batas Pambansa Blg. (B.P.) 22<sup>4</sup> filed by Ty against Chi Tim Cordova (Chi Tim) and Robert Young (Young).<sup>5</sup>

Chi Tim is the husband of petitioner Teresita O. Cordova (Teresita) and the father of petitioner Jean Ong Cordova (Jean; collectively, petitioners). Petitioners seek the exclusion of the following properties from execution: (1) parcel of land covered by Transfer Certificate of Title (TCT) No. 77973 (TCT No. 77973 property); and (2) condominium unit covered by Condominium Certificate of Title (CCT) No. 4441 (CCT No. 4441 property; collectively, subject properties) on the ground that the subject properties were part of the paraphernal property of Teresita and the family home, respectively.<sup>6</sup>

### *The Facts*

On July 27, 2007, the MeTC rendered a Decision<sup>7</sup> on the civil aspect<sup>8</sup> of the B.P. 22 case filed against Chi Tim and Young, finding them jointly and solidarily liable for the amounts of ₱6,200,000.00 representing the value of the bounced checks and ₱100,000.00 as attorney's fees and other litigation expenses. The MeTC ruled that Chi Tim and Young drew checks using the account of their company, Wood Technology Corporation (Wood Technology), in order to obtain cash from Ty. The MeTC did not give credence to their bare assertions that these checks were for the payment of suppliers, *i.e.*, corporate obligations, in view of their failure to present any evidence to that effect.

After the Decision became final and executory,<sup>9</sup> Ty moved for the issuance of a writ of execution which was granted by the MeTC. The subject properties levied to be sold in a public auction are particularly described as follows:<sup>10</sup>

- (1) TCT No. 77973 property pertains to a parcel of land containing an area of 125 square meters registered in

<sup>4</sup> Otherwise known as the Bouncing Checks Law, approved on April 3, 1979.

<sup>5</sup> *Alias* "Tiong King."

<sup>6</sup> *Rollo*, pp. 31-32.

<sup>7</sup> *Id.* at 66-72.

<sup>8</sup> *Id.* at 66. The criminal aspect of the case was dismissed in an Order dated November 14, 2006 of the MeTC, the dispositive portion of which states:

WHEREFORE, premises considered, the Demurrer to Evidence dated November 6, 2006, filed by accused Chi Tim Cordova and Robert Young is hereby GRANTED and the eleven (11) Informations for violation [of] B.P. 22 filed against them are hereby DISMISSED for failure of the prosecution to prove their guilt beyond reasonable doubt. However, since their liability has been sufficiently established, set these cases for the reception of defense evidence on December 18, 2006 at 1:30 in the afternoon, as previously scheduled, to enable both accused to disprove private complainant's claim.

SO ORDERED.

<sup>9</sup> *See* CA Decision, *id.* at 30. On appeal, both the Regional Trial Court of Manila, Branch 30 and the CA affirmed the Decision dated July 27, 2007 of the MeTC holding both Chi Tim Cordova and Robert Young civilly liable for the value of the issued checks.

<sup>10</sup> *See* Notice of Sale on Execution of Real Properties, *id.* at 73-75.

accordance with the provisions of the Property Registration Decree in the name of Teresita O. Cordova, of legal age, married to Chi Tim Cordova, both Filipino citizens; and

(2) CCT No. 4441 property pertains to Unit 10-A located on the tenth floor, with an area of 133.48 square meters, more or less with three (3) rooms, three (3) comfort rooms, of the Blue Diamond Tower Condominium Project located in C. Masangkay, Tondo, Manila is registered in the name of Cordova Chi Tim of legal age, married to Teresita Cordova, both Filipino citizens.

Petitioners filed a Very Urgent Motion to Exclude their Properties from the Auction Sale before the MeTC. The MeTC merely noted this motion,<sup>11</sup> which impelled petitioners to file a Petition for Prohibition and *Mandamus* with Prayer for Issuance of a Writ of Preliminary Injunction and/or Restraining Order<sup>12</sup> before the Regional Trial Court (RTC) of Manila, Branch 32.

The petition before the RTC was anchored on the claim that the liability from the B.P. 22 case was a corporate obligation and for this reason, Chi Tim should not be held personally liable. As regards the claim for exemption, petitioners alleged that the TCT No. 77973 property was exclusively owned by Teresita, which she purchased using funds donated to her by her father; while the CCT No. 4441 property was the Cordova family home and presently, utilized by Jean as her own family home.<sup>13</sup>

### ***Ruling of the RTC***

On July 21, 2017, the RTC issued an Order<sup>14</sup> granting the application for the issuance of a temporary restraining order incorporated in the Petition for Prohibition and *Mandamus*. The RTC held that: (a) the checks subject of the complaint for B.P. 22 belonged to Wood Technology as shown on the upper right portion of the checks; (b) Chi Tim and Young, as Wood Technology's officers and authorized signatories, should not be held personally liable as any liability belongs to the corporation; (c) there was no indication in the Decision of the MeTC that the veil of corporation fiction had been pierced and for this reason, it was erroneous for the lower court and the sheriff to levy the subject properties; and (d) there was no reason to doubt Jean's assertion that the CCT No. 4441 property was their family home and thus, exempt from execution up to a certain amount.

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<sup>11</sup> See Order dated November 11, 2016, id. at 86-90.

<sup>12</sup> Id. at 53-63.

<sup>13</sup> Id. at 56-58.

<sup>14</sup> Penned by Presiding Judge Thelma Bunyi-Medina; id. at 122-134.

On September 7, 2017, the RTC issued another Order<sup>15</sup> granting the preliminary prohibitory injunction. Aside from ruling that the elements for the issuance of injunctive relief were satisfied by petitioners, the RTC held that as regards the CCT No. 4441 property: (a) it was registered in the Register of Deeds of Manila on February 14, 1984 in the name of Cordova Chi Tim, married to Teresita Cordova; (b) it became a family home by operation of law and thus, exempt from execution; (c) Ty neither disputed that Jean is the daughter of Chi Tim and Teresita, nor that Jean and her own family reside in the same condominium unit; and (d) the claim of exempt status was timely raised, that is, before sale at a public auction.<sup>16</sup>

With regard to the TCT No. 77973 property, the RTC found that: (a) the sale was registered on January 20, 1993 at the Registry of Deeds of Quezon City; (b) the Deed of Absolute Sale signed on January 19, 1993 shows that the sole vendee was Teresita; and (c) while Teresita was described as “married to Chi Tim Cordova”, this was added for no other purpose but to describe her civil status.<sup>17</sup>

On November 16, 2017, the RTC rendered a Decision<sup>18</sup> which permanently restrained the sale of the subject properties. The RTC adopted the discussion in its previous Orders as the *ratio decidendi* for its Judgment.

Ty sought reconsideration, but was denied.

### *Ruling of the CA*

On November 15, 2018, the CA rendered the assailed Decision<sup>19</sup>

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<sup>15</sup> Id. at 160-170.

<sup>16</sup> Id. at 168-169.

<sup>17</sup> Id. at 169.

<sup>18</sup> Id. at 172-175. The dispositive portion states:

**WHEREFORE**, judgment is hereby rendered finding petitioner's cause of action for Prohibition and Mandamus to be meritorious.

Accordingly, a writ of prohibition and mandamus is hereby issued against the respondents permanently prohibiting and restraining them or their agents, representatives or persons or entities acting on their behalf or under their authority, control or influence from enforcing the decision and Writ of Execution of the Metropolitan Trial Court-Manila, Branch 27 in Criminal Case Nos. 227714-24-CR on the civil aspect of said cases against the herein attached and levied properties of Teresita O. Cordova and Jean Ong Cordova, and to enjoin them from taking any action thereon particularly, to hold a Public Auction Sale of the properties.

Accordingly, the attachment and levy issued by public respondent Deputy Sheriff on the subject properties are hereby declared null and void.

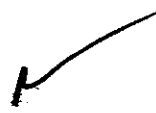
Petitioners' claims for the award of attorney's fees and exemplary damages are dismissed for lack of merit.

**SO ORDERED.**

<sup>19</sup> Id. at 29-40. The dispositive portion states:

**FOR THESE REASONS**, the appeal is **GRANTED**. The November 16, 2017 Decision of the Regional Trial Court of Manila Branch, permanently enjoining the Metropolitan Trial Court of Manila Branch from proceeding with the sale of the levied properties is, **SET ASIDE**. The Decision dated July 27, 2007 of the Metropolitan Trial Court, and its Writ of Execution are hereby **REINSTATED**.

**SO ORDERED.**



which granted Ty's appeal. The CA found no grave abuse of discretion on the part of the MeTC as to warrant the issuance of a writ of prohibition and *mandamus*, and struck down petitioners' unsubstantiated allegations of exemption over the subject properties.

With regard to the TCT No. 77973 property, the CA ruled that the fact that it was acquired during the subsistence of Teresita's marriage with Chi Tim was sufficient to hold it as conjugally-owned and could be executed to satisfy the latter's civil obligation. There was no definite proof that Teresita acquired the property using her own funds or that the conjugal partnership of gains, which governed her property relationship with her husband, had been severed at the time of the property's purchase. Similarly, the claim of exemption for the CCT No. 4441 property based solely on the unproven allegation of Jean that it was constituted as a family home, and for this reason, was not sustained.<sup>20</sup>

Petitioners sought reconsideration which was denied in the assailed Resolution<sup>21</sup> dated April 2, 2019.

Dissatisfied, petitioners filed this Petition for Review on *Certiorari*, raising the following issues:

(A)

THE PRESUMPTION, OR EVEN THE FACT THAT A PROPERTY IS CONJUGAL, DOES NOT MAKE IT AUTOMATICALLY LIABLE FOR THE PERSONAL OBLIGATION OF ANY OF THE SPOUSES ABSENT ANY SHOWING THAT SUCH PERSONAL DEBT REDOUNDED TO THE BENEFIT OF THE FAMILY.

(B)

THE FACT IS THAT THE PERSONAL OBLIGATION OF CHI TIM CORDOVA HERE, THE HUSBAND OF PETITIONER TERESITA, DID NOT REDOUND TO THE BENEFIT OF HIS FAMILY WHICH HE ALREADY ABANDONED EVEN BEFORE HE CONTRACTED OR WAS ADJUDGED LIABLE FOR SUCH PERSONAL DEBT.<sup>22</sup>

### *Petitioners' Arguments*

Petitioners alleged that the appellate court erred in holding the subject properties liable to the personal obligation of Chi Tim on the basis of conjugality alone. Citing Article 121 of the Family Code, they aver that before the conjugal partnership is made liable for the personal debt of one of the spouses, it must be shown to have redounded to the benefit of the family. Further, petitioners aver that under Article 160 of the Family Code, certain

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<sup>20</sup> Id. at 37-39.

<sup>21</sup> Id. at 50-52.

<sup>22</sup> Id. at 9.

facts must be established before a family home is subjected to execution. Having failed to establish these aforementioned facts, the subject properties may not be levied upon and executed to satisfy Chi Tim's civil liability.<sup>23</sup>

### *The Issue*

Essentially, the main issue for resolution is whether or not the subject properties may be executed to satisfy the civil liability of Chi Tim arising from the B.P. 22 case.

### *The Court's Ruling*

The Petition is meritorious.

*The subject properties belong to the conjugal partnership.*

It is basic that in Rule 45 petitions, only questions of law may be put into issue.<sup>24</sup> However, in this case, the conflicting findings of the RTC and the CA impel the Court to make its own factual findings for the proper resolution of this controversy.<sup>25</sup>

Preliminary to the proper evaluation on whether the subject properties may be executed upon is the determination of whether the subject properties, are part of the conjugal assets of Chi Tim and Teresita.

Records show that the spouses were married prior to the effectivity of the Family Code and did not execute any pre-nuptial agreement; thus, their property relations is governed by conjugal partnership of gains.<sup>26</sup> Further, under Article 160 of the Civil Code, "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."<sup>27</sup> In *Ching v. Court of Appeals*,<sup>28</sup> the Court held that it is not even necessary to prove that the

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<sup>23</sup> Id. at 11-13.

<sup>24</sup> See *Gatan v. Vinarao*, G.R. No. 205912, October 18, 2017.

<sup>25</sup> Id.

<sup>26</sup> CIVIL CODE, Article 119:

The future spouses may in the marriage settlements agree upon absolute or relative community of property, or upon complete separation of property, or upon any other regime. In the absence of marriage settlements, or when the same are void, the system of relative community or conjugal partnership of gains as established in this Code, shall govern the property relations between husband and wife.

<sup>27</sup> This provision is reproduced in the Family Code, Article 116:

All property acquired during the marriage, whether the acquisition appears to have been made, contracted or registered in the name of one or both spouses, is presumed to be conjugal unless the contrary is proved.

<sup>28</sup> 467 Phil. 830 (2004).

properties were acquired with funds of the partnership. Even when the manner in which the properties were acquired does not appear, the presumption will still apply, and the properties will still be considered conjugal. In order to rebut the presumptive conjugal nature of the property, a movant must present strong, clear and convincing evidence of exclusive ownership of one of the spouses. The burden of proving that the property belongs exclusively to the wife or to the husband rests upon the party asserting it.<sup>29</sup>

Applying the foregoing principles, the appellate court correctly ruled that the TCT No. 77973 property was not the paraphernal property of Teresita. It is undisputed that the TCT No. 77973 property was acquired during the marriage of Chi Tim and Teresita. The fact that Teresita was identified as the sole vendee and registered owner in the Deed of Absolute Sale<sup>30</sup> dated January 19, 1993 and a copy of the title<sup>31</sup> respectively, did not destroy its conjugal nature as the registration of the property is not conclusive evidence of the exclusive ownership of the husband or the wife.<sup>32</sup> Even if the property appears to be registered solely in the name of either spouse, it has the inherent character of conjugal property if it was acquired for valuable consideration during marriage.<sup>33</sup>

Bare allegation is not evidence and is not equivalent to proof.<sup>34</sup> Save for petitioners' assertions that Teresita purchased the TCT No. 77973 property using her exclusive funds which were "donated" to her by her father,<sup>35</sup> no other evidence was presented to substantiate this claim. Notably, only Jean testified before the RTC that it was her mother, Teresita, who purchased the property using her exclusive funds. As properly pointed out by Ty in his Comment/Opposition,<sup>36</sup> there is no showing that Jean even had personal knowledge on the circumstances surrounding the sale as to be given full weight and credit. All told, the registration of the property in the name of Teresita and the unilateral declaration made by Jean do not meet the clear and convincing evidence contemplated by law to overthrow the presumption of conjugality.<sup>37</sup>

Petitioners concede that the CCT No. 4441 property is part of the conjugal properties of Chi Tim and Teresita,<sup>38</sup> because it is their family home.

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<sup>29</sup> Id. at 847, citing *Spouses Tan v. Court of Appeals*, 339 Phil. 423 (1997).

<sup>30</sup> *Rollo*, pp. 91-93.

<sup>31</sup> Id. at 77-80.

<sup>32</sup> *Philippine National Bank v. Garcia*, 734 Phil. 623,633 (2014).

<sup>33</sup> Id.

<sup>34</sup> *See Government Service Insurance System v. Prudential Guarantee and Assurance Inc.*, 721 Phil. 740 (2013).

<sup>35</sup> *Rollo*, pp. 33-34.

<sup>36</sup> Id. at 241-255.

<sup>37</sup> *See Spouses Go v. Yamane*, 522 Phil. 653 (2006).

<sup>38</sup> *Rollo*, pp. 10-11.

The claim that a property is a family home is not a magic wand that will freeze the court's hand and forestall the execution of a final and executory ruling. The Court, in *Salazar v. Felias*,<sup>39</sup> held that the claim for exemption must be set up and proved, whether the claim for exemption of the family home is premised under the Civil Code or the Family Code. Here, the Court finds that the appellate court's determination that the CCT No. 4441 property was not proven to be petitioners' family home is borne out by the records. The Court quotes with approval the findings of the appellate court as stated in the assailed Decision, to wit:

In this case, records reveal that apart from alleging that she was a beneficiary of Chi Tim, Jean fell short in establishing that (i) the condominium unit was indeed constituted as a family home; (ii) that it was constituted jointly by her parents, Chi Tim and Teresita; (3) that the property has an actual value of PhP300,000.00, it being located in an urban area. In fact, in her testimony, Jean merely recounted that she lived with her parents under "one roof", but never identified it to be the subject condominium unit.<sup>40</sup>

Moreover, the appellate court's findings and conclusions are consistent with law and jurisprudence with regard to the requisites before a family home may be considered as such and resultantly, be exempted from execution. As held in *FEB Mitsui Marine Insurance Co., Inc. v. Manalastas*:<sup>41</sup>

In order for the property to be considered as a family home, the requisites must be established: (a) it must be the house where he and his family actually reside and the lot on which it is situated; (b) the family home must be part of the properties of the absolute community or the conjugal partnership, or of the exclusive properties of either spouse with the latter's consent, or on the property of the unmarried head of the family; and (c) the actual value of the family home shall not exceed, at the time of its constitution, the amount of P300,000.00 in urban areas and P200,000.00 in rural areas.

It must be emphasized that the law requires for purposes of determining a family home that the residence must be actual. It explicitly mandates that the occupancy of the family home, either by the owner or by any of its beneficiaries, must be actual. This occupancy must be real, or actually existing, as opposed to something merely possible, or that which is merely presumptive or constructive.<sup>42</sup>

None of these requisites were met by petitioners. Instead, petitioners attempted to shift the burden to Ty by asserting that he failed to comply with

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<sup>39</sup> G.R. No. 213972, February 5, 2018.

<sup>40</sup> *Rollo*, p. 38.

<sup>41</sup> G.R. No. 236001, March 18, 2019 (Resolution).

<sup>42</sup> *Id.*



the requisites before a family home may be validly executed,<sup>43</sup> namely: (1) there was an increase in its actual value; (2) the increase resulted from voluntary improvements on the property introduced by the persons constituting the family home, its owner or any of its beneficiaries; and (3) the increased actual value exceeded the maximum allowed under Article 157 of the Family Code.<sup>44</sup> However, this burden never shifted to Ty inasmuch as the CCT No. 4441 property was not proven to be the family home of petitioners to begin with. Since this essential fact is wanting in this case, there is no exemption to speak of with respect to the CCT No. 4441 property.

In fine, it being established that the subject properties were purchased during the subsistence of the marriage between Chi Tim and Teresita, and in the absence of clear and convincing evidence to the contrary, the presumption of conjugality of the subject properties prevails.

*The subject properties may not be executed upon to satisfy Chi Tim's civil liability.*

As earlier discussed, Chi Tim and Teresita were married when the Civil Code was still the operative law on marriages. The presumption, absent any evidence to the contrary, is that they were married under the regime of conjugal partnership of gains. However, the subsequent enactment of the Family Code superseded the terms of conjugal partnership under the Civil Code.<sup>45</sup> Thus, to resolve the issue of whether the subject properties may be answerable for the civil liability imposed on Chi Tim, the Court must refer to the applicable Family Code provisions.

Under Article 121 (3) of the Family Code, the conjugal partnership is liable for "*debts and obligations contracted by either spouse without the consent of the other to the extent that the family may have benefited.*" Prescinding from this provision, petitioners contend that the conjugality of the subject properties alone does not mean it should automatically be bound to answer for the personal debt of one spouse.<sup>46</sup> Thus, they allege that Ty must establish that the loans subject of the B.P. 22 case redounded to the benefit of petitioners' family before the conjugal partnership may be held liable.

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<sup>43</sup> *Rollo*, pp. 14-15.

<sup>44</sup> *Eulogio v. Bell, Sr.*, 763 Phil. 266, 288 (2015).

<sup>45</sup> The Family Code of the Philippines, Article 105:

x x x x

The provisions of this Chapter shall also apply to conjugal partnerships of gains already established between spouses before the effectivity of this Code, without prejudice to vested rights already acquired in accordance with the Civil Code or other laws, as provided in Article 256."

<sup>46</sup> *Rollo*, p. 11.

Petitioners' argument is well-taken.

Notwithstanding Ty's right to enforce the Decision of the MeTC, he cannot obtain satisfaction by executing upon the subject properties. Settled is the rule that conjugal property cannot be held liable for the personal obligation contracted by one spouse, unless some advantage or benefit is shown to have accrued to the conjugal partnership.<sup>47</sup> Article 122 of the Family Code is emphatic:

Art. 122. The payment of personal debts contracted by the husband or the wife before or during the marriage shall not be charged to the conjugal partnership except insofar as they redounded to the benefit of the family. x x x

In *Philippine National Bank v. Reyes, Jr.*,<sup>48</sup> the Court interpreted the term for the benefit of the conjugal partnership and discussed two (2) scenarios, to wit:

(A) **If the husband himself is the principal obligor in the contract, i.e., he directly received the money and services to be used in or for his own business or his own profession, that contract falls within the term "x x x obligations for the benefit of the conjugal partnership." Here, no actual benefit may be proved.** It is enough that the benefit to the family is apparent at the time of the signing of the contract. From the very nature of the contract of loan or services, the family stands to benefit from the loan facility or services to be rendered to the business or profession of the husband. It is immaterial, if in the end, his business or profession fails or does not succeed. **Simply stated, where the husband contracts obligations on behalf of the family business, the law presumes, and rightly so, that such obligation will redound to the benefit of the conjugal partnership.**

(B) On the other hand, if the money or services are given to another person or entity, and the husband acted only as a surety or guarantor, that contract cannot, by itself, alone be categorized as falling within the context of "obligations for the benefit of the conjugal partnership." The contract of loan or services is clearly for the benefit of the principal debtor and not for the surety or his family. No presumption can be inferred that, when a husband enters into a contract of surety or accommodation agreement, it is "for the benefit of the conjugal partnership." Proof must be presented to establish benefit redounding to the conjugal partnership.<sup>49</sup> (Emphases supplied)

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<sup>47</sup> *Sps. Buado v. Court of Appeals*, 604 Phil. 294, 303 (2009).

<sup>48</sup> 796 Phil. 736 (2016).

<sup>49</sup> *Id.* at 747-748, citing *Ayala Investment & Development v. Court of Appeals*, 349 Phil. 942, 952-953 (1998).

Contrary to Ty's assertion, the first scenario is not squarely applicable to the present case.<sup>50</sup> While Chi Tim directly received the money from the bounced checks, there was no showing that it was used in the business or in the exercise of his profession for the legal presumption that it redounded to the benefit of the family to apply. It must be recalled that in the MeTC Decision, the court held that there was no proof that the money obtained from the encashed checks were issued to pay the suppliers of Wood Technology.<sup>51</sup> Instead, the circumstances of the case revealed that these checks were drawn by Chi Tim and Young for rediscounting for their personal benefit. It can thus be deduced from the foregoing that the loans obtained from Ty were not used by Chi Tim in his business or in the exercise of his profession. Otherwise, these would be corporate obligations for which they could not be personally liable in view of the separate personality of the corporation.

As there is no presumption, Ty was burdened to prove actual benefit to the family or the spouses. As explained in *Homeowners Savings & Loan Bank v. Dailo*,<sup>52</sup> thus:

**The burden of proof that the debt was contracted for the benefit of the conjugal partnership of gains lies with the creditor-party litigant claiming as such. *Ei incumbit probatio qui dicit, non qui negat* (he who asserts, not he who denies, must prove).** Petitioner's sweeping conclusion that the loan obtained by the late Marcelino Dailo, Jr. to finance the construction of housing units without a doubt redounded to the benefit of his family, without adducing adequate proof, does not persuade this Court. Other than petitioner's bare allegation, there is nothing from the records of the case to compel a finding that, indeed, the loan obtained by the late Marcelino Dailo, Jr. redounded to the benefit of the family. Consequently, the conjugal partnership cannot be held liable for the payment of the principal obligation.<sup>53</sup> (Emphasis supplied)

There is nothing on record which shows that the loans redounded to the benefit of the conjugal partnership. It bears pointing out that contrary to Ty's assertion,<sup>54</sup> he was not deprived of the opportunity to present evidence before the RTC. Records show that while Ty was not able to cross-examine Jean during the hearing for the issuance of temporary restraining order and preliminary injunction, he was not denied due process insofar as he was given the opportunity to be heard. For reasons unknown to the Court, Ty opted not to present evidence or any other pleadings and thus, the petition for prohibition and *mandamus* was resolved on the basis of pleadings on record.<sup>55</sup> Thus, Ty must now bear the consequences of his actions.

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<sup>50</sup> *Rollo*, pp. 251-253.

<sup>51</sup> See MeTC Decision, p. 69.

<sup>52</sup> 493 Phil. 436 (2005).

<sup>53</sup> *Id.* at 445.

<sup>54</sup> *Rollo*, pp. 253-254.

<sup>55</sup> See RTC Decision dated November 16, 2017, pp. 172-175.

Finally, the Court would like to make a distinction between the present case and its rulings in *Pana v. Heirs of Juanite, Sr.*<sup>56</sup> and *Dewara v. Spouses Lamela*<sup>57</sup> where the issue of whether conjugal properties may be levied to answer for the civil liability adjudged against one spouse in a criminal case was resolved. Citing Article 122 of the Family Code,<sup>58</sup> the Court therein ruled in the affirmative. Under this provision, by exception, fines and indemnities may be may be enforced against the partnership assets provided the following conditions concur: (1) the responsibilities enumerated under Article 121 of the Family Code have been covered; and (2) the spouse liable either has no exclusive property or the same is found insufficient. In *Pana* and *Dewara*, the erring spouses were found guilty beyond reasonable doubt of the crimes charged against them and thus, the civil liabilities imposed are interpreted to fall within the purview of “fines and indemnities” referred to in Article 122 of the Family Code. In the present case, however, the criminal case was dismissed and only the civil aspect of the B.P. 22 case was resolved, *i.e.*, the liability for the loans obtained by Chi Tim as evidenced by the bounced checks, and thus, is properly characterized as a “debt or obligation.”

All told, the civil aspect arising from the eleven (11) counts of B.P. 22 cannot be satisfied by executing the subject properties, which are conjugal properties, absent adequate proof that the loans obtained by Chi Tim redounded to the benefit of petitioners.

**WHEREFORE**, the Petition for Review on *Certiorari* is **GRANTED**. The Decision dated November 15, 2018 and the Resolution dated April 2, 2019 rendered by the Court of Appeals in CA-G.R. SP No. 155547 are **REVERSED** and **SET ASIDE**. Accordingly, the Decision dated November 16, 2017 rendered by the Regional Trial Court in Civil Case No. R-MNL-17-00658-CV is **AFFIRMED**.

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<sup>56</sup> 700 Phil. 525 (2012).

<sup>57</sup> 663 Phil. 35 (2011).

<sup>58</sup> Family Code of the Philippines, Article 122:

The payment of personal debts contracted by the husband or the wife before or during the marriage shall not be charged to the conjugal properties partnership except insofar as they redounded to the benefit of the family.

Neither shall the fines and indemnities imposed upon them be charged to the partnership.

However, the payment of personal debts contracted by either spouse before the marriage, that of fines and indemnities imposed upon them, as well as the support of illegitimate children of either spouse, may be enforced against the partnership assets after the responsibilities enumerated in the preceding Article have been covered, if the spouse who is bound should have no exclusive property or if it should be insufficient; but at the time of the liquidation of the partnership, such spouse shall be charged for what has been paid for the purpose above-mentioned. (Underscoring supplied)

**SO ORDERED.**

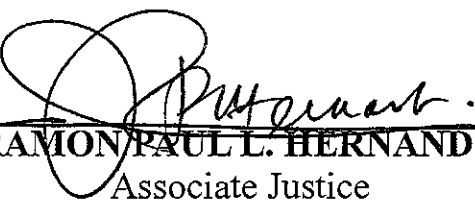


**EDGARDO L. DELOS SANTOS**  
Associate Justice

**WE CONCUR:**



**MARVIC MARIO VICTOR F. LEONEN**  
Associate Justice  
Chairperson



**RAMON PAUL L. HERNANDO**  
Associate Justice




**HENRI JEAN PAUL B. INTING**  
Associate Justice



**JHOSEP Y. LOPEZ**  
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.



**MARVIC MARIO VICTOR F. LEONEN**  
Associate Justice  
Chairperson, Third Division

**CERTIFICATION**

Pursuant to Section 13, Article VIII of the Constitution, and the Division Chairperson's Attestation, I certify that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.

A handwritten signature in black ink, appearing to read 'Diosdado M. Peralta', written in a cursive style.

**DIOSDADO M. PERALTA**  
Chief Justice