



Republic of the Philippines
 Supreme Court
 Manila

SECOND DIVISION

DAVID NACIONALES,

Petitioner,

G.R. No. 249080

Present:

- versus -

PERLAS-BERNABE, S.A.J.,

Chairperson,

HERNANDO,

INTING,

GAERLAN, and

ROSARIO,* JJ.

HON. LEAH GARNET G. SOLDE-ANNOGUI, in her capacity as Presiding Judge, and PERA-MULTIPURPOSE

COOPERATIVE, represented by JAY BONGHANOY,

Respondents.

Promulgated:

SEP 15 2021

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RESOLUTION

INTING, J.:

Before the Court is a Petition for *Certiorari* and *Mandamus* with Prayer for Damages¹ under Rule 65 of the Rules of Court seeking to nullify the Decision dated July 3, 2019² of the 3rd Municipal Circuit Trial Court (MCTC) of Nabunturan-Mawab-Montevista, Nabunturan, Compostela Valley (Nabunturan).³

The case stemmed from a small claims action (for Collection of Sum of Money and Damages) filed by PERA Multipurpose Cooperative (respondent), represented by Jay C. Bonghanoy, against David Nacionales (petitioner). The case was assigned to the 3rd MCTC of

¹ Designated additional member per Special Order No. 2835 dated July 15, 2021.

² *Rollo*, pp. 3-22.

³ *Id.* at 24-27; penned by Presiding Judge Leah Garnet G. Solde-Annogui.

⁴ Now Davao de Oro.

Nabunturan, which was presided over by Honorable Leah Garnet G. Solde-Annogui (Judge Solde-Annogui).

Respondent alleged that on July 13, 2017, it granted petitioner a loan in the amount of ₱67,700.00 payable within 24 months at an agreed interest rate of 24% *per annum*. However, petitioner defaulted in payment and, as of March 29, 2019, had a total outstanding obligation including interest, penalty, and attorney's fees in the amount of ₱49,436.46. Consequently, respondent sent a demand letter to petitioner for the payment of his obligation.⁴

The demand was left unheeded.⁵ Hence, respondent filed the small claims action to demand from petitioner the payment of ₱49,436.46 and reimbursement of the ₱2,715.00 filing fee.⁶

Despite receipt of the Summons and the Statement of Claim, petitioner failed to submit his response.⁷

On July 3, 2019, both parties appeared in court but failed to reach a settlement. On the same day, the court *a quo* proceeded with the hearing, submitted the case for decision, and partly granted the claim of respondent.⁸ The dispositive portion of the Decision reads:

WHEREFORE, the claim of the plaintiff is partly GRANTED.

Consequently, defendant David Nacionales is hereby ordered to pay plaintiff PERA Multipurpose Cooperative (PERA MPC) the amount of thirty six thousand six hundred forty seven pesos (Php 36,647.00) as principal, and seven thousand four hundred forty seven pesos (Php 7,447.00) as interest, plus interest of twenty four percent (24%) *per annum* from the finality of this Decision until fully paid.

Defendant is further ordered to pay the costs of this suit.

SO ORDERED.⁹

Aggrieved, petitioner filed the instant petition.

⁴ *Rollo*, p. 24.

⁵ *Id.*

⁶ *Id.* at 25.

⁷ *Id.*

⁸ *Id.*

⁹ *Id.* at 27.

Petitioner avers that the computation in the repayment schedule of respondent violates the Truth in Lending Act.¹⁰ To him, the deduction of the prepaid interest of ₱16,248.00 from the loan amount of ₱67,700.00 was a fraudulent scheme¹¹ because it would indicate that the principal amount was only ₱51,452.00.¹² Thus, he argues that the officers of respondent should be held liable for Syndicated Estafa.¹³

Petitioner also claims that he was denied due process of law. He asserts that Judge Solde-Annogui was not in the trial court on July 3, 2019 and did not conduct a hearing of the case; instead, only the Clerk of Court attended to the parties declaring that Judge Solde-Annogui authorized him to meet them. He was surprised to receive the court *a quo*'s Decision dated July 3, 2019.¹⁴

Lastly, petitioner questions the imposition by Judge Solde-Annogui of the interest of 24% *per annum* on the total amount awarded to respondent.¹⁵

In her Comment,¹⁶ Judge Solde-Annogui alleges that an error in the computation of interest would not nullify a contract. The promissory note reads that the principal amount of the loan in the amount of ₱67,700.00 was payable in 24 months with interest at the rate of 24% *per annum* to be computed straight. Contrary to the claim of petitioner, there is overwhelming evidence that he knew and understood the terms and conditions of the contract. Also, there is no evidence showing that petitioner signed the promissory note through mistake, violence, intimidation, and undue influence or fraud.¹⁷

Further, Judge Solde-Annogui denies that petitioner was not afforded due process. She claims that she was present on July 3, 2019; she waited for the parties to come to her chambers after she learned that no settlement was reached; and, without justifiable reasons, however, petitioner walked out after being advised to enter the chambers. She argues that petitioner's contemptuous act was considered as a non-

¹⁰ *Id.* at 10.

¹¹ *Id.* at 14.

¹² *Id.* at 11.

¹³ *Id.* at 14.

¹⁴ *Id.* at 8-9.

¹⁵ *Id.* at 19.

¹⁶ *Id.* at 44-55.

¹⁷ *Id.* at 47-48.

appearance on his part; and due to the circumstances, she proceeded to adjudicate the case.¹⁸

Judge Solde-Annogui also stresses that petitioner disregarded the hierarchy of courts because instead of filing the petition with the Regional Trial Court (RTC), he opted to go all the way to the Court.¹⁹

For its part, respondent in its Comments²⁰ raises the following arguments to support the dismissal of the petition: (1) *certiorari* and *mandamus* petitions from the decisions of the MCTCs, the Municipal Trial Courts, and the Municipal Trial Courts in Cities on small claims should be filed before the RTC; (2) direct filing of the petition before the Court is disallowed; (3) the allegations in the petition are evidentiary, and the Court is not a trier of facts; and, (4) there is a plain, speedy, and adequate remedy under the law.²¹

Petitioner raises the following issues:

1. WHETHER OR NOT THE COMPUTATION IN THE REPAYMENT SCHEDULE OF THE RESPONDENT-PLAINTIFF VIOLATES THE TRUTH [IN] LENDING ACT[;]
2. WHETHER OR NOT THE PUBLIC RESPONDENT DID NOT CONDUCT A HEARING IN VIOLATION OF THE SMALL CLAIMS RULES, AND DENIED PETITIONER-DEFENDANT[’S] CONSTITUTIONAL RIGHT TO DUE PROCESS[;]
3. WHETHER OR NOT THE 24% INTEREST IMPOSED BY THE PUBLIC-RESPONDENT AFTER FINALITY OF JUDGMENT IS CORRECT.²²

The petition must perforce be dismissed for violation of the policy on hierarchy of courts.

Under Section 24 of the Revised Rules of Procedure for Small Claims Cases, the decision of the lower court shall be final, executory, and unappealable. However, with the prohibition on appeals in small claims cases, and like other proceedings where appeal is not a remedy,

¹⁸ *Id.* at 52.

¹⁹ *Id.* at 53.

²⁰ *Id.* at 38-42.

²¹ *Id.* at 38.

²² *Id.* at 10.

the aggrieved party may still file a petition for *certiorari* under Rule 65 of the Rules of Court.²³

Petitioner correctly filed a petition for *certiorari* under Rule 65. However, instead of filing the petition before the RTC, he lodged it directly before the Court without presenting any special and compelling reason to support his choice of the Court as his forum.²⁴ This is in violation of the policy on hierarchy of courts.

In *People v. Cuaresma*,²⁵ the Court explained that its jurisdiction to issue writs of *certiorari*, as well as prohibition, *mandamus*, *quo warranto*, *habeas corpus* and injunction, is not exclusive but shared with the RTC and the Court of Appeals (CA):

x x x This Court's original jurisdiction to issue writs of *certiorari* (as well as prohibition, *mandamus*, *quo warranto*, *habeas corpus* and injunction) is not exclusive. It is shared by this Court with Regional Trial Courts x x x, which may issue the writ, enforceable in any part of their respective regions. It is also shared by this Court, and by the Regional Trial Court, with the Court of Appeals x x x. This concurrence of jurisdiction is not, however, to be taken as according to parties seeking any of the writs an absolute, unrestrained freedom of choice of the court to which application therefor will be directed. There is after all a hierarchy of courts. That hierarchy is determinative of the venue of appeals, and should also serve as a general determinant of the appropriate forum for petitions for the extraordinary writs. A becoming regard for that judicial hierarchy most certainly indicates that petitions for the issuance of extraordinary writs against first level ("inferior") courts should be filed with the Regional Trial Court, and those against the latter, with the Court of Appeals. A direct invocation of the Supreme Court's original jurisdiction to issue these writs should be allowed only when there are special and important reasons therefor, clearly and specifically set out in the petition. This is established policy. It is a policy that is necessary to prevent inordinate demands upon the Court's time and attention which are better devoted to those matters within its exclusive jurisdiction, and to prevent further over-crowding of the Court's docket.²⁶

Time and again, the Court has ratiocinated that the strictness of the policy on hierarchy of courts is intended to shield the Court from the need to deal with causes that are also well within the lower courts' competence, and to reserve the Court time so that it can deal with other

²³ *A.L. Ang Network, Inc. v. Mondejar*, 725 Phil. 288, 295 (2014).

²⁴ *Banez, Jr. v. Judge Concepcion, et al.*, 693 Phil. 399, 412 (2012).

²⁵ 254 Phil. 418 (1989); see also *Santiago v. Vasquez*, 282 Phil. 171 (1993).

²⁶ *Id.* at 426-427.

fundamental and essential tasks that the Constitution has assigned to it. However, the Court may still act on petitions for extraordinary writs of *certiorari*, prohibition, and mandamus, but “*only when absolutely necessary or when serious and important reasons exist to justify an exception to the policy.*”²⁷

The Court is a court of last resort. “*It cannot and should not be burdened with the task of dealing with causes in the first instance.*” If the issuance of extraordinary writs are well within the competence of the CA or the RTC, then it is clear that it is in either of these courts that the specific action for the writs’ application must be filed.²⁸

The failure on the part of petitioner to provide a special, important, or compelling reason to justify his direct filing of the petition in the Court constitutes a violation of the policy on hierarchy of courts. Hence, the outright dismissal of the petition is proper.²⁹

In any case, even if the policy on hierarchy of courts were to be disregarded, the Court finds that petitioner would still not be entitled to the extraordinary writ of *certiorari*.

The Court has consistently ruled that “*the extraordinary writ of certiorari is always available where there is no appeal or any other plain, speedy and adequate remedy in the ordinary course of law.*”³⁰ It follows that a petition for *certiorari* is grounded on errors in jurisdiction, while appeal goes into the merits or substance of a case.³¹ It therefore becomes incumbent upon petitioner to establish that the MCTC Decision was tainted with jurisdictional errors.³²

In the case, petitioner clearly failed to discharge the burden. A review of the petition shows that petitioner seeks the Court to revisit the allegations raised by the parties, reconsider the parties’ documentary evidence, and rule in favor of petitioner. This is not sanctioned under Rule 65. The Court is not a trier of facts, and it cannot accept or grant a petition for *certiorari* if it demands a consideration and evaluation of evidentiary matters.³³

²⁷ *Banez, Jr. v. Judge Concepcion*, *supra* note 24.

²⁸ *Id.*, citing *Vergara, Sr. v. Judge Suelto*, 240 Phil. 719, 732-733 (1987).

²⁹ *Id.* at 414.

³⁰ *Okada v. Security Pacific Assurance Corp.*, 595 Phil. 732, 748-749 (2008).

³¹ *City of Taguig v. City of Makati*, 787 Phil. 367, 394 (2016).

³² *A.L. Ang Network, Inc. v. Mondejar*, *supra* note 23 at 296.

³³ *Banez, Jr. v. Judge Concepcion, et al.*, *supra* note 24 at 414.

WHEREFORE, the petition is **DISMISSED**. Petitioner David Nacionales is **DIRECTED** to pay the cost of suit.

SO ORDERED.

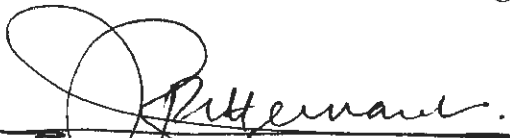


HENRI JEAN PAUL B. INTING
Associate Justice

WE CONCUR:



ESTELA M. PERLAS-BERNABE
Senior Associate Justice
Chairperson



RAMON PAUL L. HERNANDO
Associate Justice



SAMUEL H. GAERLAN
Associate Justice



RICARDO R. ROSARIO
Associate Justice

ATTESTATION

I attest that the conclusions in the above Resolution had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.



ESTELA M. PERLAS-BERNABE
Senior Associate Justice
Chairperson

CERTIFICATION

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


ALEXANDER G. GESMUNDO
Chief Justice