

POLI

Courts may only depart from DAR valuation formulas with clear, valid justification. Unsupported deviations will be struck down.— *Land Bank of the Philippines v. Villegas* (2021)

COMM

Incorporation defects that are not fraudulent or harmful to public interest are curable and not grounds for outright revocation.— *Securities and Exchange Commission v. AZ 17/31 Realty, Inc.* (2022)

CIV

If a contract labeled as a sale with right to repurchase is intended to secure a loan, it is an equitable mortgage. intent prevails over form.— *Dala v. Auticio* (2022)

LABOR

Repeated fixed-term contracts can't override regular status when the employee performs vital, continuous work for the employer.— *Sampana v. Maritime Training Center of the Philippines* (2024)

CRIM

Failure to justify deviations from required inventory procedures in drug cases breaks the chain of custody and renders the evidence inadmissible.— *People v. Almayda* (2023 [Resolution])

ETHICS

Courts presume lawyers act with authority for their clients. Any dispute over settlement must be raised through judicial remedies, not administrative action against the judge.— *Caringal v. Sy* (2024)

1

GreenGrow Corp. voluntarily offered its farmland for CARP coverage. Land Bank valued it at ₱580,000, but the Special Agrarian Court set just compensation at ₱2.9 million without fully following DAR valuation formulas. The court did not explain the reason for the deviation. It also imposed a 12% annual interest. **Was the court correct in its valuation and interest award?**

Suggested answer: No. The court erred in its valuation and interest award.

In *Land Bank v. Villegas*, the Supreme Court ruled that courts may deviate from DAR formulas only with valid justification. Here, the agrarian court failed to explain the sharp increase in valuation. The Court also ruled that a 12% interest rate was improper after July 1, 2013, when the legal rate became 6%. The proper compensation was recalculated using the correct formula and interest rates.

2

Lazaro Realty Corp. was incorporated with seven incorporators, including Doña Clarita, each contributing substantial capital. Years later, it was discovered that Clarita had died three years before the company was registered. The SEC sought to revoke the certificate of registration, alleging fraud due to the inclusion of a deceased incorporator. **Does the inclusion of a deceased person as an incorporator, in this case, constitute fraud warranting revocation of registration?**

Suggested answer: No. The inclusion of a deceased incorporator, in this case, does not amount to fraud warranting revocation.

In *Securities and Exchange Commission v. AZ 17/31 Realty*, the Supreme Court ruled that fraud in procuring registration must involve either a deliberate intent to deceive or misrepresentations that subvert public interest. Here, the error was not willful; the corporation had more than the minimum number of qualified incorporators, and capital requirements were satisfied. The Court held that this was a correctible defect, not grounds for immediate revocation, and the SEC should have allowed amendment of the Articles of Incorporation.

3

Maya borrowed ₱20,000 from Liza, who required her to sign a deed of sale with pacto de retro over her land. It provided a 6-month repurchase period. Despite this, Maya remained in possession of the land and paid real estate taxes. When Maya failed to pay the loan, Liza filed to consolidate ownership, arguing that Maya failed to redeem. Maya claimed it was merely a loan secured by the property. **Was the contract a valid pacto de retro sale?**

Suggested answer: No. The contract was an equitable mortgage.

In *Dala v. Auticio*, the Supreme Court ruled that despite being titled a pacto de retro sale, the contract was an equitable mortgage because the seller remained in possession, paid taxes, and the transaction was structured more as a security for a loan. The Court held that labels do not control; intent and circumstances prevail. Where the real intent is to secure a loan, the contract is deemed an equitable mortgage, not a sale.

4

Oceanic Training Solutions hired Rosa Del Mar as a maritime instructor under successive 3-month "Consultancy Agreements" from 2012 to 2014, and "Fixed-Term Employment" contracts from 2015 to 2017. These were continuously renewed for nearly six years. At age 60, Rosa sought retirement benefits, but Oceanic denied her claim, asserting that she was not entitled to them because she was not a regular employee. **Is Oceanic correct?**

Suggested answer: No. Oceanic is incorrect.

In *Sampana v. Maritime Training Center of the Philippines*, the Supreme Court ruled that repeated fixed-term or consultancy contracts do not prevent regular employment status if the work performed is necessary and desirable to the employer's business. The Court found that this setup may be a scheme to deny workers security of tenure. Like in *Sampana*, Rosa's continuous service in a vital role qualifies her as a regular employee. Having reached the age of 60 and completed more than five years of service, she is entitled to retirement benefits.

5

During a buy-bust operation, PO3 Ramirez arrested Leo Perez for selling suspected shabu in front of a convenience store. The officers brought Perez and the evidence to the city hall 2 kilometers away, where the inventory and photographs were taken. The officers' affidavits did not explain why they did not conduct the inventory at the scene. Perez moved to dismiss the case for failure to preserve the chain of custody. **Should the case be dismissed?**

Suggested answer: Yes. The case should be dismissed.

In *People v. Almayda*, the Supreme Court ruled that in warrantless seizures of illegal drugs, the physical inventory and photographing of the seized item must generally be conducted at the place of arrest. Exceptions are allowed only when the officers provide a clear, practicable, and consistent justification, such as safety risks or impracticability, stated in their affidavits. Since the officers in Perez' case gave no such explanation, the chain of custody was broken, rendering the evidence inadmissible.

6

In a pre-execution conference, Judge De Vera approved a compromise agreement between Noel and Clarisse. Although Clarisse was absent, her lawyer, Atty. Castillo, accepted Noel's offer to pay ₱500,000 to settle the debt. Clarisse later protested, claiming she didn't authorize her lawyer to settle the case without considering the interest due. She also filed an administrative complaint against Judge De Vera for misconduct and ignorance of the law. **Should Judge De Vera be held liable?**

Suggested answer: No. Judge De Vera should not be held liable.

In *Caringal v. Sy*, the Supreme Court ruled that lawyers are presumed authorized to act on behalf of their clients unless proven otherwise. If a client disagrees with a settlement, the remedy is through proper judicial channels, like a motion for reconsideration or certiorari, not an administrative complaint against the judge.