

### Title: Carinan vs. Cueto: A Case of Specific Performance with Damages

### Facts:

The case revolves around a dispute between Esperanza C. Carinan (petitioner) and spouses Gavino and Carmelita Cueto (respondents), concerning a land transaction. Esperanza and her husband Jose acquired the rights over a parcel of land in Laguna from Roberto Ventura in May 1986, which was subject to GSIS amortizations. Facing unpaid amortizations and possible cancellation of their rights by GSIS in 2005, Esperanza sought financial assistance from her brother, Gavino Cueto. The Cueto spouses then paid the sum of P785,680.37 using their conjugal savings to settle the obligations, plus additional expenses amounting to P515,000.00 for the transfer of title to Esperanza and house renovations. The respondents alleged Esperanza and her son Jazer promised to execute a Deed of Absolute Sale or give them the option to buy back the property within three years.

Esperanza and Jazer, in turn, denied any agreement on the transfer or buy-back option of the disputed property. Esperanza argued the financial assistance was out of generosity, and no repayment was expected. Moreover, she questioned Jazer's inclusion in the case.

The RTC of Biñan, Laguna initially handled the case, where the respondents sought either conveyance of the property through a Deed of Sale or repayment of their expenses, including damages. The RTC ruled in favor of the respondents, ordering Esperanza to pay the amounts spent by the respondents but denied the conveyance of the property due to lack of written agreement.

Dissatisfied, Esperanza appealed the decision to the Court of Appeals (CA), which upheld the RTC's rulings. Esperanza then elevated the case to the Supreme Court (SC), arguing errors in the CA's decisions and challenging the creation of a loan agreement, co-ownership, bad faith on the respondents' part, and the award of attorney's fees.

### Issues:

1. Whether a contract of loan was created between the parties when the respondents settled the arrears with GSIS.
2. The existence of co-ownership between Esperanza and the respondents.
3. Whether the respondents were in bad faith and thus not entitled to reimbursement.
4. The validity of the award of attorney's fees by the lower courts.

### Court's Decision:

The SC denied the petition and affirmed the CA's decisions. It emphasized that factual

findings of lower courts are conclusive when supported by evidence and clarified several points. It ruled that there was an expectation of repayment from Esperanza for the payments made by the respondents, negating the argument of gratuitous payment. The SC also highlighted that Esperanza's failure to repay would result in unjust enrichment.

Regarding the issues raised by Esperanza in her petition, the SC found them to be without merit:

- It declared there was no donation but a clear expectation of repayment.
- It dismissed the argument of co-ownership and bad faith by respondents due to lack of evidence and relevancy to the enforcement of the mutual agreement.
- It upheld the award of attorney's fees, as the respondents were forced to litigate to protect their interests.

### ### Doctrine:

This case reiterates the principles surrounding gratuitous payments versus loans, unjust enrichment, and the significance of written agreements in transactions involving loans or promises of property sale. It underscores the necessity of formalizing agreements to prevent disputes and the reliance on factual findings of lower courts when supported by evidence.

### ### Class Notes:

- **\*\*Unjust Enrichment\*\***: One should not benefit at the expense of another without just cause.
- **\*\*Donation vs. Loan\*\***: The intent behind payments heavily influences the nature of the transaction. Large monetary transactions typically suggest an expectation of repayment unless expressly stated otherwise through formal agreements.
- **\*\*Written Agreements\*\***: Essential for the validity of donations involving substantial amounts and for agreements to sell property, in compliance with the statute of frauds.
- **\*\*Finality of Lower Courts' Decisions\*\***: Factual findings of lower courts, when supported by evidence, are deemed final and conclusive unless there is a clear showing of oversight or misapprehension of facts.

### ### Historical Background:

This case reflects the complexities involved in familial transactions over property rights and the potential confusion between acts of generosity versus formal loans or sales agreements. It serves as a cautionary tale on the importance of clear, written agreements in transactions among family members, especially involving high-value assets like real estate.