

Title: Benjie B. Georg vs. Holy Trinity College, Inc.

Facts:

The case revolves around a claim by Benjie B. Georg, represented by Benjamin C. Belarmino, Jr., against Holy Trinity College, Inc., for the recovery of funds advanced by Georg for the payment of airplane tickets for the Holy Trinity College Grand Chorale and Dance Company's (the Group) European tour in 2001. The Group, formed in 1987 by Sister Teresita Medalle, the President of Holy Trinity College, was slated to perform in Greece, Italy, Spain, and Germany. Edward Enriquez, allegedly representing Sr. Medalle, contacted Georg for financial assistance with airline tickets on the premise that funding was secured from the S.C. Roque Foundation. A Memorandum of Agreement (MOA) was executed, assigning the promised funds to Georg, who then paid for the tickets. When the expected reimbursement failed to materialize, Georg filed a complaint against Holy Trinity College and others. The Regional Trial Court (RTC) ruled in favor of Georg, but the decision was reversed by the Court of Appeals (CA), prompting the case's escalation to the Supreme Court.

Issues:

The Supreme Court was asked to decide on several pivotal issues, including:

1. Whether Holy Trinity College, Inc. could be considered a party to the MOA and thus liable for the sums owed under it.
2. The degree to which Sr. Medalle had authority to bind Holy Trinity College in the MOA.
3. The applicability of the doctrines of apparent authority and/or corporation by estoppel.

Court's Decision:

The Supreme Court reversed the CA's decision, reinstating the RTC's ruling in favor of Georg. It held that Sr. Medalle, acting in her capacity as President of Holy Trinity College, did possess the authority to enter into the MOA on behalf of the College, thereby making the school liable for the obligations arising from it. The Court concluded that Sr. Medalle's actions were within her apparent authority, and Holy Trinity College was estopped from denying such authority due to its prior conduct and representations.

Doctrine:

The decision reinforced the doctrine of apparent authority, stating that a corporation is bound by the actions of its agents when it allows them to act within the scope of apparent authority and holds them out to the public as having the power to do those acts.

Class Notes:

In this case, students should note the importance of the doctrines of apparent authority and corporation by estoppel in contractual disputes. These doctrines can bind a corporation to agreements entered into by its representatives, even in the absence of formal authorization, when the corporation's conduct suggests the representative was acting within their authority. The case also illustrates the procedural journey from the RTC to the CA and finally to the Supreme Court, highlighting the importance of factual findings by the trial court and the conditions under which the Supreme Court may review such findings.

Historical Background:

This case highlights the broader legal principles governing the obligations of corporations and their agents, and the reliance third parties can place on the apparent authority of those agents. It underscores the balance between protecting innocent third parties and preventing unauthorized commitments by representatives of corporations. The case's resolution demonstrates the Philippine judicial system's approach to resolving disputes involving complex issues of authority and representation within the framework of corporate law.