

Title

****Ma. Lorena Ticong et al. v. Manuel A. Malim et al.****

Facts

1. ****Initial Contacts and Agreements****:

- Manuel A. Malim, a real estate broker, together with his associates, Minda Abangan and May Macal, approached owners of several parcels of land in Digos, Davao del Sur: Lorenzo Ticong, Patrocinio Ticong, and Wilma Ticong Lao (collectively, the Ticongs).
- On February 5, 2000, Malim, acting on behalf of the Ticongs, offered to sell the subject properties to Jainus C. Perez, a real estate field supervisor of the Church of Jesus Christ of Latter-Day Saints (Buyer) for P2,000.00 per square meter.
- The offer letter was signed with the conformity of Lorenzo Ticong.

2. ****Memorandum of Agreement (MOA)****:

- On February 11, 2000, a MOA was executed between the Ticongs and Malim et al., authorizing them to sell the properties at a base price of P900.00 per sqm, plus any "overprice" they could charge.
- The properties were eventually sold at P1,460.00 per sqm, resulting in an overprice commission entitlement.

3. ****Dispute Over Commission****:

- Malim et al. claimed they were owed P2,800,000.00 in overprice commission, asserting that their efforts led to the sale.
- The Ticongs denied this claim, asserting that Malim et al. were not licensed brokers, did not significantly contribute to the sale, and that any amount above P50,000.00 was not due.

4. ****Filing for Collection****:

- Malim, Abangan, and Macal filed a complaint before the RTC for the collection of the overprice commission along with damages and attorney's fees.

Procedural History

1. ****RTC Decision****:

- The RTC upheld the validity of the MOA and emphasized that the sale was finalized due to the efforts of Malim et al.
- It ordered the Ticongs to pay P2,750,000.00 plus interest and attorney's fees of P100,000.00.

2. ****Court of Appeals (CA) Ruling****:

- The CA affirmed the RTC's decision but deleted the award for attorney's fees.
- The appeals filed by Ma. Lorena Ticong, Patrocinio Ticong, and Wilma Lao were denied.
- Subsequently, both parties filed motions for reconsideration which were also denied.

3. **Supreme Court Petitions**:

- Ma. Lorena filed a petition under G.R. No. 220785, claiming error in recognizing Malim et al. as the procuring cause of the sale.
- Patrocinio and Wilma filed a similar petition under G.R. No. 222887.
- The petitions were consolidated for review.

Issues

1. Whether Malim, Abangan, and Macal were the procuring cause of the sale, thus entitling them to an overprice commission.
2. Whether the overprice commission awarded was justified given the validity of the broker's role and their contractual agreement.
3. Whether the procedural defects in Patrocinio and Wilma's petition (G.R. No. 222887) should affect the outcome.

Court's Decision

1. **Procuring Cause**:

- The Supreme Court concluded that Malim et al. were indeed the procuring cause, underpinning the subsequent negotiations which led to the sale. Their role set the events into motion, bringing the parties together.

2. **Overprice Commission**:

- The Court upheld the validity of the overprice commission stipulated in the MOA. The respondents were entitled to the specified overprice commission given their involvement and efforts recognized in the contractual agreement.

3. **Procedural Defects**:

- The petition in G.R. No. 222887 contained procedural defects and was filed out of time, yet these were considered non-critical to the substantial merits of the case.

Doctrine

- The broker or agent's procuring cause is established when their efforts or interaction play a causative role in the finalization of a sale or deal, without any interruption in their contribution.
- Validly agreed contracts, such as MOAs, serve as binding law between the parties,

enforceable unless contrary to public policy or legal statutes.

Class Notes

- **Procurring Cause**: Defined as actions by a broker that set in motion continuous events leading to a sale.
- **Agency Law**: The contractual terms signed and agreed upon (MOA in this case) between an agent and principal are legally binding.
- **Procedural Requirements**: Proper filing timeframes and supporting documentation (e.g., non-forum shopping certification) are crucial in appeals.

Historical Background

This case reflects the complex interplay of real estate transactions, brokerage laws, and contract enforcement within the legal framework of the Philippines. It underscores the judiciary's role in interpreting contractual obligations amidst disputes over commission entitlements.