

****Title**:** Francisco v. Mandi and Arevalo, G.R. No. 236 Phil. 749

****Facts**:**

In November 1974, Captain Mateo P. Francisco (petitioner) and his father approached Albino Arevalo (private respondent) in Lamitan, Basilan to borrow PHP 8,000. Arevalo, related to Francisco by marriage, agreed to help by mortgaging a parcel of agricultural land with the Philippine National Bank (PNB) in Zamboanga City. On November 20, 1974, a Real Estate Mortgage and Promissory Note for PHP 8,000 were executed, signed by Arevalo, his late wife, Francisco, and his wife as co-obligors. Francisco acknowledged receipt of the loan in a letter to PNB dated August 5, 1976.

Upon the loan's maturity, Arevalo paid it to avoid foreclosure, as Francisco did not repay him. On July 14, 1980, Arevalo filed a complaint for recovery of PHP 8,000 plus interest with the Court of First Instance (CFI) of Basilan. Francisco's Answer denied the debt's existence, claiming he merely facilitated the loan for Arevalo's benefit since he was better known to bank staff. Francisco alleged he made payments on behalf of Arevalo due to geographical convenience.

The CFI Basilan, in its March 4, 1985 decision, favored Arevalo, requiring Francisco to repay the amount plus interest and legal fees. Francisco moved for reconsideration, which was denied in an April 15, 1985 order. Francisco subsequently petitioned the Supreme Court for review on certiorari.

****Issues**:**

The central issue before the Supreme Court was whether certiorari was applicable given the lower court's ruling.

****Court's Decision**:**

The Supreme Court dismissed Francisco's petition, affirming the lower court's decision.

- The Court reasoned that for certiorari to be appropriate, there must be a demonstration of a capricious, arbitrary, and whimsical exercise of judicial power which was absent here. The trial court's decision was based on substantial evidence, including acknowledgment of the debt by Francisco himself, through a promissory note which clearly stated that the loan proceeds should go to him.

- The Court found no arbitrariness in the trial court's application of facts to the legal standards—thus rejecting certiorari as a remedy.

****Doctrine**:**

The case reinforced the doctrine that findings of fact by trial courts, when supported by substantial evidence, are binding on appellate courts. The Court will not entertain certiorari in the absence of demonstrated grave abuse of discretion by the lower court.

****Class Notes**:**

- ****Certiorari****: A special civil action that is appropriate only where there is no appeal or any other plain, speedy, and adequate remedy in the ordinary course of law. It requires showing that the lower court acted with grave abuse of discretion.
- ****Substantial Evidence****: Evidence that a reasonable mind might accept as adequate to support a conclusion. It is less than the weight of evidence required for proof beyond a reasonable doubt in criminal cases.

****Historical Background**:**

This case occurs in the post-martial law period in the Philippines, a time when the judiciary was re-establishing its independence and recalibrating its processes. This case emphasized the adherence of the courts to the rule of law and the appropriate use of special civil actions like certiorari.