

Title: Francisco v. Mandi

Facts:

- In November 1974, petitioner Captain Mateo P. Francisco, along with his father, approached private respondent Albino Arevalo seeking an P8,000 loan.
- Arevalo, the uncle-in-law of Francisco, agreed to assist by mortgaging agricultural land to the Philippine National Bank (PNB) in Zamboanga.
- On November 20, 1974, the mortgage was executed with Francisco and his wife signing as principal co-obligors alongside Arevalo.
- A promissory note was signed in favor of PNB with the understanding that Francisco would repay the loan.
- Francisco personally received the loan proceeds of P8,000. On August 5, 1976, he acknowledged this debt in a letter to the PNB Manager.
- When the loan repayment became due, Arevalo had to pay to prevent foreclosure, as Francisco failed in his repayment obligations.
- On July 14, 1980, Arevalo filed a complaint for recovery of money in the Court of First Instance of Basilan (Civil Case No. 135).
- Francisco's answer argued that he was merely accommodating Arevalo due to his connections with bank personnel, claiming the loan was Arevalo's.
- Francisco alleged he made payments on Arevalo's behalf due to his geographical proximity to PNB in Zamboanga.
- On March 4, 1985, the court ruled in favor of Arevalo, ordering Francisco to pay P8,591.55 plus legal interest, P1,500 in attorney fees, and costs.
- Francisco's motion for reconsideration was denied on April 15, 1985.
- Francisco then petitioned for a review on certiorari, seeking nullification of the decision and order.

Issues:

1. Whether certiorari will lie to annul the decision of the Court of First Instance.

Court's Decision:

- The Court found no merit in Francisco's petition for certiorari.
- Certiorari is appropriate only in instances of capricious, arbitrary, or whimsical exercise of power; the Court concluded none existed here.
- The Court emphasized that factual determinations backed by substantial evidence should

remain undisturbed.

- Citing unrefuted evidence, including a promissory note indicating the loan proceeds were intended for Francisco, and the August 5, 1976 acknowledgment letter, the Court affirmed the trial court's findings.
- Legal doctrine reinforced the inadmissibility of Francisco's assertions contrary to documented admissions.
- Based on substantial trial evidence, the Court affirmed the original decision requiring repayment from Francisco to Arevalo.

Doctrine:

- Certiorari does not apply absent a clear abuse of discretion, requiring substantial deviation from legal standards.

Class Notes:

- Certiorari requires evidence of arbitrary power exceeding standard judicial discretion.
- Admissions and evidence consistent with equitable doctrines constrain appellate courts' review.

Historical Background:

- This case exemplifies judicial scrutiny of document-backed obligations in real estate transactions and loan agreements, prevalent in 1970s-1980s Philippine banking practices.