

NICODEMUS G. REYES, PLAINTIFF-APPELLEE, VS. ROGELIO PANGILINAN AND ROSA PANGILINAN, DEFENDANTS-APPELLANTS.

Ponente: BARRIOS, M. M., J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/262f8f08e310/>

BARRIOS, M. M., J.:

This is an appeal from the Decision dated 01 June 2012[1] of the Regional Trial Court, Branch 80, Quezon City. The dispositive portion reads:

x x x

“WHEREFORE, premises considered, judgment is hereby rendered in favor of plaintiff Nicodemus Reyes and against defendants Rogelio Pangilinan and Rosa Pangilinan as follows:

Ordering defendants Rogelio Pangilinan and Rosa Pangilinan to pay the amount of P928,000.00 at 12 per cent per annum from the finality of this Decision until full payment; and

Ordering said defendants to pay the amount of P50,000.00 as reasonable attorney's fees.

SO ORDERED.”

x x x

The Antecedents

On several occasions, defendants-appellants incurred loans from plaintiff-appellee in the aggregate amount of Nine Hundred Twenty Eight Thousand Pesos (P928,000.00). To secure the payment of said loan obligations, defendants-appellants issued three (3) postdated Banco San Juan checks, to wit: a) Check No. 63657 dated 09 October 2006 in the amount of Five Hundred Fifty Thousand Pesos (P550,000.00); b) Check No. 63661 dated 22 October 2006 in the amount of Two Hundred Forty Eight Thousand Pesos (P248,000.00); and c) Check No. 63662 dated 12 January 2007 in the amount of One Hundred Thirty Thousand Pesos (P130,000.00).[2]

Defendants-appellants failed to settle their loan obligations when the amounts became due and demandable. Everytime a check would fall due, defendants-appellants would request plaintiff-appellee not to encash or deposit the checks because these will be replaced with cash. However, defendants-appellants never made good of their commitments. Consequently, plaintiff-appellee sent a demand letter dated 13 July 2007[3] asking defendants-appellants to settle their obligations, but to no avail. Again, on 18 October 2007, plaintiff-appellee sent a final demand letter to defendants-appellants which also proved futile.[4]

In defense, defendants-appellants concede that they, indeed, contracted several loans from plaintiff-appellee; however, they assert that the aggregate of their loans amount only to Seven Hundred Thousand Pesos (P700,000.00), and not Nine Hundred Twenty Eight Thousand Pesos (P928,000.00) as claimed by plaintiff-appellee. It seems that the difference between the two (2) amounts represents the interests being imposed by plaintiff-appellee.

Defendants-appellants alleged that these loans were obtained as follows:

a) On 30 November 2005, a loan for Two Hundred Thousand Pesos (P200,000.00) was obtained payable within three (3) months with ten percent (10%) monthly interest. To secure said obligation, defendants-appellants issued Banco San Juan check dated 28 February 2006 in the amount of Two Hundred Sixty Thousand Pesos (P260,000.00) including interest.

b) On 12 December 2005, another loan was obtained by defendants-appellants in the amount of Two Hundred Thousand Pesos (P200,000.00) likewise payable within three (3) months at the same rate of ten percent (10%) monthly interest. Said loan obligation was also secured by Banco San Juan check dated 12 March 2006 in the amount of Two Hundred Thousand Pesos (P260,000.00).

c) On 12 July 2006, defendants-appellants obtained a new loan in the amount of One Hundred Thousand Pesos (P100,000.00) at five percent (5%) monthly interest and payable within three (3) months. To secure said obligation, defendants-appellants issued Banco San Juan check dated 12 October 2006 in the amount of One Hundred Fifteen Thousand Pesos (P115,000.00). However, defendants-appellants failed to settle the full amount and only managed to pay Fifteen Thousand Pesos (P15,000.00) representing interest. Later, defendants-appellants replaced the first check and issued a new one in the amount of One Hundred Thirty Thousand Pesos (P130,000.00). The additional amount of Thirty Thousand Pesos (P30,000.00) represented the interest for three (3) months at ten percent (10%) per month.

d) The last loan was obtained on 19 July 2006 in the amount of Two Hundred Thousand Pesos (P200,000.00) payable within three (3) months and with eight percent (8%) monthly interest. Again, defendants-appellants issued Banco San Juan check dated 22 October 2006 in the amount of Two Hundred Forty Eight Thousand Pesos (P248,000.00) and surrendered to plaintiff-appellee the original owner's copy of TCT No. T-327546 registered in the names of one Luzviminda P. Mendoza and Julito O. Dela Rosa. Luzviminda Mendoza is defendant-appellant Rogelio Pangilinan's sister. Said loan was embodied in an Agreement dated 19 July 2006.[5]

Defendants-appellants were not able to settle their obligation to pay their first two (2) loans. The parties agreed that the checks previously issued to cover the two loans, shall be replaced by another Banco San Juan check dated 09 October 2006 in the amount of Five Hundred Fifty Thousand Pesos (P550,000.00) to cover the unpaid loans plus Thirty Thousand Pesos (P30,000.00) additional interest.

Unfortunately, allegedly due to business reverses, defendants-appellants failed to settle all their loan obligations. They asseverate that it was a problem of their capacity to pay and not the desire to pay. Sometime in May 2007, defendants-appellants were able to raise Two Hundred Forty Eight Thousand Pesos (P248,000.00). Said amount was tendered to plaintiff-appellee as partial payment of their loan obligations. Defendants-appellants also asked plaintiff-appellee to release the title of the property because there was an interested buyer. The proceeds of the sale will be given to plaintiff-appellee as full payment of their loan obligations. However, plaintiff-appellee refused to release the title and did not accept the amount tendered by defendants-appellants.

After trial, the court a quo rendered the now appealed decision in favor of plaintiff-appellee. In this appeal, defendants-appellants assigns the following errors:

I

THE TRIAL COURT ERRED IN FINDING THAT THE SUMS OF MONEY RECEIVED BY THE DEFENDANTS-APPELLANTS ON DIFFERENT OCCASIONS FROM THE PLAINTIFF-APPELLEE WERE LOANS; and

II

ASSUMING THAT THE AMOUNTS RECEIVED BY THE DEFENDANTS-APPELLANTS WERE LOANS OF MONEY, WE RESPECTFULLY SUBMIT THAT THE TRIAL COURT ERRED IN FINDING THAT THE TOTAL PRINCIPAL AMOUNT OF THE LOAN IS NINE HUNDRED TWENTY EIGHT THOUSAND PESOS (PhP928,000.00) AND NOT SEVEN HUNDRED THOUSAND PESOS (PhP700,000.00) ONLY.

Our Ruling

At the onset, it is noted that defendants-appellants admit that they have incurred several loans, from plaintiff-appellee and that they have issued the three (3) Banco San Juan checks supposedly to cover the principal amounts thereof and their agreed interest up to maturity.

In their appeal brief, however, they now raise for the first time the theory that their contractual relations with plaintiff-appellee is one of partnership, with plaintiff-appellee as the general partner and defendants-appellants as industrial partners. Allegedly however, their business with National Power Corporation suffered reverses and losses. Hence, as industrial partners, they are not liable for the losses of the partnership, and it is the general partners who should shoulder the losses of the partnership in proportion to what they may have contributed.

It is well settled in substantive law and procedure that issues raised for the first time on appeal are barred by estoppel. To consider the alleged facts and arguments belatedly raised would amount to trampling on the basic principles of fair play, justice, and due process.[6]

Nonetheless, even if We were to exercise liberality and veer away from this basic rule, defendants-appellants' position is untenable as they are in estoppel. Defendants-appellants admitted in their Answer[7] that "they are long-time borrowers of the plaintiff" and that they have previously contracted many loans with plaintiff-appellee and have paid for them, including the high interest rates. Additionally, in their Pre-Trial Brief[8], defendants-appellants did not raise the issue of the nature of their contractual relationship with plaintiff-appellee; but rather, how much their total loan obligation is and whether the interests imposed are unconscionable or usurious.

It need be stressed that a party who judicially admits a fact cannot later challenge that fact as judicial admissions are a waiver of proof, and production of evidence is dispensed with. An admission made in the pleadings cannot be controverted by the party making such admission and are conclusive as to such party, and all proofs to the contrary or inconsistent therewith should be ignored, whether objection is interposed by the other party or not. A party cannot subsequently take a position contrary to or inconsistent with what was pleaded.[9]

Now then, on the issue of the total principal loan obligation of defendants-appellants and the imposed interest, suffice it to state that courts can make conclusions of fact upon which to base its decision from competent evidence on record. Here, the documentary evidence presented by plaintiff-appellee to establish the various loans – which, incidentally, are judicially admitted – are the three (3) Banco San Juan checks[10] issued and delivered by defendants-appellants. In short, these checks served as the promissory note - the evidence of indebtedness - of defendants-appellants to plaintiff-appellee. They show on their faces the amount of the obligation and the date when they are due. Although defendants-appellants seek to explain that the amounts on the check therein stated includes the principal amount and the interest of each loan, it must be noted that the documents themselves simply state the principal amount. Under the parol evidence rule, We cannot input other terms into the document that are not written thereon as these will be merely speculation.

Accordingly, the amounts of the loans as stated in the three (3) checks, namely P248,000.00, P550,000.00, and

P130,000.00, aggregating to P928,000.00 constitute the principal obligation of defendants-appellants to plaintiff-appellee.

Under Article 956, in the absence of any express agreement, no interest shall be due. However, in the absence of stipulation, the rate shall be 12% interest per annum to be computed from default, that is, from judicial or extrajudicial demand until full satisfaction.[11]

WHEREFORE, foregoing considered, the instant appeal is DENIED. The Decision of the Regional Trial Court, Branch 80, Quezon City is AFFIRMED.

SO ORDERED.

Reyes, Jr., (Chairperson) and Pizarro, JJ., concur.

[1] Records, pp. 106-110.

[2] Id., p. 5.

[3] Id., p. 6.

[4] Id., p. 7.

[5] Id., p. 19.

[6]Lorzano vs. Tabayag, Jr., G.R. No. 189647, 06 February 2012.

[7]Records, pp. 12-18.

[8]Id., pp. 22-24.

[9] Republic of the Philippines, represented by the Chief of the Philippine National Police vs. Thi Thu Thuy T. De Guzman, G.R. No. 175021, 15 June 2011.

[10] Check No. 0000063661 dated 22 October 2006 in the amount of P248,000.00. Check No. 000063657 dated 09 October 2006 in the amount of P550,000.00. Check No. 000063662 dated 12 January 2007 in the amount of P130,000.00

[11] Advocates for Truth in Lending, Inc., and Eduardo B. Olaguer vs. Bangko Sentral Monetary Board, represented by its Chairman, Governor Armando M. Tetangco, Jr., and its incumbent members: Juanita D. Amatong, Alfredo C. Antonio, Peter Favila, Nelly F. Villafuerte, Ignacio R. Bunye and Cesar V. Purisima, G.R. No. 192986, 15 January 2013.

ABOUT BATAS.ORG

Study smarter at BATAS.org

The Philippine bar review and law-school companion built around how your brain actually remembers.

The complete Philippine law library - free for everyone.

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

Audio case-brief lectures.

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

Bar review built on the science of memory.

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

The full law-school curriculum.

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

Mock exams that tell you where you stand.

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

A study planner that keeps you on pace.

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

Start free at <https://batas.org>

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.