

ANTONIO PANGAN, PLAINTIFF-APPELLANT, VS. EXCELSA PANGAN, DEFENDANT-APPELLEE.

Ponente: CRUZ, R.A., J.

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CRUZ, R.A., J.:

THE CASE

This is an ordinary appeal under Rule 41 of the Rules of Court of the Decision dated December 8, 2009[1] and Order dated July 1, 2010[2] of the Regional Trial Court of Quezon City, Branch 216 (“RTC”), in Civil Case No. Q-03-50872, a civil case for replevin and damages. The appeal essentially seeks an amendment of the aforementioned RTC Decision and Order which held in favor of defendant-appellee, and dismissed plaintiff-appellant's case in this wise:

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“WHEREFORE, premises considered, judgment is hereby rendered:

1. Dismissing the complaint filed by plaintiff Antonio Pangan against Excelsa Pangan but retaining plaintiff's possession of the subject vehicle;
2. Ordering plaintiff Antonio Pangan to reimburse to defendant the amount she paid for the subject vehicle in the sum of Php456,820.00, with legal rate of interests until fully paid; and,
3. Dismissing plaintiff's claim for damages as well as defendant's counterclaim.

No costs.

SO ORDERED.”[3]

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THE ANTECEDENTS

Antonio Pangan and Excelsa Pangan are siblings. Sometime in July 2002, Antonio purchased a motor vehicle, particularly a 2002 Toyota Revo SR DSL, under a financing plan with Philam Savings Bank,[4] wherein the monthly amortization is Twenty-two Thousand Eight Hundred and Thirty Philippine Pesos (P22,830.00). Antonio purchased the vehicle for Excelsa's private use. He allegedly paid the down payment in the sum of One Hundred Thousand Pesos (P100,000.00) and his agreement with his sister was for her to amortize the monthly installments for a period of three (3) years.

From the time the vehicle was delivered, it was in the custody of Excelsa with the agreement that she will regularly remit to Antonio the monthly amortization of the vehicle. Excelsa allegedly paid only the amortizations for five (5) months, or from July 2002 to November 2002. These payments were not made directly to the bank but were given to Antonio in cash. However, Excelsa failed to pay the succeeding monthly amortizations for the

vehicle under their agreement, but she continued to possess and use the same. Antonio further alleged that he was forced to pay Philam Savings Bank the monthly amortization of P22,830.00 from his own pocket for fear that his credit worthiness will be adversely affected once a case is filed against him by the financing company for non-settlement of his loan obligation under the Promissory Note with Chattel Mortgage dated November 7, 2002.[5] All in all, he paid a total sum of around Seven Hundred Thousand Philippine Pesos (P700,000.00) while Excelsa paid about One Hundred Thousand Philippine Pesos (P100,000.00). He did not return the amount paid by Excelsa because she was able to use the car for almost (two) 2 years. As an elder brother, Antonio claims that he tried to help his younger sister because their parents have no means to financially assist her who is running her own business.

Antonio formally demanded from Excelsa, through a letter dated September 2, 2003,[6] the immediate surrender of the subject vehicle to him and/or the remittance of the amount of all the amortizations he had paid to Philam Savings Bank. Excelsa allegedly ignored the formal demand and did not pay the amortizations Antonio paid to the bank or surrendered the possession of the Toyota Revo.

On October 13, 2003, Antonio filed the Complaint for Replevin and Damages against his sister before the RTC of Quezon City, which was raffled to Branch 216 and docketed as Civil Case No. Q-03-50872. Antonio prayed for the following: (1) Before hearing and upon approval of the bond, a Writ of Seizure be issued ordering the seizure of the subject unit, where it may be found, and directing the delivery thereof to plaintiff who must be adjudged to have the rightful possession thereto; (2) In the event that manual delivery cannot be effected, judgment be rendered ordering Excelsa to pay Antonio the aggregate amount of amortizations which Antonio paid to the bank, exclusive of interests; and (3) Attorney's fees in the amount of Fifty Thousand Philippine pesos (P50,000.00) plus costs of suit and other litigation expenses.

In its Order dated November 4, 2003,[7] the RTC granted Antonio's application for the issuance of a Writ of Replevin and required Antonio to post the replevin bond in the sum of One Million Two Hundred Thousand Philippine Pesos (P1,200,000.00). On November 11, 2003,[8] Antonio filed his bond which was approved by the RTC. Based on the Sheriff's Return on Replevin dated November 24, 2003,[9] he was able to serve the Writ of Replevin[10] upon Excelsa and that she voluntarily surrendered to the Sheriff the subject motor vehicle.

Excelsa, on the other hand, avers that Antonio suggested that she buy a vehicle for her use in her restaurant business. Antonio promised to help her because he had connections with Toyota and Philam Bank. She bought the Toyota Revo with plate number XDP 612, with "X" standing for Excelsa while "P" is for Pangan, her name. She paid the reservation fee of Twenty Thousand Philippine Pesos (P20,000.00) as shown in her deposit slip for the account of Geraldine Pangan, wife of his brother Antonio, under UCPB Savings Account Number 1301060619 dated July 7, 2002.[11] Excelsa likewise deposited the amount of One Hundred Seventy-Seven Thousand Philippine Pesos (P177,000.00) in the same account number.[12] Excelsa and Antonio agreed that she would pay the monthly installments of Twenty-two Thousand Eight Hundred and Thirty Philippine Pesos (P22,830.00) until the vehicle is fully paid. She explained that it was Antonio who induced her to buy the vehicle under his name so that they could take advantage of a big discount that he could arrange, being a responsible officer of a well-known sardines manufacturer and distributor in the country. She denied not paying the monthly installments for the vehicle and presented in evidence the UCPB deposit slips[13] representing the amortizations she paid to her brother's wife, as follows:

1 P22,170.00 08/12/02

2 P22,165.00 10/11/02

3 P19,165.00 12/11/02

4 P19,165.00 01/12/03
5 P19,165.00 02/11/03
6 P19,165.00 03/11/03
7 P19,165.00 04/21/03
8 P22,165.00 06/11/03
9 P22,165.00 07/07/03
10 P22,165.00 07/11/03
11 P19,000.00 07/28/03
12 P19,165.00 08/11/03
TOTAL: P244,820.00

Excelsa further explained that some deposits were only for Nineteen Thousand Philippine Pesos (P19,000.00) because her agreement with her brother is that she would give Three Thousand Philippine Pesos (P3,000.00) to their parents, the amount of which will be deducted from her monthly amortizations, as shown by petty cash vouchers[14] signed by Pedro Pangan, their father. Excelsa stopped making payments because in August 2003, she received a letter[15] from Philam Bank informing her that the installment for August 2003 had not been paid. Upon learning this, she called her brother immediately and she was able to talk to her sister-in-law Geraldine who answered sarcastically: “Eh, ano ngayon kung hindi ko binayad?”

Excelsa requested her restaurant business partner, Danilo Salterio, to go to Philam Bank in Makati and give 25 personal checks dated September 11, 2003 to July 11, 2005[16] and offer the bank these check payments for the monthly installment for the subject vehicle. But Mr. Salterio informed her that the bank refused to accept her personal checks because according to the secretary of Norman Aycocho, Assistant Vice President, Collection Management Department, Philam Savings Bank, Geraldine Pangan had instructed the bank not to accept payment for the vehicle. She tried to contact her brother but she could not because he changed his mobile number.

In sum, Excelsa testified that she is the owner of the subject vehicle and merely used her brother as a “dummy” so that she could obtain a loan from the bank. She trusted him with the payments that she made for the vehicle's monthly amortization and so allowed that the car be under the name of her brother. She made the reservation fee of Twenty Thousand Pesos (P20,000.00) and downpayment of One Hundred Seventy-Seven Thousand Pesos (Php177,000.00). She claims to have paid a total amount of Five Hundred Four Thousand and One Hundred Eighty-Five Pesos (P504,185.00).

Pedro Pangan, Antonio and Excelsa's father, corroborated the testimony of Excelsa in confirming that she paid for the monthly amortization of the vehicle and gave P3,000.00 monthly to him, which was to be deducted from the monthly amortization she paid to Antonio. The car is under Antonio's name because he was the one who had contacts with Toyota and the financing company.[17]

Imelda Pangan Baloloy, the eldest sister of Antonio and Excelsa, likewise testified for Excelsa and corroborated her testimony. She testified that it is known in their family that Excelsa is the true owner of the Revo and that the vehicle was placed under his name because Excelsa's business was just starting and Antonio said that her loan will not be approved by the financing company. The vehicle was already in the possession of Antonio and the family members have not talked to him. Their parents tried to talk to him but he would not reply to them.[18]

On December 8, 2009, the RTC rendered a Decision dismissing the complaint filed by Antonio against his sister but ordering that the possession of the vehicle be retained by him. Antonio Pangan was ordered to reimburse Excelsa Pangan the amount she has paid for the vehicle in the sum of Four Hundred Fifty-Six Thousand Eight Hundred and Twenty Pesos (P456,820.00), with legal interest until fully paid. Antonio's prayer for damages and Excelsa's counterclaims were dismissed. The RTC ruled in this wise because the vehicle was in the possession of Antonio for a longer period of time and its value has diminished. It is in the best interest of all concerned that it remains in his possession. He has also paid the remaining balance of the monthly amortizations but equity demands that Excelsa be reimbursed for the amounts she paid for the vehicle.

Aggrieved, Antonio filed a Notice of Appeal on August 2, 2010,[19] where he raises the following posers:

THE ASSIGNED ERRORS

I

WHETHER OR NOT THE HONORABLE REGIONAL TRIAL COURT GRAVELY ERRED IN DISMISSING THE COMPLAINT WITHOUT ANY LEGAL OR FACTUAL BASIS;

II

WHETHER OR NOT THE HONORABLE COURT GRAVELY ERRED IN DECLARING DEFENDANT AS THE TRUE OWNER OF THE SUBJECT VEHICLE DESPITE EVIDENCE TO THE CONTRARY;

III

WHETHER OR NOT THE HONORABLE LOWER COURT GRAVELY ERRED IN DECLARING THAT THE VEHICLE SUBJECT OF THE CASE HAS GREATLY DIMINISHED IN VALUE AND IN ORDERING THE PLAINTIFF TO REIMBURSE TO DEFENDANT THE SUM OF PHP456,820.00 WITH LEGAL RATE OF INTEREST UNTIL FULLY PAID.

Antonio Pangan, as plaintiffs-appellants in this case, avers that as the owner of the vehicle, he is entitled to damages he sustained because of the act of Excelsa in depriving him enjoyment of his vehicle. Excelsa Pangan, the defendant-appellee, failed to file her Appellee's Brief.

OUR RULING

We DISMISS the appeal for lack of merit.

The primordial issue in this case is who is entitled to possession of the subject vehicle. The RTC correctly ruled that as plaintiff-appellant is the registered owner and has been in possession of the subject vehicle, after a Writ of Replevin was issued and executed in his favor, for a longer period of time, he is entitled to the possession of the subject vehicle. However, he is ordered to reimburse to defendant-appellee the payments she made for the subject vehicle.

This is a simple case of a brother and a sister fighting over the possession of a car, each party claiming that he or she is the rightful owner and therefore, is entitled to its possession.

After reviewing the case records, We affirm the RTC ruling en toto, specifically when it appreciated the following facts in this manner:

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“Plaintiff posits that he is the owner of the subject vehicle having purchased the same through financing by Philam Savings Bank. According to him, the use and possession of the Toyota Revo was given to defendant Excelsa Pangan on condition that she would regularly remit to plaintiff the monthly amortizations of the vehicle. Plaintiff presented as evidence the Promissory note with Chattel Mortgage (Exhibit “1”) dated July 11, 2002 executed in favor of Philam Savings Bank and the Certificate of Registration (Exhibit “2”) in his name. However, the registration of the subject vehicle in plaintiff's name does not necessarily show that he bought it for himself as he claims. His ownership of the subject vehicle is rendered doubtful by the evidence presented by defendant Excelsa Pangan.

Excelsa has satisfactorily explained the circumstances why the subject vehicle was registered in his brother's name. Antonio Pangan was then Vice-President of Mega Sardines and had the right connections to facilitate the acquisition of the vehicle through financing by using his name. The latter was assured by her brother that through his connections with Toyota and Philam Savings Bank, he could facilitate a car loan for her. The vehicle was registered in the name of her brother Antonio so that the loan will be approved by the bank. Plaintiff has not explained as to why Excelsa remitted to plaintiff's account with UCPB the amount of Php20,000.00 on July 1, 2002 (Exhibit “4”) and the sum of Php177,000.00 (Exhibit “4-A”) on July 9, 2002. the logical explanation is that they were intended for the reservation fee and down payment of the vehicle. The Court notes that the Promissory Note with Chattel Mortgage executed by Antonio Pangan was dated July 11, 2002, two (2) days after Excelsa remitted the latter amount. Hence, there is no doubt that Excelsa is the real owner of the subject vehicle contrary to Antonio's claim that she is only allowed to use the same provided she pays the monthly amortizations.” [20]

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The preponderance of evidence lies in favor of the defendant-appellee who was able to show why the subject vehicle was under the name of her brother and who testified as to their unwritten arrangement. It is of common practice between siblings or family members to assist each other in contracting loans for another's benefit. It is clear that this is what happened in this case, as corroborated by the parties' father and eldest sister. Defendant-appellee sufficiently showed that she made payments to plaintiff-appellant's wife so that the same will be used as downpayment and amortization for the subject vehicle. In turn, plaintiff-appellant will remit the payments to the bank because the loan was contracted under his name. The parties agreed that since defendant-appellee will pay for the vehicle, then naturally she will be entitled to its use. Plaintiff-appellant willingly agreed to this kind of arrangement; he cannot now, on hindsight, claim that he is entitled to damages for being deprived of possession of the same.

A replevin case, under Rule 60 of the 1997 Rules on Civil Procedure, is one wherein a party prays for the recovery of possession of personal property. As discussed in *Allied Leasing & Finance Corp. v. Court of Appeals*,^[21] “the writ is a provisional remedy in replevin suits. It is in the 'nature of a possessory action and the applicant who seeks the immediate possession of the property need not be the holder of the legal title to the property.' It is sufficient that at the time he applied for a writ of replevin he is found to be 'entitled to a possession thereof as stated in Section 2, Rule 60 of the Rules of Court.'”

Here, the subject vehicle was delivered to the applicant and plaintiff-appellant, after he has applied for the same in the manner provided by the aforementioned rule. He was after all the registered owner of the subject vehicle. He also filed and bond in compliance with the rule.

However, after hearing where both parties had presented their evidence, it has become clear what the original arrangement between the parties was and that indeed defendant-appellee was able to make payments for the vehicle and would have continued to do so had not plaintiff-appellant and his wife prevented her from making further payments as previously agreed upon.

The RTC did not err in ordering reimbursement of the payments defendant-appellee made because not to do so would have unjustly enriched plaintiff-appellant to the prejudice of defendant-appellee, an Order which We cannot affirm.

Unjust enrichment was explained in *National Development Company v. Madrigal Wan Hai Lines Corporation*[22] to wit:

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“The case at bar calls to mind the principle of unjust enrichment — *Nemo cum alterius detrimento locupletari potest*. No person shall be allowed to enrich himself unjustly at the expense of others. This principle of equity has been enshrined in our Civil Code, Article 22 of which provides:

"Art. 22. Every person who through an act or performance by another or by any other means, acquires or comes into possession of something at the expense of the latter without just or legal ground, shall return the same to him."

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Defendant-appellee satisfactorily showed evidence of payment in the total amount of Php456,820.00 for which plaintiff-appellant must reimburse her.

WHEREFORE, premises considered, the appeal is DISMISSED. The RTC Decision dated December 8, 2009 is AFFIRMED en toto.

No costs.

SO ORDERED.

Abdulwahid (Chairperson) and Barza, JJ., concur.

[1] Penned by Hon. Ofelia Arellano Maquez; Rollo, 31-46.

[2] Penned by. Hon. Fernando T. Sagun, Jr.; Rollo, 57-58.

[3] Rollo, 45-46.

[4] See Promissory Note with Chattel Mortgage, Records, 6-7.

[5] Ibid.

[6] Records, 9.

[7] Records, 10-11.

[8] Records, 17-18.

[9] Records, 29.

[10] Records, 31-32.

[11] See Exh. “4”; Records, 222.

[12] See Exh. “4-a”; Records, 222.

[13] See Exh. “4-b” to “4-m”; Records, 223-228.

[14] See Exh. “5” to “10; Records, 229-232.

[15] See Exh. “12”; Rollo, 234.

[16] See Exh. “15” to “15-w”; Rolo, 239-246.

[17] TSN, Testimony of Pedro Pangan, November 5, 2008, 6-15.

[18] TSN, Testimony of Imelda Pangan Baloloy, May 25, 2009, 6-20.

[19] Records, 322.

[20] Decision, 12; Rollo, 42.

[21] G.R. No. 91988, May 14, 1991.

[22] G.R. No. 148332, September 30, 2003.

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