

MARTIN P. RABELAS, PLAINTIFF-APPELLEE, VS. PHILIPPINE POSTAL SAVINGS BANK, INC., DEFENDANT-APPELLANT.

Ponente: INTING, S.B., J.

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INTING, S.B., J.:

For consideration before this Court is an Appeal[1] which assails the Decision[2] dated March 20, 2012 of the Regional Trial Court of Legazpi City, Branch 5, in Civil Case No. 10875.

Culled from the records, the facts are as follows:

This case arose from the Complaint for Collection of Sum of Money[3] filed by Martin P. Rabelas (“PLAINTIFF-APPELLEE”) against Philippine Postal Savings Bank, Inc. (“DEFENDANT-APPELLANT”) before the Regional Trial Court, Legazpi City, Branch 5.

Defendant-Appellant is the registered owner of Lot 353 (“CHAVEZ BUILDING”) situated in Tabaco City, Albay with an area of 483 square meters and covered by Transfer Certificate of Title No. T-125596.[4]

Sometime in 2007, while in the course of one of his transactions with the Legazpi Branch of the defendant-appellant, plaintiff-appellee was given a list of the acquired assets for sale by the branch manager, Hector Pili.[5] Upon learning that the Chavez Building was being offered for sale, plaintiff-appellee contacted his associate, Jean Parcia, so that they can look for interested buyers.[6]

On October 3, 2007, plaintiff-appellee submitted a Purchase Proposal to defendant-appellant through its Legazpi Branch, introducing the Medical Mission Group Hospital Health Services Cooperative – Albay (MMG-Albay) as the prospective buyer.[7] The purchase proposal was signed by Dr. Pedro V. Rico and Dr. Pablo B. Firaza, who were the Chairman and Manager, respectively, of MMG-Albay at that time.[8]

On October 8, 2007, five days after the Purchase Proposal was submitted with the defendant-appellant, the plaintiff-appellee paid the latter the amount of P500.00 under Official Receipt No. 3180 as his broker’s registration fee.[9]

In a letter dated November 28, 2007, Mr. Rodolfo C. Cruz of the defendant-appellant’s Asset Management informed Dr. Firaza that his offer to purchase the Chavez Building was declined considering that the proposed purchase price is below the property’s appraised value and its concomitant capital gains tax and documentary stamp tax.[10]

Meanwhile, on December 17, 2007, plaintiff-appellee’s accreditation as the defendant-appellant’s broker was approved.[11]

On July 21, 2008, unknown to plaintiff-appellee, the Chavez Building was sold by the defendant-appellant to MMG-Albay for the same price of P15,000,000.00 as previously offered in the Purchase Proposal dated October 3, 2007.[12] As the new registered owner of Lot 353, MMG-Albay was issued Transfer Certificate of Title No. T-142088 in lieu of Transfer Certificate of Title No. T-125596 that was cancelled.[13]

Upon learning of the consummation of the sale between the defendant-appellant and MMG-Albay, plaintiff-appellee then demanded his commission from defendant-appellant for the sale of the Chavez Building. The latter, however, refused to pay him, arguing that plaintiff-appellee was not entitled to his commission because he brokered for Dr. Firaza and Rico and not for MMG-Albay.[14] Hence, the plaintiff-appellee instituted the instant action to claim what is due him being the efficient procuring cause in bringing about the sale of the property.

On March 20, 2012, the trial court promulgated its Decision in favor of plaintiff-appellee, the dispositive portion of which reads as follows:

“WHEREFORE, Premises Considered, judgment is rendered ordering the defendant bank to pay the plaintiff the following sums of money, to wit:

- The amount of 750,000 pesos, representing the plaintiff’s broker’s commission, with interest thereon at the legal rate from today until such time this amount is paid in full.
- The amount of 30,000 pesos as attorney’s fees; and
- The amount of 15,000 pesos as litigation expenses

The defendant bank shall pay the costs of suit.

SO ORDERED.”[15]

Aggrieved, defendant-appellant interposed this present appeal ascribing the following errors[16] to the trial court:

I

THE REGIONAL TRIAL COURT HAD COMMITTED SERIOUS REVERSIBLE ERROR OF FACT AND LAW IN FINDING THAT THE PLAINTIFF-APPELLEE WAS INSTRUMENTAL IN BRINGING THE DEFENDANT-APPELLANT BANK AND THE MMG TOGETHER TO DISCUSS THE TERMS AND CONDITIONS OF THE SALE OF THE “FR. CHAVEZ BUILDING/PROPERTY”.

II

THE REGIONAL TRIAL COURT HAD COMMITTED SERIOUS REVERSIBLE ERROR OF FACT AND LAW IN RULING THAT IN ACCEPTING THE AMOUNT OF 500 PESOS THAT THE PLAINTIFF-APPELLEE PAID AS BROKER’S REGISTRATION FEE ON 08 OCTOBER 2007 (EXHIBIT “B; EXHIBIT “13”), THE DEFENDANT-APPELLANT BANK ACKNOWLEDGED THE PLAINTIFF-APPELLEE’S ROLE AS AGENT/FACILITATOR IN THE PURCHASE PROPOSAL, CLOTHING HIM WITH THE STATUS OF A BROKER.

III

THE REGIONAL TRIAL COURT HAD COMMITTED SERIOUS AND REVERSIBLE ERROR IN DECLARING THAT PLAINTIFF-APPELLEE HAS AN ACTIVE PARTICIPATION IN THE SALE OF THE “FR. CHAVES BUILDING/PROPERTY”.

IV

THE REGIONAL TRIAL COURT HAD COMMITTED SERIOUS AND REVERSIBLE ERROR IN AWARDING A 5% BROKERS COMMISSION AND ATTORNEY’S FEES TO PLAINTIFF-APPELLEE WITHOUT ANY FACTUAL AND LEGAL BASIS.

V

THE REGIONAL TRIAL COURT HAD COMMITTED SERIOUS AND REVERSIBLE ERROR IN ORDERING THAT THE DEFENDANT-APPELLANT SHOULD PAY THE COSTS OF SUIT.

The foregoing assignment of errors can actually be reduced to a single pivotal question – whether plaintiff-appellee is entitled to the payment by defendant-appellant of his broker’s commission.

We find in the affirmative.

The evidence on record shows that herein plaintiff-appellee was instrumental in the sale of the Chavez Building to MMG-Albay. It was through his effort that the negotiation between the parties was set in motion. Witness Pablo B. Firaza testified that Dr. Alfredo Moran, one of the directors of MMG-Albay, presented to the board during their general board meeting that a certain property referred to as “Chavez Building” and owned by Postal Savings Bank is for sale.[17] Dr. Moran, on the other hand, admitted that it was plaintiff-appellee who informed him that the Chavez Building is for sale as evidenced by a Certification[18] he issued. Significantly, too, the bank manager of defendant-appellant, Mr. Hector G. Pili, likewise acknowledged on cross-examination that he came to know MMG-Albay through the intervention of plaintiff-appellee, thus:

“Q

You also said awhile ago that you remembered Mr. Martin P. Rabelas as a real estate broker when Mr. Jean Parcia inquired from you if you know a real estate broker. Is that correct, Mr. Witness.

A

Yes, Madam.

Q

And after several weeks Mr. Witness, Mr. Martin P. Rabelas came to you. Is that correct?.

A

Yes, Madam

ATTY. BALLARAN:

Q

And when Mr. Martin P. Rabelas came to you, he told you that he has a prospective buyer of one of your foreclosed properties. Is that correct, Mr. Witness?

A

Yes, he told me.

x x x x

Q

Who is this prospective buyer that Mr. Rabelas has told you?

A

It is the MMG.

Q

And after Mr. Rabelas told you that his prospective buyer is MMG Albay, you advised Mr. Rabelas to secure accreditation from the bank. Is that correct, Mr. Witness?

A

Yes.”[19]

From the foregoing testimonies of defendant-appellant’s witnesses, it can thus be readily inferred that without the information of plaintiff-appellee to Dr. Moran that the Chavez Building is for sale, MMG-Albay would not have contacted defendant-appellant and initiate a negotiation process for the purchase of the subject property. Aside from being the accredited broker of defendant-appellant at the time of the consummation of the sale, all the foregoing circumstances lead us to the inescapable conclusion that herein plaintiff-appellee was the procuring cause of the sale. In *Medrano vs. Court of Appeals*[20], the Supreme Court explained the term procuring cause, thus:

“Procuring cause” is meant to be the proximate cause. The term “procuring cause”, in describing a broker’s activity, refers to a cause originating a series of events which, without break in their continuity, result in accomplishment of prime objective of the employment of the broker – producing a purchaser ready, willing and able to buy real estate on the owner’s terms. A broker will be regarded as the "procuring cause" of a sale, so as to be entitled to commission, if his efforts are the foundation on which the negotiations resulting in a sale are begun. The broker must be the efficient agent or the procuring cause of the sale. The means employed by him and his efforts must result in the sale. He must find the purchaser, and the sale must proceed from his efforts acting as broker.

Defendant-appellant, however, insists that plaintiff-appellee was not instrumental in bringing the defendant-appellant and MMG-Albay together to discuss the terms and conditions of the sale of the Chavez Building. In this regard, the *Medrano* case had this to say:

“x x x Before negotiating a sale, a broker must first and foremost bring in a prospective buyer. It has been held that a broker earns his pay merely by bringing the buyer and the seller together, even if no sale is eventually made. The essential feature of a broker’s conventional employment is merely to procure a purchaser for a property ready, able, and willing to buy at the price and on the terms mutually agreed upon by the owner and the purchaser. And it is not a prerequisite to the right to compensation that the broker conduct the negotiations between the parties after they have been brought into contact with each other through his efforts. The case of *Macondray vs. Sellner* (33 Phil. 370) is quite instructive:

The business of a real estate broker or agent, generally, is only to find a purchaser, and the settled rule as stated by the courts is that, in the absence of an express contract between the broker and his principal, the implication generally is that the broker becomes entitled to the usual commissions whenever he brings to his principal a party who is able and willing to take the property and enter into a valid contract upon the terms then named by the principal, although the particulars may be arranged and the matter negotiated and completed between the principal and the purchaser directly.

All told, there is a legal and factual basis for the award of the broker’s commission to herein plaintiff-appellee.

Lastly, as for the award of attorney’s fees and litigation expenses, We find the same in order considering that defendant-appellant acted in evident bad faith in refusing to satisfy the plaintiff-appellee’s plainly valid, just and

demandable claim.[21] Since plaintiff-appellee was compelled to litigate to protect his interest due to the non-compliance of defendant-appellant's obligation, it is just and equitable to award plaintiff-appellee his attorney's fees.

All things considered, We find no reversible error committed by the trial court in rendering the assailed decision.

WHEREFORE, the instant appeal is DENIED. The assailed Decision dated March 20, 2012 of the Regional Trial Court of Legazpi City, Branch 5, in Civil Case No. 10875 is hereby AFFIRMED.

SO ORDERED.

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

[1] Rollo, pp. 13-35

[2] Ibid, pp. 37-39

[3] Records, pp. 1-5

[4] Ibid, p. 2

[5] Rollo, p. 60

[6] Supra note 4.

[7] Rollo, p. 61

[8] Records, p. 2

[9] Rollo, p. 37

[10] Records, p.3

[11] Supra note 9.

[12] Rollo, p. 61

[13] Ibid, p. 38

[14] Ibid, pp. 61-62

[15] Ibid, p. 39

[16] Ibid, pp. 22-23

[17] TSN, Bo, L.A., February 21, 2011, pp. 3-4

[18] Records, p. 11

[19] TSN, Quiros, M.A., May 4, 2011, pp. 40-41

[20] G.R. No. 150678, February 18, 2005

[21] Art. 2208 (5) of the Civil Code

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