

**SPOUSES LIMUEL GONZALVO AND DOLORES GONZALVO,
PLAINTIFFS-APPELLEES, VS. SPOUSES ISIDRO PANGANIBAN AND
MARILYN PANGANIBAN, DEFENDANTS-APPELLANTS.**

Ponente: DIMAAMPAO, J.

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DIMAAMPAO, J.:

A bitter squabble among relatives ensued in this convoluted legal strife. Defendants-appellants remonstrate with the Decision[1] dated 29 October 2012 and Order[2] 18 April 2013 of the Regional Trial Court (RTC), Fourth Judicial Region, Roxas, Oriental Mindoro, Branch 43, affirming on Appeal the Decision[3] dated 14 February 2012 of the Municipal Trial Court (MTC) thereat which found merit in plaintiffs-appellees' Complaint for Sum of Money, and denying the Motion for Reconsideration thereof, respectively, in Civil Case No. C-564.

The antecedents are quite simple.

In 2006, plaintiff-appellee Limuel Gonzalvo (Limuel) worked as an overseas contract worker. With money on hand, he and co-plaintiff-appellee Dolores, his wife, agreed to lend P200,000.00 to defendant-appellant Marilyn Panganiban (Marilyn), their aunt, as additional capital to the latter's business. Marilyn received the money and promised to pay the principal as well as three percent (3%) monthly interest. The loan agreement was not reduced into writing.

At first, Marilyn regularly paid the monthly interest pegged at P6,000.00. Then, she handed to Dolores P75,000.00 as partial payment of the principal. However, by the time Limuel returned to the Philippines towards the end of 2006, Marilyn allegedly stopped paying her obligation.

Limuel sought the intercession of barangay officials who facilitated a compromise agreement between the parties. Marilyn signed the Kasunduan[4] dated 1 April 2009 whereby she agreed to pay in installment the balance of her loan amounting to P125,000.00. The first installment was due on 14 April 2009 in the sum of P12,000.00; the second on 30 April 2009 for P13,000.00; and the last on 30 September 2009 for P100,000.00.

Nonetheless, Marilyn reneged on the first two installments prompting Limuel and Dolores to file a Complaint for Sum of Money before the MTC against Marilyn and defendant-appellant Isidro, her husband.

In refutation, Marilyn insisted that Isidro should be dropped as party-defendant as he had no inkling that she procured a loan from Limuel. While Marilyn admitted that she borrowed money amounting to P200,000.00, she insisted that this obligation was already fully paid.[5] Limuel later decided not to collect interest upon their agreement that he would obtain money from her anytime he needed until the obligation was paid in full.[6] Marilyn adduced the "ledger", a piece of paper containing in detail the amounts supposedly taken by Limuel on various dates.[7]

Following her own computation, Marilyn claimed that she paid Limuel the aggregate sum of P165,000.00. The balance of P35,000.00 was offset by Limuel's existing loan amounting to P60,000.00.[8]

Marilyn assailed the validity of the Kasunduan averring that she signed it out of fear due to the antagonistic and confrontational attitude of barangay officials who pandered only to Limuel's proposal. Marilyn theorized that if her obligation was still unpaid, the suit was premature as she had until September 2009 to pay the last installment. She clamored that the interest of 3% was exorbitant and unconscionable.[9]

In due course, the MTC rendered the Decision finding Marilyn and Isidro liable to pay the obligation, thusly:

“WHEREFORE, in view of the foregoing, judgment is hereby rendered in favor of the plaintiffs and against the defendants ordering the latter to pay the former of the following:

- The remaining balance of P125,000.00 plus interest of 1% per month from the filing of the case until the full payment of the same;
- The amount equivalent to 20% of the total claim as reasonable attorney's fees; and,
- The costs of suit.

SO ORDERED.”[10]

Marilyn and Isidro appealed before the RTC which rendered the impugned Decision affirming the foregoing judgment. The plea for reconsideration merited the same fate as it was denied in the disputed Order.

Unfazed by their defeats before the lower tribunals, Marilyn and Isidro (now, appellants) turn to Us for relief ascribing the following errors upon the RTC:

I

THE TRIAL COURT ERRED IN NOT CONSIDERING THE LEDGER AS EVIDENCE.

II

THE TRIAL COURT ERRED IN HOLDING THAT A KASUNDUAN IS SUFFICIENT TO FORECLOSE WITH FINALITY THE ISSUE OF WHETHER OR NOT RESPONDENT–APPELLANT MARILYN IS STILL INDEBTED.

III

THE LOWER COURT ERRED IN DISREGARDING THE TESTIMONIES OF APPELLANTS.

The Appeal is bereft of merit.

It is evident that the vortex of the controversy revolves around the full payment of the obligation.

Jurisprudence abounds that, in civil cases, one who pleads payment has the burden of proving it. Even where the plaintiff must allege non-payment, the general rule is that the burden rests on the defendant to prove payment, rather than on the plaintiff to prove non-payment. When the creditor is in possession of the document of credit, he need not prove non-payment for it is presumed. The creditor's possession of the evidence of debt is proof that the debt has not been discharged by payment.[11]

Here, Limuel and Dolores (now, appellees) adduced the Kasunduan as compelling evidence to bolster their assertion that appellants' obligation had not yet been extinguished. This document was duly signed by the parties before the barangay authorities. The Kasunduan was executed on 1 April 2009, while the ledger revealed that appellees supposedly received payment on several occasions in 2007. Appellants could have conveniently shown this ledger before the barangay authorities if indeed this was sufficient evidence to prove payment. It strains credulity that appellant Marilyn did not bother to do so. Her postulation that she was intimidated into signing the

Kasunduan deserves scant consideration.

Moreover, even if We accord weight to the ledger, a simple mathematical computation of the figures written therein would only result in a total payment of P70,000.00.[12] Clearly, this is still less than the loan of P200,000.00.

Along this grain, We hew to the line drawn by the MTC—

“The best evidence that (appellant) Marilyn still has indebtedness to the (appellees) is the KASUNDUAN (Exhibit(s) “A” to “A-3”), she entered with (appellee) Limuel M. Gonzalvo before the Office of the Barangay Captain of Paclasan, Roxas, Oriental Mindoro on April 01, 2009 which provides the following, to wit:

“KASUNDUAN

PARA SA KAALAMAN NG LAHAT:

Ako si LIMUEL M. GONZALVO, nasa wastong gulang, may asawa, Filipino, naninirahan at may pahatirang sulat sa barangay Bagumbayan, Roxas, Silangang Mindoro matapos humarap kay Punong Barangay LARRY V. SALAZAR ay nakipag kasundo kay GNG. MARILYN B. PANGANIBAN ng mga sumusunod naming napagkasunduan:

- Na si Gng. Panganiban ay may pagkakautang sa akin na nagkakahalaga ng Isang Daan at Dalawampu't Limang Libong Piso (P125,000.00) salaping umiiral sa Pilipinas;

- Na kami ay nagkasundo na ang nasabing halaga ay utay-utay niyang babayaran sa akin na napapaloob sa mga babanggiting buwan at petsa;

a. Ang halagang P12,000.00 ay pinangakuan na babayaran sa akin ni Gng. Panganiban sa ika-14 ng Abril 2009.

b. Ang P13,000.00 naman ay pinangakuang babayaran niya (Gng. Panganiban) sa ika-30 ng Abril, 2009.

k. At ang natitirang P100,000.00 ay pinangakuang babayaran sa akin ni Gng. Panganiban isa ika-30 ng Setyembre, 2009.”

- Na ang lahat ng nabanggit sa itaas ng kasunduang ito ay aming igagalang at tutuparin.”

Bilang patunay kami ay kusang-loob na lumagda ng aming pangalan ngayong ika-1 ng Abril 2009 sa harap ng mga saksi.

Sinasang-ayunan ko ang isinasaad ng kasunduang ito:

(Sgd.)

MARILYN B. PANGANIBAN

Nakipagkasundo

(Sgd.)

LIMUEL M. GONZALVO

Nakipagkasundo”

Saksi sa paglagda:

1. (Sgd.)

2. (Sgd.)

xxx”

If (appellant) Marilyn Panganiban has no more indebtedness or already paid her remaining obligation to the (appelles) by “offset” as early as 2007 (T.S.N., September 29, 2010, pp. 9-10), why then did she sign the

aforequoted Kasunduan in 2009 wherein she acknowledged that she still has an indebtedness in the amount of P125,000.00 to (appellee) Limuel Gonzalvo?

(Appellant) Marilyn's contention of having signed the Kasunduan out of nervousness, embarrassment, fear, intimidation and without the aid of a counsel are unfounded and, to the mind of this court, were just resorted by them to set-aside the subject Kasunduan. First, (appellee) Limuel Gonzalvo and (appellant) Marilyn Panganiban are relatives and she is even an aunt according to Limuel. Second, Marilyn's husband is a member of the Philippine National Police (PNP) assigned in Roxas, Oriental Mindoro. Third, the Kasunduan was signed by the parties in Barangay Paclasan, Roxas, Oriental Mindoro, where Marilyn and Isidro live. Plaintiff Limuel is a resident of Barangay Bagumbayan, Roxas, Oriental Mindoro. Lastly, lawyers are not allowed to assist a party in all Katarungang Pambarangay proceedings (Section 415, RA 7160)."[13]

Invariably, the assertion of appellants that the loan has been extinguished deserves short shrift as it remains unsupported by concrete evidence. It is basic in the rule of evidence that bare allegations, unsubstantiated by evidence, are not equivalent to proof.[14] This recourse necessarily fails given the scarcity of evidence proffered by appellants.

WHEREFORE, the Appeal is hereby DENIED. The Decision dated 29 October 2012 and Order 18 April 2013 of the Regional Trial Court, Fourth Judicial Region, Roxas, Oriental Mindoro, Branch 43, in Civil Case No. C-564, are AFFIRMED.

SO ORDERED.

Ybañez and Manahan, JJ., concur.

[1] Original Records, pp. 296-297.

[2] Id., p. 315.

[3] Id., pp. 266-272.

[4] Original Records, p. 5.

[5] Id., pp. 18-27.

[6] TSN, 29 September 2010, p. 6.

[7] Original Records, p. 250.

[8] TSN, 29 September 2010, p. 9.

[9] Original Records, pp. 18-27.

[10] Id., p. 272.

[11] Philippine Commercial International Bank v. Arturo P. Franco, G.R. No. 180069, 5 March 2014.

[12] Appellants insisted that the total thereof is P65,000.00. Rollo, p. 33.

[13] Original Records, pp. 270-271.

[14] Real v. Belo, (26 January 2007).

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