MYRNA ALICIA SICO, PETITIONER, VS. ROSEMARIE G. ADIARTE, RESPONDENT.

Ponente: BATO, JR., J.

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BATO, JR., J.:

This Petition for Review[1] under Rule 42 of the Rules of Court seeks to reverse the 05 September 2012 Decision[2] and 26 November 2012 Order,[3] both issued by the Regional Trial Court (RTC) of Muntinlupa City, Branch 206, in Civil Case No. 12-002. The assailed Decision affirmed the 13 June 2011 Decision[4] of the Metropolitan Trial Court of Muntinlupa City (MTC), Branch 80, which gave due course to herein respondent's complaint for sum of money.

The antecedent facts are as follows:

By a Complaint[5] filed with the MTC on 22 February 2006, respondent Rosemarie G. Adiarte alleged that sometime in October of 2003, she had a talk with Antonio Fernando about her plans of purchasing an educational plan for her son. In turn, Fernando contacted Rosalina Borja, who was then working at Pacific Plans, Incorporated. Borja in turn referred Fernando to Lucille Velez, her fellow agent at Pacific Plans. Lucille, for her part, referred Fernando to petitioner Myrna Alicia Sico.

Petitioner Sico was then looking for a person interested to buy the Pacific Educational Plan that she had bought for her niece. Upon being informed by Fernando that petitioner Sico was selling her educational plan, respondent Adiarte agreed to buy it. She gave Fernando Php285,000.00 for the payment thereof. Unbeknown to respondent Adiarte, Php85,000.00 of what she gave to Fernando, went to Fernando, Velez, and Borja as their commissions. Through Fernando, petitioner Sico delivered to respondent Adiarte the original copies of the Pacific Educational Plan, Certificate of Payment, Request for Amendment form and two copies of her valid identification cards.

Pacific Plans, however, disapproved the transfer of the subject educational plan to respondent Adiarte's son. Thus, respondent Adiarte demanded from petitioner Sico the return of her Php285,000.00, but her demands to that effect went unheeded.

In her Answer[6] with compulsory counterclaim dated 25 May 2006, petitioner Sico averred that she has not met respondent Adiarte personally. Neither did she agree with the Php285,000.00 being claimed by respondent Adiarte as payment for the educational plan. She explained that the transaction to sell the subject educational plan was only between respondent Adiarte and Fernando. She was not a privy to their personal dealings. This being so, the claim from which the action is founded is unenforceable under the provisions of the Statute of Frauds. She further averred that assuming arguendo that there was a valid sale of the subject educational plan in favor of respondent Adiarte, the latter cannot simply demand the return of the payment inasmuch as there was already a consummated contract of sale. Also, there is no ground to rescind or cancel the contract of sale that could be attributed to her.

On 13 June 2011, the MTC rendered a Decision[7] in favor of respondent Adiarte. It ruled that the parties have entered into a contract to sell Pacific Educational Plan No. 1090765-7, with certain reciprocal obligations.

However, the supposed transfer of the educational plan to respondent Adiarte's son did not materialize because of Pacific Plans' disapproval. Thus, the dispositive portion of the MTC's Decision reads:

> "WHEREFORE, premises considered, judgment is hereby rendered in favor of plaintiff Rosemarie Adiarte and against defendant Myrna Alicia Sico, ordering the said defendant:

- TO RETURN to the plaintiff the amount of Two Hundred Thousand (Php200,000.00);

- TO PAY the plaintiff the amount of Php20,000.00 by way of attorney's fee; and

- TO PAY the costs of suit.

> SO ORDERED."[8]

From the MTC Decision, petitioner Sico appealed to the RTC.

As stated at the outset, the RTC affirmed the MTC's Decision that petitioner SICO should reimburse respondent Adiarte the amount of Php200,000.00. It however ruled that the contract entered into by the parties was a conditional sale or more aptly, a contract of sale that is subject to a suspensive condition. The RTC further ruled as follows:

> "X x x In this case, Sico's obligation to deliver is conditioned upon Pacific Plans' approval of her request of the designation of Adiarte's son as the plan's beneficiary. When Pacific Plans denied Sico's request for whatever reason, it had now become impossible for Sico to perform her obligation to deliver the thing sold. Without an object, which is an essential element of the contract, the contract of sale was thus not perfected. There being no contract to speak of, it is but just for Sico to return to Adiarte what she has given supposedly as payment for the educational plan. Otherwise, she is unjustly enriching herself at Adiarte's expense.
>
> Sico could not have been unaware about the true nature of the subject transaction. The fact that she had to sign a Trust Declaration first before she can execute any deed of conveyance transferring the ownership of the subject educational plan obviously means that something has to happen first. x x x

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> WHEREFORE, the appeal of defendant Myrna Alicia Sico is dismissed for lack of merit and the appealed decision of the lower court in favor of plaintiff Rosemarie G. Adiarte is hereby affirmed.
>
> SO ORDERED."[9]

Petitioner Sico's motion for reconsideration was likewise denied by the RTC in the assailed 26 November 2012 Resolution.[10]

Hence, this Petition for Review with the following assignment of errors for this Court's resolution:

"A.

THE LOWER COURT ERRED IN RULING THAT THE SUBJECT PURCHASE/ACQUISITION OF THE EDUCATIONAL PLAN OF PETITIONER BY RESPONDENT IS A CONDITIONAL SALE AND SUBJECT TO A SUSPENSIVE CONDITION;

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B.

THE LOWER COURT ERRED IN RELYING ON THE TRUST DECLARATION DOCUMENT AS BASIS FOR THE CONCLUSION THAT THE TRANSACTION IS A CONDITIONAL SALE;

C.

THE LOWER COURT ERRED IN HOLDING THAT INDEED THERE WAS A DENIAL BY THE PACIFIC PLAN OF THE INTENDED TRANSFER OF THE EDUCATIONAL PLAN IN FAVOR OF RESPONDENT ADIARTE;

D.

THE LOWER COURT ERRED IN NOT ORDERING THE RESTITUTION OR RETURN OF THE SUBJECT EDUCATIONAL PLAN IN FAVOR OF PETITIONER AS AN ALTERNATIVE;

E.

THE LOWER COURT ERRED IN ORDERING THE RETURN OR (sic) PAYMENT OF P200,000.00 AS WELL IN AWARDING ATTORNEY'S FEES IN FAVOR OF RESPONDENT."[11]

The above-quoted assignment of errors, being interrelated, will be discussed jointly. The main issue to be resolved is whether the transaction entered into by the parties was a conditional sale or absolute sale.

Petitioner Sico insists that the sale of educational plan that she entered into with respondent Adiarte was an absolute sale, not a conditional sale as ruled by the RTC. The trust declaration relied by the RTC expressly states that said plan was sold, transferred and conveyed completely, absolutely, and unconditionally.

By way of Comment,[12] respondent Adiarte contends that the RTC correctly ruled that based on the duly signed trust declaration, she and petitioner Sico entered into a conditional sale subject to a suspensive condition.

The WHEREAS clause of the Trust Declaration[13] relied upon by both parties is hereunder quoted:

> "WHEREAS, the Trustee was the full legal and beneficial owner of a freely assignable, valid, effective, binding, and unencumbered Educational Plan Agreement Number 1090765-9 issued by Pacific Plans, Inc. (the 'Plan') more particularly described in Annex 'A', which is made an integral part hereof;
>
> WHEREAS, pursuant to a Deed of Assignment dated _____, a copy of which is attached hereto as Annex 'B', and made an integral part hereof, all rights, interest, as well as all benefits, privileges, obligations, and payments in and to the plan has been sold, transferred and conveyed by the Planholder to, and now completely, absolutely, and unconditionally vests in, the Trustor (as the de facto Planholder) for the sole and exclusive benefit of the Beneficiary;
>
> WHEREAS, legal title to the Plan cannot as yet be transferred to the Trustor and/or Beneficiary, and as such remains with the Trustee in trust for the Trustee and/or the Beneficiary, under the terms and conditions herein set forth (the 'Trust');
>
> WHEREAS, the Trust has been constituted for a lawful purpose and the Trustee has accepted and is willing to

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> administer and hold in trust the Trust Corpus for the benefit of the Trustor and Beneficiary, under the terms and conditions herein set forth;"

It is clear from the above-quoted trust declaration that the parties agreed to a conditional sale, the consummation of which is subject to the conditions contained therein, one of which is the execution by petitioner Sico of a deed of assignment so that the educational plan could be transferred in the name of respondent Adiarte's son. It is elementary that "[i]n conditional obligations, the acquisition of rights, as well as the extinguishment or loss of those already acquired, shall depend upon the happening of the event which constitutes the condition."[14]

It was petitioner Sico's obligation to have the education plan transferred in the name of respondent Adiarte's son. Respondent Adiarte's obligation was only to pay the price of said educational plan. It was therefore incumbent upon petitioner Sico to prove that there was really no denial by Pacific Plans. Hence, respondent Adiarte's claim that Pacific Plans denied petitioner's request for amendment remains unrebutted.

When Pacific Plans denied petitioner Sico's request for amendment so that respondent Adiarte's son could be the beneficiary of the educational plan, it became impossible for petitioner to fulfill her obligation to execute a deed of assignment. Consequently, it was her obligation to return the purchase price that she had previously received. This is consistent with the rule that if the suspensive condition is not fulfilled, the perfection of the contract of sale is completely abated.[15]

To rule that petitioner is not obligated to return to respondent Adiarte the purchase price would run counter to the principle of unjust enrichment embodied in Article 22[16] of the New Civil Code. There is unjust enrichment when a person unjustly retains a benefit to the loss of another, or when a person retains money or property of another against the fundamental principles of justice, equity and good conscience.[17]

On petitioner's contention that the RTC should have ordered the return of the educational plan to her, it is apt to point out that this Court has no reason to doubt respondent Adiarte's claim that the plan is not in her possession. For one, it is of no value to her since it cannot be transferred to her son's name. For another, citing portions of the transcript of stenographic notes, respondent Adiarte in her comment[18] claims that petitioner Sico testified that she gave the original plan to Velez, who mediated and acted as her broker and agent. In turn, Velez gave it to Borja, Pacific Plans' agent, who submitted the same to Pacific Plans.

As a last ditch effort to evade her obligation to return the purchase price, petitioner contends that the subject trust declaration should be considered as a fabricated document since it was never established that the signatures appearing therein belong to her and respondent Adiarte.

Said contention of petitioner must fail. Her signature on the trust declaration was proven to be authentic. As can be gleaned from the judicial affidavit[19] of Lucille B. Velez, petitioner Sico's broker, she saw petitioner Sico affix her signature on the said trust declaration.

Finally, this Court sustains the award of attorney's fees. Respondent Adiarte was compelled to litigate or incur expenses to protect her rights.[20]

WHEREFORE, the petition for review is DENIED. The 05 September 2012 Decision and 26 November 2012 Order of the Regional Trial Court of Muntinlupa City, Branch 206, in Civil Case No. 12-002 are hereby AFFIRMED.

SO ORDERED.

C E R T I F I C A T I O N

Pursuant to Article VIII, Section 13 of the Constitution, it is hereby certified that the conclusions in the above decision were reached in consultation before the case was assigned to the writer of the opinion of the Court.

Zalameda and Diy, JJ., concur.

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[1] Rollo, pp. 7-22.

[2] Id., pp. 27-34.

[3] Id., pp. 25-26.

[4] Id., pp. 37-42.

[5] Id., pp. 43-45.

[6] Rollo, pp. 51-55.

[7] Supra, at Note 4.

[8] Rollo, p. 42.

[9] Decision, pp. 5-8; Rollo, pp. 31-34.

[10] Supra, at Note 3.

[11] Petition, pp. 7-8; Rollo, pp. 14-15.

[12] Rollo, pp. 150-159.

[13] Id., pp. 60-62.

[14] Civil Code, Article 1181.

[15] Homesite and Housing Corp. vs. Court of Appeals, 133 SCRA 777 [1984]. Cited in Coronel, et al. vs. Court of Appeals, G.R. No. 103577, October 07, 1996.

[16] Article 22 of the Civil Code provides: "Every person who through an act of performance by another, or 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."

[17] Reyes vs. Lim, G.R. No. 134241, August 11, 2003.

[18] Comment, p. 7; Rollo, p. 156.

[19] Rollo, p.74.

[20] Article 2208, New Civil Code.

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