

PIONEER SAVINGS & LOAN BANK, PETITIONER, VS. THE HONORABLE COURT OF APPEALS AND MANUEL P. SANTOS, RESPONDENTS.

G.R. No. 105419. September 27, 1993

Ponente: PADILLA, J.

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PADILLA, J.:

This petition for review seeks the reversal of the decision of the Court of Appeals in CA G.R. CV No. 26670, promulgated on 30 April 1992[1] which affirmed in toto the judgment of the Regional Trial Court, Branch 142, Makati, Metro Manila in Civil Case No. 10311, ordering, among other things, delivery to therein defendant (herein private respondent) of the motor vehicle, subject of the complaint for delivery of personal property filed by petitioner against private respondent Manuel F. Santos.

Respondent appellate court summarized the facts of the case as follows:

"PLAINTIFF Pioneer Savings and Loan Bank acquired ownership over a motor vehicle by virtue of a Deed of Sale (Exhibit 'B'), executed by and between Finasia Investment and Finance Corporation and the plaintiff bank. Said motor vehicle is specifically described as follows: make: Toyota Corolla; type: 4-door Sedan; Motor No.: 4K-1489878; Serial No. KE70-9101485; Plate No. PBZ-784; Model 1982; and color: Mint Green.

SUBSEQUENTLY, defendant Manuel Santos, in his capacity as manager of plaintiff bank's General Services Department, was given the privilege to use and possess the aforementioned vehicle coterminous with his employment. In a regular board meeting of plaintiff Pioneer Savings & Loan Bank held on June 28, 1984 at its principal office, the Board unanimously passed Resolution No. 26, Series of 1984, authorizing any two among the President, Arturo G. Eudela, and the two First Vice Presidents namely: Francisco Pangilinan and Antonio M. Siojo, to jointly sign any deed or contract involving the sale, transfer or conveyance of bank's assets or properties, pursuant to the recommendation of the Executive Committee (Exhibit 'C'). Pursuant to said authority, the plaintiff bank, through its President, Arturo Eudela and First Vice President, Atty. Francisco S. Pangilinan, for a consideration of P40,000.00 in cash actually received from defendant Manuel Santos in the presence of Noel Pineda, a bank employee, sold, transferred and conveyed unto the defendant the afore-described motor vehicle, free from all liens and encumbrances. Said document of sale is duly notarized."[2]

Sometime in August 1984, respondent Santos ceased to be employed with petitioner bank. He took the car with him. On 12 April 1985, petitioner filed a complaint against respondent Santos for recovery of the motor vehicle, with a prayer for the issuance of a writ of replevin. Upon posting of a replevin bond by petitioner, the Regional Trial Court of Makati, Branch 142, issued an order of seizure and the subject car was thus delivered to petitioner.

After trial, the lower court rendered judgment in favor of respondent Santos, the dispositive part of which reads as follows:

"Premises considered, the Court hereby renders judgment in favor of the defendant, ordering the plaintiff:

1. to deliver to the defendant the subject motor vehicle complete with its battery and the four tire replacement;
2. to pay the defendant P10,000.00 as moral damages and P10,000.00 as exemplary damages;
3. to pay the defendant the sum of P10,000.00 as and for attorney's fees;
4. to pay the defendant P2,000.00 as litigation expenses.

Should the motor vehicle no longer be available, or in defendant's estimation already in a determined or dilapidated condition, the defendant has the option to refuse to accept the motor vehicle, in which case the plaintiff shall pay to the defendant the sum of P40,000.00 with interest at the rate of 12% per annum from June 14, 1985 until fully paid.

Cost against the plaintiff."^[3]

As aforesaid, this decision was affirmed in toto by respondent Court of Appeals. Hence, this petition for review on certiorari under Rule 45 of the Rules Court.

In this petition, the main contention of the petitioner is that there was actually no consideration in the sale of the motor vehicle to respondent Santos. The petitioner alleges that the deed of sale merely served as security for the time deposit placements of private respondent's relatives with the petitioner bank which was then undergoing financial difficulties and was under consideration for closure by the Central Bank of the Philippines. Petitioner avers that the "underlying agreement," a special arrangement between petitioner and respondent Santos was that in the event private respondent's relatives failed to recover their time deposits due to the bank's closure, then private respondent could keep the car as recompense.

According to petitioner, the relatives of private respondent were able to recover their time deposit placements, through the Philippine Deposit Insurance Corp. (PDIC) after petitioner bank was placed under receivership by the Central Bank of the Philippines so that there was no further reason for respondent Santos to keep the vehicle in question. Furthermore, petitioner assails the validity of the deed of sale for not having been duly notarized because the signatories thereto (the two ^[2] officers of the bank) never appeared before the notary public who notarized the document.

It is further contended by petitioner that respondent Court of Appeals and the trial court should not have discarded the testimonies of the two (2) officers of petitioner bank, namely, Messrs. Eudela and Pangilinan, who clearly denied having received payment of P40,000.00 from respondent Santos, and which testimonies were supported by the bank's records that did not reflect any entry at all of the said amount of P40,000.00.

The petition is devoid of merit.

The core issue in this appeal is whether or not the deed of sale of the vehicle to respondent Santos may be proved or altered by parol evidence under the Parol Evidence Rule.

In *De la Rama vs. Ledesma*,^[4] this Court held:

"It is a well accepted principle of law that evidence of a prior or contemporaneous verbal agreement is generally not admissible to vary, contradict or defeat the operation of a valid instrument. (*American Factors (Phil.) Inc. vs. Murphy Tire Corporation, et al.* [C.A.] 49 O.G. 189.)

"While parol evidence is admissible in a variety of ways to explain the meaning of written contracts, it cannot serve the purpose of incorporating into the contract additional contemporaneous conditions which are not mentioned at all in the writing, unless there has been fraud or mistake. (*Yu Tek & Co. v. Gonzales*, 29 Phil. 384.)"

We find merit in the private respondent's contention that petitioner failed to produce any instrument or written document which would prove that the deed of sale in question was only a security for the time deposit placements of respondent's relatives in the petitioner bank. The two (2) main witnesses for the petitioner, namely, Messrs. Eudela and Pangilinan, were not mere employees of the bank. They were bank officers; one being a lawyer (Pangilinan), and supposed to be steeped in legal and banking knowledge and practices. As such, they were expected to know the consequences of their act of signing a document which outrightly transferred ownership over the subject vehicle in favor of respondent Santos. They could have incorporated in the deed of sale (if such was the intention or agreement of the parties) a stipulation that transfer of ownership and registration of the vehicle in Santos' name were conditioned on the failure of his relatives to recover their time deposit placements in petitioner bank. No such stipulation was incorporated in the deed of sale which was an outright and unconditional transfer of ownership of the motor vehicle to respondent Santos.

Lastly, we see neither reason nor basis for resolving whether or not the deed of sale was duly notarized as this question is being raised in this appeal for the first time. It is settled doctrine that questions not raised in the lower court cannot be raised for the first time on appeal.[5]

WHEREFORE, the appealed decision is hereby **AFFIRMED** with costs against petitioner.

SO ORDERED.

Narvasa, C.J., (Chairman), Regalado, Nocon, and Puno, JJ., concur.

[1] Penned by Justice Jinal D. Rasul with the concurrence of Justices Santiago M. Kapunan and Oscar M. Herrera.

[2] Rollo, pp. 39-40

[3] Ibid., pp. 37-38

[4] G.R. No. L-28498, July 14, 1986, 143 SCRA 1

[5] Anchuelo vs. Intermediate Appellate Court, G.R. No. 71391, January 29, 1987, 147 SCRA 434

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