

**C. N. HODGES, PLAINTIFF AND APPELLEE, VS. WILLIAM REPOSPOIA,
ALEJANDRO REPOSPOLO AND ANDRES A. ARENGA, DEFENDANTS.
ANDRES A. ARENGA, DEFENDANT AND APPELLANT.**

G. R. No. 10873. April 16, 1958

Ponente: CONCEPCION, J.

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CONCEPCION, J.:

This is an appeal, taken by defendant Andres A. Arenga, from a decision of the Court of First Instance of Iloilo. The appeal was forwarded to this Court by the Court of Appeals, the jurisdiction of the lower court being questioned by said appellant.

It appears that on October 29, 1947, William and Alejandro Repospolo purchased from C. N. Hodges, in the City of Iloilo, a Chevrolet truck for P5,000, of which P1,500 was paid on said date. It was stipulated that the balance of P3,500 would be paid on instalments at the rate of P300 a month from November 1947, except the last instalment, which would be P200. The Repospolos executed the deed Exhibit A, which incorporated this agreement and provided, also, that the obligation would draw interest at the rate of 1 per cent a month and that, in case of default, they would pay the additional sum of P500, by way of attorneys' fees and cost of collection. To guarantee compliance with the obligation, William Repospolo constituted a chattel mortgage on said truck.

By September 7, 1948, the balance outstanding in favor of Hodges, after deducting the payments made by the Repospolos, was P1,810. On said date, William Repospolo sold the truck to Andres A. Arenga, Alfredo Suello and Mauricio La-anan for P1,000. One-half of this sum was then paid in cash. The buyers signed a promissory note for the balance, payable not later than December 31, 1948, and, to guarantee the same, a real estate belonging to Arenga was given "as security." The "Contract of Sale with Guaranty", Exhibit 3, executed for this purpose, in Dueñas, Iloilo, provided also:

"That the above described CHEVROLET truck has an outstanding obligation with C. N. Hodges, of the City of Iloilo, in the sum of ONE THOUSAND EIGHT HUNDRED TEN PESOS (P1,810), Philippine Currency, plus interest of 1 per centum per month as of 3 August 1948, which is hereby agreed by the parties that the Party of the Second Part shall assume full responsibility to said obligation by paying fully to said Mr. C. N. Hodges the monthly obligations until fully paid plus the interests due;

"That with this sale, the Party of the Second Part shall be the true and lawful owners of said truck and shall assume full control of the same subject, of course, to the rights of the said Mr. C N. Hodges until and after the obligations are fully paid."

Thereafter, said buyers and William Repospolo went to the City of Iloilo, and secured the approval of this transaction by Hodges. On this occasion, Andres A. Arenga signed at the foot of Exhibit A, the original contract between Hodges and the Repospolos. Moreover, Arenga's name was written on Exhibit 2—which is a page of the book of accounts of Hodges in connection with Exhibit A—in lieu of the name of William Repospolo, which originally appeared thereon and was then crossed out. Subsequently, Hodges received payments made by Arenga

aggregating P410, thereby leaving a balance of P1,400 due on the truck in question. In addition thereto, Arenga had, on several occasions, obtained from Hodges goods worth altogether P887.49. Neither sum having paid, on March 8, 1950, Hodges instituted the present action against William and Alejandro Repospolo and Andres A. Arenga to recover said sums of P1,400 and P887.49, plus P500, as attorneys' fees, and the costs. After due trial, the Court of First Instance of Iloilo rendered judgment sentencing Arenga to pay to Hodges said sums of P1,400, P500, and P887.49, with interest, at the rate of 1 per cent a month, from November 28, 1949 (date of the last payment made on account of the truck), as regards the first two (2) amounts, and from March 8, 1950, as to the last sum, and the costs, and dismissing the complaint insofar as the Repospolos are concerned, upon the ground that they had been substituted by Arenga as debtors to Hodges, with the latter's consent (expromission), and that the credit of Hodges against the Repospolos had been extinguished thereby. The issues raised by appellant Arenga are: (1) whether the lower court had jurisdiction over this case, and (2), whether he is liable for the amounts above mentioned.

With respect to the first question, Arenga maintains that this case was not within the jurisdiction of the lower court, because plaintiff Hodges alleged, in his complaint, three (3) causes of action: the first, for P1,400, plus P500, as attorneys' fees: the second, for P860; and the third, for P27.40. There is no merit in this pretense, for a court of first instance has original jurisdiction "in all cases in which the demand, exclusive of interest * * * amounts to more than Two Thousand Pesos." (Rep. Act No. 296, section 44 [c].) The demand, in the case at bar, is the sum total of the amount claimed in the three (3) causes of action—which is over P2,000—not in each cause of action, separately from the others. (Gutierrez vs. Ruiz, 94 Phil., 1024; 50 Off Gaz., 2480; Soriano vs. Omila, 97 Phil., 62; 51 Off. Gaz., [7], 3465.)

As regards the second question, appellant maintains that, under the contract of sale with guaranty, Exhibit 3, he had assumed, not alone, but together with Alfredo Suello and Mauricio La-anan, the obligation to pay to Hodges the sum of P1,810, plus interest, and no more; and that Exhibit 3 contains no stipulation relative to the payment of attorney's fees. However, Exhibit 3 specifically stipulates, that the buyers under said deed "shall be the true and lawful owners" of the truck in question "and shall assume control of the same, subject of course, to the rights of said Mr. C. N. Hodges," which rights are defined in Exhibit A, pursuant to which Hodges is entitled, in case of default, to attorneys' fees, with interest thereon. That Arenga had, likewise, agreed to, and did, assume this obligation is clearly evinced by the fact that he affixed his signature at the foot of said Exhibit A. Although Arenga declared that such was not his intention when he signed Exhibit A, the lower court evidently found such testimony unworthy of credence, and we find no reason to hold otherwise. On the contrary, considering that he is an ex-mayor of the municipality of Dueñas, it is inconceivable that he would have acted as he did without full knowledge of its implications.

Likewise, although, insofar as William Repospolo is concerned, the obligations of Arenga under Exhibit 3 were not exclusive, but joint with Alfredo Suello and Mauricio La-anan, the juridical relations between Arenga and Hodges are governed, also, by Exhibit A, not merely by inference from Exhibit 3, but, also, by direct agreement between both, resulting from the fact, among others, that Arenga had signed Exhibit A. Indeed, the property given as security in Exhibit 3 belonged exclusively to Arenga, although the principal obligation under said deed, was joint with Suello and La-anan, insofar as William Repospolo is concerned. At any rate, having signed Exhibit A, without the concurrence of Suello and La-anan, the necessary conclusion is that Arenga had agreed, insofar as Hodges is concerned, to assume the responsibility alone. This, of course, is without prejudice to such action, if any—on which we express no opinion—as Arenga may have against his co-buyers, Alfredo Suello and Maurieio La-anan.

Wherefore, the decision appealed from is hereby affirmed, with costs against appellant Andres A. Arenga. It is so

ordered.

Paras, C. J., Bengzon, Montemayor, Reyes, A., Bautista Angela, Labrador, Reyes, J.B.L., Endencia, and Felix, JJ.,
concur.

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