

EMMANUEL SAMALA, VIOLETA SAMALA AND HEIRS OF EMILIANO SAMALA, PETITIONERS, VS. COURT OF APPEALS, REGIONAL TRIAL COURT, BRANCH 154, PASIG CITY, METRO MANILA AND PILHINO SALES COR...

G.R. No. 130826. February 17, 2004

Ponente: AUSTRIA-MARTINEZ, J.

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AUSTRIA-MARTINEZ, J.:

Petitioners Emmanuel Samala, Violeta Samala and heirs of Emiliano Samala appeal through a petition for review on certiorari under Rule 45 of the Rules of Court from the Decision dated August 14, 1996[1] and the Resolution dated September 29, 1997,[2] rendered by the Court of Appeals in CA-G.R. CV No. 37951 entitled, “Pilhino Sales Corporation, Plaintiff-Appellee vs. Emmanuel Samala, et al., Defendants-Appellants.”

The facts of the case are as follows:

Pilhino Sales Corporation (Pilhino for brevity) is a domestic corporation engaged in the sale of trucks, buses and service vehicles, including spare parts thereof. Emmanuel, Violeta and Emiliano, all surnamed Samala, were Pilhino’s customers.

On November 28, 1981, Pilhino sold to Emmanuel two units of Hino trucks with the following descriptions:

- a) One unit Hino truck, Model RF 820 with Engine No. 88900 and Chassis No. RF 820-40461;
- b) One unit Hino truck, Model RF 820 with Engine No. 88902 and Chassis No. RF 820-40462.

at P444,162.00 per unit, or a total purchase price of P888,324.00 for the two units.[3] Pilhino and Emmanuel agreed that the total purchase price shall be paid on installment basis beginning with a down payment of P84,804.00. The remaining balance of P803,520.00, which was made payable in 36 monthly installments, was covered by two promissory notes executed jointly and severally by Emmanuel, Violeta and Emiliano.[4] To further secure the payment of the balance of the purchase price, the Samalas executed two contracts of chattel mortgage in favor of Pilhino.[5] The Samalas defaulted in the payment of their obligation prompting Pilhino to file an action against them.

In its complaint, Pilhino claims that the Samalas’ remaining unpaid obligation amounted to P250,115.43; that under the two chattel mortgage contracts executed by the Samalas, the collateral consisted of seven units of Hino trucks. Pilhino prays for the issuance of a writ of replevin for the seizure of the mortgaged units for foreclosure in its favor and, after hearing, to confirm said seizure, or, in the alternative, for the issuance of a judgment ordering the Samalas to pay the remaining balance of their obligation, with interest, damages, attorney’s fees, replevin bond premium and the costs of suit.

On September 6, 1985, the trial court issued an order granting Pilhino’s prayer for the issuance of a writ of seizure.[6] Subsequently, three trucks owned by petitioners were seized and placed in the possession of Pilhino.

On October 11, 1985, the Samalas filed an answer with counterclaim alleging that they did not really refuse to pay the balance of their obligation but were only asking for correct accounting of the payments already made, and that their obligation to Pilhino is less than P250,115.43. They also deny that they offered 7 units of Hino trucks as security for the payment of their obligation and that only the two units purchased on November 28, 1981 were offered as collateral. As counterclaim, the Samalas alleged that Pilhino, in collusion with two sheriffs, illegally seized a truck owned by the Samalas although said truck was not one of those mortgaged; that the said truck continued to be in the possession of Pilhino depriving the Samalas of the income that could have been derived by operating said vehicle. The Samalas then prayed for the return of the trucks that had been seized, for damages and for restitution of lost earnings.

After trial, the trial court rendered judgment on September 30, 1991, the dispositive portion of which reads:

WHEREFORE, [in] view of all foregoing, judgment is hereby rendered in favor of the plaintiff, confirming the possession of the three (3) trucks seized, namely:

- 1) One (1) unit Hino Truck with Engine No. 89263 and Chassis No. RF82040523 (Exhibit 15);
- 2) One (1) unit Hino Truck with Engine No. 88900 and Chassis No. RF82040461 (Exhibit 16);
- 3) One (1) unit Hino Truck with Engine No. 56807 and Chassis No. RF42040197 (Exhibit).

Without pronouncement as to the balance due considering the value of the above trucks which are more than sufficient to cover said balance, damages, interests and attorney's fees, without costs. The counterclaim of defendants are dismissed.

SO ORDERED.[7]

Aggrieved, the Samalas filed an appeal with the Court of Appeals. On August 14, 1996, the appellate court rendered the herein assailed decision affirming in toto the judgment of the trial court.[8] The Samalas filed a motion for reconsideration but the same was denied in a Resolution issued by the appellate court on September 29, 1997.[9]

Hence, herein petition raising the following issues:

1. HOW MANY TRUCKS WERE OFFERED AS COLLATERALS BY WAY OF CHATTEL MORTGAGE, WAS IT SEVEN (7) OR TWO (2) TRUCKS.
2. WAS THE SEIZURES OF THE TRUCK PREVIOUSLY RELEASE FROM CHATTEL MORTGAGE LEGALLY JUSTIFIED OR AUTHORIZED UNDER OUR JURISPRUDENCE ON THE MATTER. (SIC)
3. DID THE PRIVATE RESPONDENT PILHINO CONFISCATE ILLEGALLY THE THREE TRUCKS OF PETITIONERS.
4. ARE THE PETITIONERS ENTITLED TO DAMAGES FOR THE ILLEGAL SEIZURE OF THEIR TRUCKS BY THE RESPONDENT PILHINO.
5. IS IT ILLEGAL, GRANTING THE SEIZURE OF THREE (3) TRUCKS OF PETITIONERS MAY BE SUSTAINED, FOR RESPONDENT PILHINO TO CONDUCT A PRIVATE SALE OF THE SEIZED TRUCKS AND APPROPRIATED THE PROCEEDS THEREOF WITHOUT INFORMING PETITIONERS ABOUT THE SAME.[10]

The first and second issues require the determination of factual matters which is beyond the province of the Supreme Court.[11] It is settled that only questions of law are entertained in petitions for review on certiorari under Rule 45 of the Rules of Court.[12] The trial court's findings of fact, especially when affirmed by the Court

of Appeals, are generally binding and conclusive upon the Supreme Court.[13] It is true that there are recognized exceptions to this rule, among which are: (1) the conclusion is grounded on speculations, surmises or conjectures; (2) the inference is manifestly mistaken, absurd or impossible; (3) there is grave abuse of discretion; (4) the judgment is based on a misapprehension of facts; (5) the findings of fact are conflicting; (6) there is no citation of specific evidence on which the factual findings are based; (7) the finding of absence of facts is contradicted by the presence of evidence on record; (8) the findings of the CA are contrary to the findings of the trial court; (9) the CA manifestly overlooked certain relevant and undisputed facts that, if properly considered, would justify a different conclusion; (10) the findings of the CA are beyond the issues of the case; and, (11) such findings are contrary to the admissions of both parties;[14] but petitioners failed to show that any of the exceptions is present in the instant case to warrant a review of the findings of fact of the lower courts.

The decisions of both the trial court and the Court of Appeals are supported by competent evidence sustaining their findings that: petitioner offered seven of its trucks as collateral in the contracts of chattel mortgage it executed in favor of Pilhino;[15] the truck with Engine No. 56807 and Chassis No. RF-420-40197 was twice mortgaged;[16] the release of the said truck from chattel mortgage was only with respect to the mortgage executed on July 31, 1979; and, the said release did not affect the mortgage executed on November 28, 1981 over the same chattel.[17] Thus, we find no basis to disturb the factual findings of both the trial court and the Court of Appeals which are firmly anchored on sufficient and competent evidence.

As to the third and fourth issues, we find that the Court of Appeals did not err in affirming the ruling of the trial court which confirmed the legality of the seizure of petitioners' three trucks and Pilhino's subsequent possession of these trucks. As previously discussed, it was established by evidence that the three trucks that were seized were included as collateral in the chattel mortgage executed on November 28, 1981 by petitioners in favor of Pilhino. These trucks were seized by virtue of a writ of replevin validly issued by the trial court on September 6, 1985. Since the seizure of the subject trucks is valid and legal, petitioners are not entitled to damages on account of such seizure.

As to the fifth issue, petitioners claim that the legality of the private sale of the mortgaged trucks by Pilhino was one of the issues raised in their memorandum submitted to the trial court. However, as correctly found by the Court of Appeals, petitioners failed to present evidence before the trial court to support their allegation that Pilhino, in selling said mortgaged trucks, did not comply with the applicable provisions of Act 1508, otherwise known as the Chattel Mortgage Law. Records disclose that petitioners even failed to present competent proof to support their claim that Pilhino actually conveyed to third persons the mortgaged trucks in a private sale.

WHEREFORE, the instant petition is DENIED for lack of merit and the assailed Decision and Resolution of the Court of Appeals are AFFIRMED.

Costs against petitioners.

SO ORDERED.

Puno, (Chairman), Quisumbing, Callejo, Sr., and Tinga, JJ., concur.

[1] Penned by Justice Portia Aliño-Hormachuelos, concurred in by Justices Ramon A. Barcelona and Oswaldo D. Agcaoili.

[2] Rollo, p. 40.

[3] Exhibits "A" and "B", Folder of Exhibits.

- [4] Exhibits “C” and “D”, Folder of Exhibits.
- [5] Exhibits “E” and “F”, Folder of Exhibits.
- [6] Original Records, p. 37.
- [7] OR, pp. 300-301.
- [8] CA Rollo, pp. 43-47.
- [9] CA Rollo, p. 63.
- [10] Rollo, pp. 126-127.
- [11] Perez vs. Court of Appeals, 316 SCRA 43, 61 (1999).
- [12] Ibid.
- [13] Ibid.
- [14] Larena vs. Mapili, G.R. No. 146341, August 7, 2003.
- [15] Exhibits “E” and “F”, Folder of Exhibits.
- [16] Exhibit “E” and Exhibit “I-2”, Folder of Exhibits.
- [17] Exhibit “2-KK”, Folder of Exhibits.

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