

**SPOUSES MANUEL R. HANOPOL AND BEATRIZ T. HANOPOL,
PETITIONERS, VS. SHOEMART INCORPORATED, REPRESENTED BY
EXECUTIVE VICE PRESIDENT, SENEN T. MENDIOLA, RESPONDENT.**

G.R. No. 137774. October 04, 2002

Ponente: AUSTRIA-MARTINEZ, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/g-r-no-137774/>

AUSTRIA-MARTINEZ, J.:

Before us are consolidated petitions for review on certiorari filed under Rule 45 of the Rules of Court seeking to set aside the decisions of the Court of Appeals in CA-G.R. CV Nos. 45500[1] and 56691.[2]

Shoemart, Inc., is a corporation duly organized and existing under the laws of the Philippines engaged in the operation of department stores. On December 4, 1985, Shoemart, through its Executive Vice-President, Senen T. Mendiola, and spouses Manuel R. Hanopol and Beatriz T. Hanopol executed a Contract of Purchase on Credit.[3]

Under the terms of the contract, Shoemart extended credit accommodations, in the amount of Three Hundred Thousand Pesos (P300,000.00), for purchases on credit made by holders of SM Credit Card issued by spouses Hanopol for one year, renewable yearly thereafter.[4] Spouses Hanopol were given a five percent (5%) discount on all purchases made by their cardholders, deductible from the semi-monthly payments to be made to Shoemart by spouses Hanopol.[5]

In consideration of the credit accommodations, spouses Hanopol executed a Deed of Real Estate Mortgage in favor of Shoemart on their properties covered by TCT Nos. (S-60763) 15079-A and (S-60762) 15078-A, situated in Barrio San Dionisio, Municipality of Parañaque, Province of Rizal.[6]

For failure of spouses Hanopol to pay the principal amount of One Hundred Twenty-Four Thousand Five Hundred Seventy-One Pesos and Eighty-Nine Centavos (P124,571.89) as of October 6, 1987, Shoemart instituted extrajudicial foreclosure proceedings against the mortgaged properties.

On March 29, 1989, to enjoin Shoemart and the Sheriff from proceeding with the scheduled foreclosure sale on April 6, 1989, spouses Hanopol instituted Civil Case No. 89-48355 for breach of contract, refund, release/cancellation of real estate mortgage, damages with injunction before the Regional Trial Court of Manila.[7] Spouses Hanopol alleged that Shoemart breached the contract when the latter failed to furnish the former with the requisite documents by which the former's liability shall be determined, namely: charge invoices, purchase booklets and purchase journal, as provided in their contract; that without the requisite documents, spouses Hanopol had no way of knowing that, in fact, they had already paid, even overpaid, whatever they owed to Shoemart; that despite said breach, Shoemart even had the audacity to apply for extrajudicial foreclosure with the Sheriff.

On April 4, 1989, at the preliminary hearing for the petition for the issuance of a writ of preliminary injunction or restraining order, spouses Hanopol and Shoemart agreed to suspend the scheduled auction sale.[8]

On April 11, 1989, Shoemart filed its Answer with Counterclaim[9] denying the material allegations of the

complaint.

The trial court subsequently formed a Commission, composed of three (3) members, one representative from each party and Atty. Raymundo G. Vallega, the Branch Clerk of Court of Branch 25, RTC Manila, as Chairman of the Commission, for the accounting of each party's records of account with the corresponding receipts, charge invoices and other evidence of indebtedness or payment.[10]

The Report of the Chairman of the Commission dated January 7, 1991, reads in part:[11]

"That plaintiffs, thru their commissioner, submitted to the commission a total of 153 receipts and drawn checks. Twelve (12) of the drawn checks were reconciled by the commission, thru defendant's commissioner and both parties agreed. This leaves 141 official receipts with a total of P1,895,699.20 tending to prove that plaintiffs Hanopol had paid to Shoemart. This amount of P1,895,699.20 includes check AF/DA No. 91434, dated 9-11-87 in the amount of P50,000.00 which seems to cover O.R. No. 167729 which plaintiffs denied. Both parties failed to reconcile this check with O.R. No. 167729. In the event that check AF/DA No. 91434, dated 9-11-87 is covered by O.R. No. 167729, then plaintiffs' total payment to Shoemart is only P1,845,699.20. This is evidently shown in the Summary of Payments (Annexes "A" to "A-6") and the corresponding copies of the official receipts (Annexes "B" to "B-46" which is also marked as Annexes "C" to "C-46" of the memorandum/manifestation filed by the plaintiffs, dated November 12, 1990).

"Defendant, despite repeated plea of the undersigned Chairman, did not present or submit any proof of indebtedness or charge invoices for accounting purposes to support its position/claim, claiming that plaintiffs are now barred by estoppel and laches from demanding the charge invoices covering all their transactions with Shoemart, Inc. way back December 4, 1985 in pursuance of paragraph 6 of the contract on purchase on credit. Defendant's commissioner with the assistance of counsel merely submitted a statement of account (ledger consisting of 17 pages herein marked as Annexes "C" to "C-16").

"In effect, defendant Shoemart reiterated its position/claim in its answer with counterclaim that plaintiffs have still an outstanding obligation/indebtedness (to it) in the amount of P178,095.47 as of December 31, 1988 inclusive of penalty charges being collected from them (No. 10 of special and affirmative defenses, page 7 of answer with counterclaim)."

Thereafter trial on the merits ensued with plaintiffs presenting the lone testimony of Manuel Hanopol;[12] and defendant Shoemart presenting four (4) employees of Shoemart, namely, Antoinette P. Garcia, Credit Manager;[13] Consuelo Cadelina, Accountant Manager;[14] Atty. Epitacio B. Borcedes, Jr., Corporate Secretary;[15] and Mercedes M. Alonzo, Credit Officer.[16]

On March 21, 1994, the Regional Trial Court of Manila (Branch 25) rendered a Decision[17] in favor of spouses Hanopol, ordering Shoemart, as represented to by its Executive Vice-President, Senen T. Mendiola, to effect the cancellation of the real estate mortgage executed by spouses Hanopol in favor of Shoemart and refund the amount of Three Hundred Twenty-One Thousand Eight Hundred One Pesos and Two Centavos (P321,801.02) which represents overpayment, with interest at the legal rate from the time when the complaint was instituted on March 29, 1989 until full payment thereof. In addition, Shoemart was ordered to pay moral and exemplary damages in the amount of Thirty Thousand Pesos (P30,000.00), attorney's fees in the amount of Twenty Thousand Pesos (P20,000.00), and the actual costs and expenses of the suit.

Shoemart appealed the decision to the Court of Appeals which is docketed as CA-G.R. CV No. 45500. In a Decision[18] dated November 27, 1996, the appellate court reversed and set aside the lower court's decision and, in its stead, the real estate mortgage was reinstated and spouses Hanopol were ordered to pay Ten Thousand Pesos (P10,000.00) as attorney's fees.

Spouses Hanopol sought reconsideration of the decision. Pending its resolution, Shoemart, on January 31, 1997,

filed a petition for extrajudicial foreclosure of mortgage over the same properties with the office of Ex-Officio Sheriff of Parañaque. A foreclosure sale was set on March 4, 1997 at 10:00 a.m.

To enjoin the scheduled foreclosure, spouses Hanopol filed a petition for injunction with temporary restraining order and damages, docketed as Civil Case No. 97-059 in the Regional Trial Court of Parañaque (Branch 260).[19] Shoemart sought the dismissal of the same on grounds of *litis pendentia* and forum shopping.[20] The RTC of Parañaque issued a temporary restraining order enjoining the scheduled foreclosure sale.[21] Subsequently, however, in an Order[22] dated September 29, 1997, the RTC of Parañaque granted Shoemart's motion to dismiss. Spouses Hanopol appealed to the Court the Appeals which is docketed as CA-G.R. CV 56691.

On May 21, 1998, the Court of Appeals rendered an Amended Decision[23] in CA-G.R. CV No. 45500. It reconsidered its Decision dated November 27, 1996 and affirmed with modification the judgment of the trial court, setting the amount to be refunded or returned to spouses Hanopol at Seventy Thousand Seven Hundred Forty-Three Pesos (P70,743.00). On June 15, 1998, Shoemart filed a motion for reconsideration of the said Amended Decision.

On January 4, 1999, the Court of Appeals reconsidered its Amended Decision of May 21, 1998 and reinstated its Decision of November 27, 1996.[24] Spouses Hanopol sought reconsideration of said Resolution but the appellate court denied the same in its Resolution dated March 9, 1999. Hence, the petition for review on certiorari subject of G.R. No. 137774.

On December 29, 2000, the Court of Appeals rendered a Decision in CA-G.R. SP No. 56691, sustaining the Order of the RTC of Parañaque which dismissed Civil Case No. 97-059 on the grounds of *litis pendentia* and forum-shopping.[25] Spouses Hanopol sought reconsideration[26] but the appellate court in its Resolution dated May 23, 2001 denied the same.[27] Hence, the petition subject of G.R. No. 148185.

Upon motion of spouses Hanopol,[28] G.R. Nos. 137774 and 148185 were consolidated.[29]

In G.R. No. 137774, petitioners spouses Hanopol question the factual findings and conclusions of law of the Court of Appeals contending that: the appellate court made a serious misapprehension of facts; such findings are even conflicting and contrary to the findings of the trial court; the findings of credibility of a witness by the trial court cannot be overturned by the appellate court; the appellate court gravely erred when it did not consider the doctrine of estoppel against Shoemart on the report of the commission on accounting, referred to by adversarial counsel "as the best evidence"; and the appellate court misappreciated the evidentiary weight of the unsupported open-ended, forged so-called "ledger" which cannot overcome the validity and admissibility of primary evidence "composed of detailed statement of account and the official receipts of payment both issued by Shoemart and Sps. Hanopol".

In petitions for review, the jurisdiction of this Court in cases brought before it from the Court of Appeals is limited to reviewing questions of law which involves no examination of the probative value of the evidence presented by the litigants or any of them.[30] The Supreme Court is not a trier of facts; it is not our function to analyze or weigh evidence all over again. Accordingly, findings of fact of the appellate court are generally conclusive on the Supreme Court.

However, this rule is not without exceptions, to wit: (1) when the conclusion is a finding grounded entirely on speculations, surmises or conjectures; (2) when the inference made is manifestly mistaken, absurd or impossible; (3) when there is grave abuse of discretion; (4) when the judgment is based on a misapprehension of facts; (5) when the finding of fact are conflicting; (6) when the Court of Appeals, in making its findings, went beyond the issues of the case and the same is contrary to the admissions of both appellant and appellee; (7) when the findings

of the Court of Appeals are contrary to those of the trial court; (8) when the findings of fact are conclusions without citation of specific evidence on which they are based; (9) when the Court of Appeals manifestly overlooked certain relevant facts not disputed by the parties, which, if properly considered, would justify a different conclusion; and (10) when the findings of facts of the Court of Appeals are premised on the absence of evidence and are contradicted by the evidence on record.[31]

Petitioners submit that their case fall within the exceptions. A thorough dissection of the records, the transcripts of stenographic notes and the evidence adduced by each party leads us to the conclusion the extant evidence could not support a solid conclusion that there was overpayment to Shoemart by spouses Hanopol. Thus, we find that there is no reason to reverse the factual findings and conclusions of law of the appellate court.

In civil cases, the burden of proof to be established by preponderance of evidence is on the plaintiff who is the party asserting the affirmative of an issue. He has the burden of presenting evidence required to obtain a favorable judgment, and he, having the burden of proof, will be defeated if no evidence were given on either side.[32]

Petitioners claim overpayment to Shoemart. As such, they had the burden of proof. The following communications between the parties reveal a different picture of what actually transpired between them:

(a) Letter dated February 13, 1987 from Cesar S. Valdez, Credit Collection Manager, informing Beatriz Hanopol that the ten (10) checks she issued were returned unpaid for insufficient funds and advising her to make payments via Manager's Check to improve her payment record;[33]

(b) Letter dated March 23, 1987 from Antoinette P. Garcia informing Beatriz Hanopol that her checks were returned twice for insufficiency of funds and that she should make her payment via Manager's Check;[34]

(c) Letter dated May 30, 1987 from Antoinette P. Garcia informing Beatriz Hanopol of the approval of her repayment plan in connection with her past due accounts, and likewise informing her of the terms and conditions thereof;[35]

(d) Letter dated September 4, 1987 from Antoinette P. Garcia advising Beatriz Hanopol of her failure to comply with the terms and conditions of her repayment plan and demanding that she update her accounts with Shoemart;[36]

(e) Letter dated December 4, 1987, confirming Manuel Hanopol's commitment to submit to Shoemart a final payment proposal for his total past due obligations as of December 2, 1987.[37]

(f) Letter dated December 9, 1987 addressed to Cesar Valdez from Atty. Jose Torregozo, counsel for Manuel Hanopol, advising Shoemart that they will avail of the Banco de Oro (BDO) loan to pay their accountabilities instead of the repayment plan earlier proposed;[38]

(g) Memorandum dated December 14, 1987 from Antoinette Garcia addressed to BDO Manager Tessie Sy Coson seeking the approval of the BDO loan to be secured by Beatriz Hanopol to enable her to pay her principal obligation with Shoemart;[39]

(h) Letter dated February 2, 1988 addressed to Cesar Valdez from Elisa O. Go, Manager of Retail Banking Unit-Account Management Group, and Violeta V. Luym, Senior Vice-President of Marketing of Banco de Oro, informing Mr. Valdez that the executive committee of BDO has approved the proposed loan in favor of the spouses Hanopol;[40]

(i) Letter dated February 15, 1988 addressed to Wilhelmina Guico, Account Manager of Shoemart, from Manuel Hanopol requesting for copies of detailed products and items purchased by their credit cardholders in preparation for the signing of their loan with Banco de Oro;[41]

(j) Letter dated February 29, 1988 addressed to Beatriz Hanopol from Cesar Valdez formalizing the agreement

to provide the spouses Hanopol with copies of all charge invoices covering their principal indebtedness subject to the conditions that the invoices shall be released only after six (6) to twelve (12) months from the date of the letter and that spouses will shoulder the cost of retrieving the said invoices, inasmuch as the documents have long been stored in the warehouses together with the invoices of other cardholders/principals and the sorting process would require additional personnel;[42]

(k) Letter dated March 9, 1988 addressed to Cesar Valdez from Manuel Hanopol stating that he is not denying his responsibility with Shoemart, and explaining that he is requesting for copies of charge invoices of items purchased by his cardholders for the purpose of filing a legal action against his delinquent cardholders;[43]

(l) Letter dated March 25, 1988 addressed to Manuel Hanopol from Cesar Valdez explaining the discrepancy in the billings to the spouses Hanopol and informing him of the cost that will be incurred in retrieving the charge invoices which he requested;[44]

(m) Letter dated June 10, 1988 addressed to Atty. Borcelis from Manuel Hanopol stating that he needed the charge invoices for the purpose of filing legal action against his delinquent cardholders;[45]

(n) Letter dated June 30, 1988 addressed to Atty. Borcelis from Alipio Abrenica, counsel for the spouses Hanopol, stating that he needed the charge invoices requested to enable him to know how much worth of goods his cardholders purchased;[46]

(o) Letter dated October 19, 1988 addressed to Manuel Hanopol from Cesar Valdez asking the former to acknowledge receipt of all the SM charge invoices which were retrieved pursuant to his request covering the period from March 15, 1987 up to October 6, 1987;[47]

(p) Letter dated January 21, 1989 addressed to Atty. Borcelis from Atty. Yadao, counsel for the spouses Hanopol, informing Shoemart that they are interested in settling the account, except that the spouses Hanopol are out of town;[48]

(q) Letter dated February 16, 1989 addressed to Atty. Borcelis from Atty. Yadao requesting for more records to support of the total purchases of Mr. Hanopol's cardholders, this time, from December 4, 1985, when the spouses Hanopol became a guarantor of Shoemart, up to January 15, 1988;[49]

(r) Letter dated March 20, 1989 addressed to Atty. Borcelis from Atty. Yadao stating that they did not receive additional records of all purchases made by all their cardholders and demanding that the excess payments made by Mr. Hanopol be reimbursed, and demanding further, that all his collaterals be released."[50]

What is clear from the extant evidence is that in the year 1987 and early part of 1988, it was petitioner Beatriz T. Hanopol who was the party dealing with Shoemart. She was the one who applied as guarantor for credit cardholders with Shoemart,[51] received the documents relative to the account[52] and dealt with the payments of the account.[53] Verily, petitioner Beatriz T. Hanopol was the party most knowledgeable with the credit transactions of her cardholders and her obligations with Shoemart. Surprisingly, she was never presented as a witness to shed light into her transactions with Shoemart to bolster petitioners' claim against the latter.

Petitioner Manuel R. Hanopol, who was the only witness presented by petitioners, appears to have become involved personally only after the spouses already had problems settling their obligations. In a letter dated December 4, 1987 addressed to Manuel R. Hanopol, Antoinette P. Garcia, then Assistant Credit Manager of Shoemart, had confirmed the commitment of the former to submit a final payment proposal for total past due obligations.[54] Prior thereto, all communications were addressed solely to petitioner Beatriz T. Hanopol. When petitioner Manuel R. Hanopol started communicating with Shoemart, the latter never dealt with petitioner Beatriz T. Hanopol nor was anything heard from her again.

Furthermore, as to the allegation of the petitioners that Shoemart breached the contract when the latter failed to

furnish them with the requisite documents by which their liability may be determined, namely: charge invoices, purchase booklets and purchase journal, as provided in their contract — We have thoroughly perused the contract between the parties and found that nowhere is it stated therein that Shoemart is obliged to provide spouses Hanopol with charge invoices and purchase booklets. The contract simply provides for a provision relative to the Statement of Account, which reads:

“STATEMENT OF ACCOUNT. – A periodic statement of account due from the PRINCIPAL shall be prepared by SHOEMART which indicates the total amounts due from the PRINCIPAL.

“The PRINCIPAL, or his authorized representative, shall pick up the purchase journal of all purchases made from the 1[st] to the 15[th] day of the month on or before the 25[th] day of the same month, and for purchases made from the 16[th] to the last day of the month on or before the 10[th] day of the succeeding month from the office of SHOEMART at 400 C. Palanca Sr. Street, San Miguel, Manila, or at such other place that may later be designated by SHOEMART.

“Unless written exception is made by the PRINCIPAL on the correctness of the Statement of Account within three (3) days from receipt thereof, the correctness of the Statement of Account shall be considered conclusive against the principal”.^[55]

It is clear from the foregoing provision that spouses Hanopol had three (3) days to question the correctness of the Statement of Account and their failure to do so would render the Statement conclusive.

Likewise, a Memorandum dated October 30, 1984 advised all principals, such as petitioners, that if their cardholders should have any question about a particular charge invoice, the principal should advise Shoemart within three (3) months after the date of their transaction, otherwise, their queries may not be satisfied because all invoices will be stored only for three (3) months after which they shall be disposed of permanently.

Petitioners failed to explain their failure to question or take action regarding any discrepancies in the Statement of Account they received, doing so only when they had difficulty settling their account with Shoemart. They never raised their claim of overpayment throughout the entire duration of the contract.

In fact, in a letter dated March 9, 1988, petitioner Manuel R. Hanopol declared that they are not denying their liability as guarantor but merely requesting charge invoices for legal action they will take against delinquent cardholders.^[56] In subsequent letters, petitioners spouses Hanopol reiterated the purpose of their request for the charge invoices^[57] and that they intend to settle their account with Shoemart.^[58] Only when informed in the letter dated March 20, 1989^[59] of the impossibility of retrieving the charge invoices from December 4, 1985 up to January 15, 1988 (which petitioners had requested in a letter dated February 16, 1989^[60]) did petitioners first bring up the issue of overpayment. From the foregoing sequence of events, it can be fairly inferred that it was only then that petitioner Manuel R. Hanopol was emboldened to claim overpayment since Shoemart had no documents to refute the former’s claim.^[61]

By their silence and inaction, petitioners are deemed to have admitted the correctness of the Statement of Account of Shoemart. They are estopped from questioning the veracity of the same and claim overpayment. Shoemart has in its favor the presumption that acquiescence resulted from a belief that the thing acquiesced in was conformable to the law or fact.^[62]

Petitioners should not, after the opportunity to enjoy the benefits of the contract with Shoemart, be allowed to later disown the arrangement with belated allegations of overpayment when the terms thereof ultimately would prove to operate against their hopeful expectations.

The principle of estoppel in pais applies wherein when one, by his acts, representations or admissions, or by his

own silence when he ought to speak out, intentionally or through culpable negligence, induces another to believe certain facts to exist and such other rightfully relies and acts on such belief, so that he will be prejudiced if the former is permitted to deny the existence of such facts.[63]

Contrary to the claim of petitioners, the doctrine of estoppel cannot be applied to Shoemart with respect to the Report of the Chairman of the Commission on the accounting aspect which its own counsel considered “as the best evidence.” Such statement was taken out of context. The respondents’ counsel merely submitted that the Report of the Commission should be read as it is. Indeed, such declaration must be interpreted together with the contents of the Report itself. The Report simply states the details of the hearing conducted by the Commission and its failure to reach a conclusion on the accounting aspect of the case.[64]

All the foregoing considered, we need not delve further on the proposition of petitioners that the “unsupported open-ended, forged so-called ‘ledger’” cannot overcome the validity and admissibility of their primary evidence “composed of detailed statement of account and the official receipts of payment both issued by them and Shoemart.

As the burden of proof fell upon them, petitioners must rely upon the strength of their own evidence and not upon the weakness of Shoemart’s defense.

Ultimately, spouses Hanopol failed to rebut two (2) presumptions Shoemart had in its favor, to wit: (a) that private transactions have been fair and regular, and, (b) that the ordinary course of business had been followed.[65] We opine and so hold that the claim of overpayment was voiced out more as an afterthought, with no purpose other than to thwart Shoemart’s claim against them for payment of their outstanding account and to forestall the extrajudicial foreclosure of the real estate mortgage.

We come now to the matters raised in G.R. No. 148185. Petitioners take exception from the decision of the Court of Appeals sustaining the Order dated September 29, 1997 of the RTC of Parañaque to dismiss the complaint for injunction with damages on the grounds of *litis pendentia* and *forum-shopping*, ascribing to the appellate court bias and prejudiced attitude and grave abuse of discretion amounting to lack or excess of jurisdiction. They contend that Shoemart acted with manifest bad faith in pursuing with the foreclosure and auction sale of the property of spouses Hanopol, and, accordingly, should be held liable for damages.

We are not convinced. We find no reversible error in the decision of the Court of Appeals in CA-G.R. CV 56691 sustaining the Order dated September 29, 1997 of the Regional Trial Court of Parañaque which dismissed Civil Case No. 97-059 on the ground of *litis pendentia* and *forum shopping*.

All the three (3) elements for *litis pendentia* as a ground for dismissal of an action are present, namely: (a) identity of parties, or at least such parties who represent the same interest in both actions; (b) identity of rights asserted and relief prayed for, the relief being founded on the same facts; and (c) the identity, with respect to the two (2) preceding particulars in the two (2) cases, in such that any judgment that may be rendered in the pending case, regardless of which party is successful, would amount to *res judicata* in the other.[66]

In the case at bench, the parties are the same; the relief sought in the case before the Court of Appeals and the trial court are the same, that is, to permanently enjoin the foreclosure of the real estate mortgage executed by spouses Hanopol in favor of Shoemart; and, both are premised on the same facts. The judgment of the Court of Appeals would constitute a bar to the suit before the trial court.

It has been held that where a litigant sues the same party against whom the same action, or actions, for the alleged violation of the same right, and the enforcement of the same relief is/are still pending, the defense of *litis pendentia* in one case is a bar to the other, and a final judgment in one would constitute *res judicata* and thus,

would cause the dismissal of the rest.[67] Spouses Hanopol may not simply ignore a prior action and bring a second, independent action on the same set of facts while the original action is pending.

Inasmuch as the elements of *litis pendentia* are present, forum shopping exists. Forum shopping is the institution of two (2) or more actions or proceedings on the same cause on the supposition that either one or the other court would make a favorable disposition.[68] A party is not permitted to pursue simultaneous remedies in two (2) different courts. This is a practice which ridicules the judicial process, plays havoc with the rules on orderly procedure, and is vexatious and unfair to the other parties to the case.[69]

Considering that spouses Hanopol had a pending motion for reconsideration before the Court of Appeals in CA-G.R. CV No. 45500 relating to the foreclosure proceedings of the real estate mortgage executed by the spouses Hanopol in favor of Shoemart, said spouses Hanopol should have raised the issue of Shoemart's alleged manifest bad faith in pursuing with the foreclosure sale and directed their motion for an injunctive order in the appellate court which still had jurisdiction over the case and the subject matter thereof.

Lastly, the allegation of bias and prejudiced attitude on the part of the appellate court is bereft of proof. Partiality and bad faith cannot be presumed but must be proved by clear and convincing evidence.[70] Thus, the appellate court is presumed to have acted regularly and with impartiality.

In sum, we find that the Court of Appeals committed no reversible error in issuing the Decisions in CA-G.R. CV Nos. 45500 and 56691.

WHEREFORE, the consolidated petitions are hereby DENIED. The assailed Decisions of the Court of Appeals in CA-G.R. CV Nos. 45500 and 56691 are AFFIRMED. No pronouncement as to costs.

SO ORDERED.

Bellosillo, Acting C.J. (Chairman), Quisumbing, and Callejo, Sr., JJ., concur.
Mendoza, J., on official leave.

[1] Penned by Associate Justice Portia Aliño-Hormachuelos and concurred in by Associate Justices Minerva P. Gonzaga-Reyes and Ramon U. Mabutas, Jr., Tenth Division, Rollo of G.R. No. 137774, pp. 107-119.

[2] Penned by Associate Justice Eriberto U. Rosario, Jr. and concurred in by Associate Justices Ramon Mabutas, Jr. and Roberto A. Barrios, Eight Division, Rollo of G.R. No. 148185, pp. 25-32.

[3] Original Records, pp. 16-23.

[4] Original Records, p. 16.

[5] Original Records, p. 19.

[6] Original Records, pp. 24-34.

[7] Entitled "Spouses Manuel R. Hanopol & Beatriz T. Hanopol v. Shoemart, Incorporated, represented by Executive Vice President, Senen T. Mendiola; The Sheriff of the Regional Trial Court, Makati, Metro Manila, represented by Bernardo J. San Juan, Deputy Sheriff in Charge", Original Records, pp. 1-15.

[8] Original Records, p. 78.

[9] Original Records, pp. 84-93.

- [10] Original Records, pp. 255 and 261.
- [11] Original Records, pp. 776-777.
- [12] TSNs, October 15 and 18, 1991.
- [13] TSNs, December 4, 1991, July 16, 1992, September 4 and 11, 1992.
- [14] TSN, October 16, 1992.
- [15] TSN, November 19, 1992, pp. 1-26.
- [16] TSN, November 19, 1992, pp. 26-32.
- [17] Penned by Judge Leonardo I. Cruz, Rollo of G.R. No. 137774, pp. 9-16.
- [18] See Note No. 1.
- [19] Entitled “Sps. Manuel R. Hanopol and Beatriz T. Hanopol vs. Shoemart, Inc., represented by Senen T. Mendiola, The Sheriff of the Regional Trial Court, Parañaque, Metro Manila, represented by Benedicto Hebron, Deputy Sheriff”, Rollo of G.R. No. 148185, pp. 45-59.
- [20] Rollo of G.R. No. 148185, pp. 62-65.
- [21] Rollo of G.R. No. 148185, p. 60.
- [22] Penned by Judge Helen Bautista Ricafort, Rollo of G.R. No. 148185, pp. 39-40.
- [23] Rollo of G.R. No. 137774, pp. 121-130.
- [24] Rollo of G.R. No. 137774, pp. 133-138.
- [25] See Note No. 2.
- [26] Rollo of G.R. No. 148185, pp. 66-74.
- [27] Rollo of G.R. No. 148185, pp. 35-36.
- [28] Rollo of G.R. No. 148185, pp. 80-83.
- [29] Rollo of G.R. No. 137774, pp. 293-294; Rollo of G.R. No. 148185, pp. 90-91.
- [30] Section 1, Rule 45, 1997 Rules of Civil Procedure; *Ayala Corporation v. Ray Burton Development Corporation*, 294 SCRA 48, 60 [1998]; *Fuentes v. Court of Appeals*, 268 SCRA 703, 708 [1997]; *Misa v. Court of Appeals*, 212 SCRA 217, 221 [1992]; *Remalante v. Tibe*, 158 SCRA 138, 144 [1988]. See also *China Road and Bridge Corporation v. Court of Appeals*, 348 SCRA 401, 408 [2000].
- [31] *Cordial v. Miranda*, 348 SCRA 158, 166-167 [2000]; *Langkaan Realty Development, Inc. v. United Coconut Planters Bank*, 347 SCRA 542, 549 [2000]; *Commissioner of Internal Revenue v. Embroidery and Garments Industries [Phils.], Inc.* 305 SCRA 70, 74-75 [1999]; *Fule v. Court of Appeals*, 286 SCRA 698, 710 [1998]; *Halili v. Court of Appeals*, 287 SCRA 465, 470 [1998]; *Golangco v. Court of Appeals*, 283 SCRA 493, 503 [1997]; *Fuentes v. Court of Appeals*, *supra.* at 709; *Misa v. Court of Appeals*, *supra.* at 221-222 [1992]; *Remalante v. Tibe*, *supra.* at 145; *Ramos, et al. v. Pepsi-Cola Bottling Co. of the P.I., et al.*, 19 SCRA 289, 291-292 [1967].
- [32] *Borlongan v. Madrideo*, 323 SCRA 248, 255 [2000] citing *New Testament Church of God v. Court of Appeals*, 246 SCRA 266, 269 [1996]; *Republic v. Court of Appeals*, 204 SCRA 160, 168 [1991]; *Trans-Pacific Industrial Supplies, Inc. v. Court of Appeals*, 235 SCRA 494, 502 [1994]; *Geraldez v. Court of Appeals*, 230

SCRA 320, 330 [1994]; Republic v. Court of Appeals, 182 SCRA 290, 310 [1990]; and, Summa Insurance Corporation v. Court of Appeals, 253 SCRA 175, 185 [1996].

[33] Original Records, Exhibit “4”, p. 560.

[34] Original Records, Exhibit “5”, p. 561.

[35] Original Records, Exhibit “6”, p. 562.

[36] Original Records, Exhibit “7”, p. 564.

[37] Original Records, Exhibit “8”, p. 566.

[38] Original Records, Exhibit “9”, p. 567.

[39] Original Records, Exhibit “10”, p. 568.

[40] Original Records, Exhibit “11”, pp. 569-570.

[41] Original Records, Exhibit “12”, p. 571.

[42] Original Records, Exhibit “13”, p. 572.

[43] Original Records, Exhibit “14”, p. 573.

[44] Original Records, Exhibit “15”, pp. 579-582.

[45] Original Records, Exhibit “16”, p. 583.

[46] Original Records, Exhibit “17”, p. 585.

[47] Original Records, Exhibit “18”, p. 587.

[48] Original Records, Exhibit “19”, p. 597.

[49] Original Records, Exhibit “20”, p. 598.

[50] Original Records, Exhibit “21”, p. 599.

[51] TSN, October 15, 1991, p. 4.

[52] Her authorized representatives to receive documents were Alexander Hanopol, Imelda Hanopol, and Carmelita Balter, Original Records, p. 635.

[53] TSN, December 4, 1991, p. 20.

[54] Original Records, Exhibit “8”, p. 566.

[55] Italics supplied, Original Records, p. 19.

[56] Original Records, Exhibit “14”, p. 573.

[57] Original Records, Exhibit “17”, p. 585.

[58] Original Records, Exhibit “19”, p. 597.

[59] Original Records, Exhibit “20”, p. 599.

[60] Original Records, Exhibit “21”, p. 598.

[61] See TSNs, October 15, 1991, pp. 33-34 and October 18, 1991, p. 98.

[62] Section 3 (x), Rule 131, Revised Rules of Court.

[63] *Salvador v. Ortoll*, 343 SCRA 658, 667 [2000], citing *Roblett Industrial Construction Corp. v. Court of Appeals*, 266 SCRA 71, 76 [1997]; *Development Bank of the Philippines*, 331 SCRA 267, 292 [2000]; *Ibaan Rural Bank, Inc. v. Court of Appeals*, 321 SCRA 88 [1999]; *Philippine National Bank v. Court of Appeals*, 315 SCRA 309 [1999]; *Philippine National Construction Corporation v. National Labor Relations Commission*, 307 SCRA 218 [1999]; *Ochagabia v. Court of Appeals*, 304 SCRA 587 [1999].

[64] See Note No. 11, *supra*.

[65] Section 3 (p) and (q), Rule 131, Revised Rules of Court.

[66] *Compania General de Tabacos de Filipinas, et al. v. The Court of Appeals, et al.*, G.R. No. 130326, and *Fieldman Agricultural Trading Corporation, et al. v. Hon. Court of Appeals, et al.* G.R. No. 137868, November 29, 2001, p. 19, citing *Ayala Land, Inc. v. Valisno*, 324 SCRA 522, 531 [2000]; *Philippine Woman's Christian Temperance Union, Inc. v. Abiertas House of Friendship, Inc.*, 292 SCRA 785, 791 [1998]; *Investors' Finance Corporation v. Ebarle*, 163 SCRA 60, 66-67 [1988].

[67] *Quinsay v. Court of Appeals*, 339 SCRA 429, 432-433 [2000], citing *First Philippine International Bank v. Court of Appeals*, 252 SCRA 259, 284 [1996].

[68] *Alejandrino v. Court of Appeals*, 295 SCRA 536, 554 [1998]; *Philippine Woman's Christian Temperance Union, Inc. v. Abiertas House of Friendship, Inc.*, *supra*. at 794.

[69] *Heirs of Victorina Motus Peñaverde v. Heirs of Mariano Peñaverde*, 344 SCRA 69, 75 [2000], citing *Gatmaytan v. Court of Appeals*, 267 SCRA 487 [1997]; *Benguet Electric Coop., Inc. v. National Electrification Administration*, 193 SCRA 250 [1991]; and, *Minister of Natural Resources, et al v. Heirs of Orval Hughes, et al.*, 155 SCRA 566 [1987].

[70] *Cacayoren v. Suller*, 344 SCRA 159, 165 [2000], citing *Zamudio v. Peñas, Jr.*, 286 SCRA 367 [1998] and *Abad v. Belen*, 240 SCRA 733 [1995].

ABOUT BATAS.ORG

Study smarter at BATAS.org

The Philippine bar review and law-school companion built around how your brain actually remembers.

The complete Philippine law library - free for everyone.

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

Audio case-brief lectures.

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

Bar review built on the science of memory.

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

The full law-school curriculum.

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

Mock exams that tell you where you stand.

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

A study planner that keeps you on pace.

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

Start free at <https://batas.org>

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.