

NATIONAL DEVELOPMENT COMPANY, PETITIONER, VS. MADRIGAL WAN HAI LINES CORPORATION, RESPONDENT.

G.R. No. 148332. September 30, 2003

Ponente: SANDOVAL-GUTIERREZ, J.

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SANDOVAL-GUTIERREZ, J.:

Before us is a petition for review on certiorari[1] assailing the Decision of the Court of Appeals dated May 21, 2001 in CA-G.R. CV No. 66026, affirming with modification the Decision dated August 6, 1999 of the Regional Trial Court, Branch 62, Makati City, in Civil Case No. 96-558 for sum of money and damages.

The factual antecedents are:

The National Development Company, petitioner, is a government-owned and controlled corporation created and existing under Commonwealth Act No. 182, as amended by Presidential Decree No. 1648. The National Shipping Corporation of the Philippines (NSCP) is a wholly-owned subsidiary of petitioner offering shipping services for containerized cargo between the Far East ports and the U.S. West Coast.[2]

On March 1, 1993, petitioner's Board of Directors approved the privatization plan of the NSCP.[3] In May 1993, the Board offered for sale to the public its one hundred percent (100%) stock ownership in NSCP worth P150,000.00, as well as its three (3) ocean-going vessels (M/V National Honor, M/V National Pride and M/V National Dignity).[4]

Consequently, petitioner released to the public an Information Package[5] containing NSCP's background, assets, operational and financial status. Attached thereto is NSCP's Financial Statements covering the period from December 1990 up to 1992.

The Information Package likewise contained the Negotiated Sale Guidelines which embodied the terms and conditions of the proposed sale. Attached thereto is a Proposal Letter Form[6] wherein bidders were advised to submit their bids to be specified in the same form. Petitioner's desired price for the NSCP shares of stock and the vessels was Twenty-Six Million Seven Hundred Fifty Thousand US Dollars (\$26,750,000.00).[7]

During the public bidding on May 7, 1993, the lone bidder was herein respondent, Madrigal Wan Hai Lines Corporation, a domestic private corporation duly organized and existing under the Philippine laws with principal office in Manila. Mr. Willie J. Uy, respondent's Consultant, submitted a bid of \$15 million through the Proposal Letter Form.[8]

The respondent's bid was rejected by petitioner and the Commission on Audit.

But since there was no other bidder, petitioner entered into a negotiated sale with respondent.[9] After several negotiations, respondent increased its offer to \$18.5 million which was accepted by petitioner. The negotiated sale was then approved by petitioner's Board of Directors on August 26, 1993, the President of the Philippines on September 28, 1993, the Committee on Privatization on October 7, 1993, and the Commission on Audit on

February 2, 1994.[10]

Accordingly, on February 11, 1994, petitioner issued a Notice of Award to respondent of the sale of the NSCP shares and vessels for \$18.5 million.[11] On March 14, 1994, petitioner and respondent executed the corresponding Contract of Sale,[12] and the latter acquired NSCP, its assets, personnel, records and its three (3) vessels.[13]

On September 22, 1994, respondent was surprised to receive from the US Department of Treasury, Internal Revenue Service (US IRS), a Notice of Final Assessment against NSCP for deficiency taxes on gross transportation income derived from US sources for the years ending 1990, 1991 and 1992.[14] The tax assessment was based on Section 887 of the US Internal Revenue Code imposing a 4% tax on gross transportation income of any foreign corporation derived from US sources.[15]

Anxious that the delay in the payment of the deficiency taxes may hamper its shipping operations overseas, respondent, on October 14, 1994, assumed and paid petitioner's tax liabilities, including the tax due for the year 1993, in the total amount of \$671,653.00. These taxes were incurred prior to respondent's take-over of NSCP's management.[16] Respondent likewise paid the additional amount of \$16,533.10 as penalty for late payment.[17]

Eventually, respondent demanded from petitioner reimbursement for the amounts it paid to the US IRS. But petitioner refused despite repeated demands. Hence, on March 20, 1996, respondent filed with the Regional Trial Court (RTC), Branch 62, Makati City a complaint[18] against petitioner for reimbursement and damages, docketed as Civil Case No. 96-558.

On August 6, 1999, the RTC rendered a Decision[19] in favor of respondent and against petitioner. The trial court found, among others, that even before the sale, petitioner knew that NSCP had tax liabilities with the US IRS, yet it did not inform respondent about it. The dispositive portion of the RTC Decision reads:

"WHEREFORE, premises considered, judgment is hereby rendered as follows:

(1) defendant (now petitioner) to pay plaintiff (now respondent), to wit:

- US \$671,653, US \$14,415.87, and US \$2,117.23 or their peso equivalent at the time of payment;
- 6% interest of the above-mentioned amounts per annum from the time of the filing of the complaint until the same shall have been fully paid;
- P100,000.00 as exemplary damages;
- P100,000.00 as attorney's fees;

(2) The Counterclaims of the defendant dated August 20, 1996 is DISMISSED."[20]

Upon appeal, the Court of Appeals rendered a Decision[21] on May 21, 2001 affirming the trial court's judgment with modification, thus:

"WHEREFORE, upon the premises, the Decision appealed from is AFFIRMED with the MODIFICATION that the award of exemplary damages is DELETED and the award of attorney's fees is REDUCED to P20,000.00.

"SO ORDERED."[22]

The Court of Appeals held:

"We concur with the trial court in ordering defendant-appellant (now petitioner) to reimburse plaintiff-appellee (now respondent) the deficiency taxes it paid to the US IRS, and quote with favor its well-written ratiocination

as follows:

`In its effort to extricate itself from liability, defendant further argues that the sale with the plaintiff was on `CASH, AS-WHERE-IS' basis and that plaintiff, as an offeror, was responsible for informing itself with respect to any and all conditions regarding the NSCP shares and vessels which may in any manner affect the offer price or the nature of offeror's proposal (Exhs. 8, 8-A to A-B).

`The above-mentioned contracts form part of the NSCP's Negotiated Sale Guidelines dated March 1993 prepared by NSCP and required by NDC (now petitioner) to be attached with the Proposal Letter Form, which was also prepared by NSCP, and submitted to NDC by bidders. These contracts are ready-made form of contracts, the preparation of which was left entirely to the NSCP. Their nature is that of a contract of adhesion. A contract of adhesion may be struck down as void and unenforceable, for being subversive of public policy, when the weaker party is imposed upon in dealing with the dominant bargaining party and is reduced to the alternative of taking it or leaving it, completely deprived of the opportunity to bargain on equal footing (Saludo, Jr. vs. Court of Appeals, 207 SCRA 498 [1992]). In the case at bar, the acceptance of the Negotiated Sale Guidelines and submission thereof together with the Proposal Letter Form by a prospective buyer is a required formality of the bidding. Under the circumstance, the plaintiff, in taking such contracts, may not be deemed to have been given the opportunity to bargain on equal footing.'"[23]

Petitioner now comes to us via the instant petition, ascribing to the Court of Appeals the following error:

"THE COURT OF APPEALS ERRED IN CONCURRING WITH THE TRIAL COURT IN ORDERING HEREIN PETITIONER TO REIMBURSE RESPONDENT THE DEFICIENCY TAXES IT PAID TO THE US IRS."[24]

Petitioner contends that contrary to the findings of both lower courts, the Negotiated Sale Guidelines and the Proposal Letter Form are mere invitations to bid. As such, they are not contracts and should be treated as mere offer or proposal to prospective buyers of the NSCP shares and marine vessels.[25]

Petitioner further stresses that the sale was on an "AS IS, WHERE IS" basis.[26] By accepting the terms and conditions of the sale, respondent, in effect, accepted the risk of an "AS IS, WHERE IS" arrangement wherein the latter is charged with caution under the principle of caveat emptor.[27] Pursuant to the Negotiated Sale Guidelines and the Proposal Letter Form, respondent should have apprised itself of the financial status and liabilities of NSCP and its marine vessels. Therefore, for its predicament, respondent should not fault petitioner.[28]

For its part, respondent maintains that the Court of Appeals did not commit any error in its challenged Decision. The Negotiated Sale Guidelines and the Proposal Letter Form constitute a contract of adhesion because the buyer was required to submit its bid through a pro-forma proposal letter.[29] The offer to bidders was on a "take it, or leave it" basis, leaving no room for argument or negotiation, except as to the price.[30] Being a contract of adhesion, it should be strictly construed against the seller, herein petitioner.[31]

Respondent also contends that under Articles 19,[32] 20[33] and 21[34] of the Civil Code, petitioner had then the legal duty to disclose its tax liabilities. Records show that respondent repeatedly inquired from petitioner about such matter.[35] Instead of telling the truth, petitioner made several assurances that the NSCP was a clean, lien-free going concern and profitable entity.[36] In fact, under Section 7.01 of the Negotiated Sale Guidelines, petitioner made a warranty against any lien or encumbrance.[37]

In this petition, the issues for our resolution are:

- (1) Whether the Negotiated Sale Guidelines and the Proposal Letter Form constitute a contract of adhesion; and
- (2) Whether petitioner is legally bound to reimburse respondent for the amounts it paid corresponding to the

former's tax liabilities to the US IRS.

On the first issue, we agree with both lower courts that the Negotiated Sale Guidelines and the Proposal Letter Form constitute a contract of adhesion.

A contract of adhesion is one in which one of the parties imposes a ready-made form of contract, which the other party may accept or reject, but which the latter cannot modify. In other words, in such contract, the terms therein are fixed by one party, and the other party has merely "to take it, or leave it." [38] Thus, it can be struck down as void and unenforceable for being subversive of public policy, especially when the will of the dominant party is imposed upon the weaker party and the latter is denied the opportunity to bargain on equal footing. [39]

It must be stressed, however, that contracts of adhesion are not strictly against the law. In *Ong Yiu vs. Court of Appeals* [40] and *Pan American World Airways, Inc. vs. Intermediate Appellate Court*, [41] we held that contracts of adhesion – wherein one party imposes a ready-made form of contract on the other – are not entirely prohibited. The other party is free to reject it entirely; if he adheres, he gives his consent.

Nevertheless, the inequality of bargaining positions and the resulting impairment of the other party's freedom to contract necessarily call upon us to exercise our mandate as a court of justice and equity. Indeed, we have ruled that contracts of such nature "obviously call for greater strictness and vigilance on the part of the courts of justice with a view to protecting the weaker party from abuses and imposition and prevent their becoming traps for the unwary." [42]

In the case at bar, the Negotiated Sale Guidelines and Proposal Letter Form fit the characteristics of a contract of adhesion. On their very face, these documents show that petitioner NDC had control over the terms and conditions of the sale. The Negotiated Sale Guidelines provides:

"4.0 PREPARATION OF OFFERS

4.01

Offerors shall use the 'Proposal Letter Form for Sale of NSCP and Vessels' provided herein.

4.02

All offers should be accompanied by: x x x (b) the Negotiated Sale Guidelines duly signed by the offeror or authorized representative in every page thereof x x x.

x x x x x x x x

14.0 OTHER PROVISIONS

14.01

NDC and APT reserve the right in their discretion to reject any and all offers, to waive any formality therein and of these guidelines, and to consider only such offer as may be advantageous to the National Government.

NDC and APT may, at their discretion require additional information and/or documents from any offeror.

14.02

NDC and APT reserve the right to amend the Guidelines prior to the submission of offers x x x.

x x x x x x x x

14.05

Violation of any of these terms and conditions shall cause the cancellation of the award and the automatic forfeiture of the deposit."^[43] (Underscoring ours)

The Proposal Letter Form provides that the bidder is bound by the Negotiated Sale Guidelines, thus:

"It is understood that:

- We accept and undertake without any reservations whatsoever that, if this offer to purchase the vessels and NSCP shares is accepted, we shall be subjected to all the terms and conditions issued by the NDC and APT including those outlined in the March, 1993 Information Memorandum and the Negotiated Sale Guidelines for the sale of NSCP and the three vessels.

x x x x x x x x

- We represent and warrant that: (i) we have examined and understood the Information Package, (ii) we accept the conditions of the March, 1993 Negotiated Sale Guidelines, including the right of NDC and APT to reject any and all offers without thereby creating any liability in our favor x x x."^[44] (Underscoring ours)

Clearly, respondent had hardly any say in the terms and conditions expressed in the Negotiated Sale Guidelines. Other than the price of the offer, respondent was left with little or no alternative at all but to comply with its terms. Thus, the trial court correctly found:

"The above-mentioned contracts form part of NSCP's Negotiated Sale Guidelines dated March 1993 prepared by NSCP and required by NDC to be attached with the Proposal Letter Form, which was also prepared by NSCP, and submitted to NDC by bidders. These contracts are ready-made form of contracts, the preparation of which was left entirely to the NSCP. Their nature is that of a contract of adhesion. x x x. In the case at bar, the acceptance of the Negotiated Sale Guidelines and submission thereof together with the Proposal Letter Form by a prospective buyer is a required formality of the bidding. Under this circumstance, the plaintiff, in taking such contracts, may not be deemed to have been given the opportunity to bargain on equal footing."^[45] (Underscoring ours)

Being a contract of adhesion, we reiterate that it is our duty to apply a strict construction of its terms upon the party who made the same^[46] and to construe any ambiguity in such contract against its author.^[47] It is public policy to protect a party (herein respondent) against oppressive and onerous conditions.^[48]

We are not impressed by petitioner's argument that the Negotiated Sale Guidelines was a mere "invitation to bid."^[49] On the contrary, the Contract of Sale itself provides that it is an integral part or "applicable to this Contract," thus:

"8. All of the terms and conditions of (a) the March 1993 NDC Information Memorandum and Negotiated Sale

Guidelines, including the amendments thereto, more particularly those contained in NDC's letter to A. P. Madrigal Steamship Co. Inc. dated May 4, 1993, and (b) the Notice of Award dated February 11, 1993 are hereby incorporated herein by reference and shall insofar as they are not inconsistent with the terms and conditions hereof, be applicable to this Contract."[50] (Underscoring ours)

We now determine whether petitioner is obliged under the law and the contract to reimburse respondent for the amounts it paid corresponding to the former's US tax liabilities. We quote with approval the trial court's findings affirmed by the Court of Appeals, thus:

"From the foregoing facts, there is no doubt that during the negotiation for the sale of defendant's (now petitioner's) shares of stocks and three (3) ocean-going vessels, NSCP was already aware of an impending assessment by the US government on NSCP's gross transportation income derived from US sources. The exchanges of communications (Exhibits D, E, F, G, H and I) between NSCP and US IRS are glaring proof of NSCP's prior knowledge of a possible assessment or additional taxes. Moreover, in the Partial Printout of NSCP's Unaudited Financial Statements for the Year ending December 31, 1993 (Exhibit V), NSCP made provisions for US taxes as follows: for the year ending 1993, US \$3,919,018.81 (Exh. V-2), and for the years ending 1990-1992, US \$11,736,192.64 (Exh. V-3). Exhibit V is a clear indication that, indeed, NSCP had prior knowledge of such deficiency taxes, and in fact, recognized the same even though there was no final assessment yet from the US IRS.[51]

x x x x x x x x

"The Partial Printout of NSCP's Unaudited Financial Statements for the Year ending December 1993 (Exhs. 2, 2-A to 2-B or Exhs. V, V-2 to V-3), true to the word of the defendant (now petitioner), carries provisions for US taxes. The problem, however, with this evidence is there is no showing that this had been furnished the plaintiff (now respondent). On the contrary, plaintiff vehemently asserts having been denied by defendant access to the latter's accounting books and financial statements. Basic in the law of evidence that he who asserts the affirmative of the allegation has the burden of proving it (Geraldez vs. CA, 230 SCRA 320). The defendant has failed to prove that the pertinent statement made in this document or the document itself had been disclosed to the plaintiff.

"The Unaudited Financial Statements of NSCP (Exhs. 3, 3-A and 3-B), which allegedly includes the subject US taxes among NSCP's Trade Payable and Accrued Expenses and Dividends, does not clearly indicate the said taxes. The Trade Payable and Accrued Expenses and Dividends as including the said taxes is vague or unequivocal on the matter. By mere reading of it, one would not have the slightest inkling or suspicion that such taxes exist as among NSCP's liabilities."[52] (Underscoring ours)

There is no dispute that petitioner was aware of its US tax liabilities considering its numerous communications with the agents of the United States Internal Revenue Service, just prior to the sale of NSCP and the marine vessels to respondent.[53] The NSCP itself made an ambiguous contingent provision in its Unaudited Financial Statements for the year ending December 1993, thereby indicating its awareness of a possible US tax assessment.[54] It bears stressing that petitioner did not convey such information to respondent despite its inquiries.[55] Obviously, such concealment constitutes bad faith on its part. Bad faith "implies a conscious and intentional design to do a wrongful act for a dishonest purpose or moral obliquity; it x x x contemplates a state of mind affirmatively operating with furtive design or ill will."[56]

We see no reason to disturb the factual findings of both the trial court and Court of Appeals which petitioner does not dispute. Absent any showing that such findings were reached arbitrarily or without sufficient basis, the same must be respected and binding upon us.[57]

That petitioner has the obligation to reimburse respondent is likewise clear under the Negotiated Sale Guidelines, which provides:

"7.0 OFFEROR'S RESPONSIBILITY

7.01 x x x. Seller gives no warranty regarding the sale of the shares and assets except for a warranty on ownership and against any liens or encumbrances, and the offeror shall not be relieved of his obligation to make the aforesaid examinations and verifications."[58] (Underscoring ours)

The terms of the parties' contract are clear and unequivocal. The seller (petitioner NDC) gives a warranty as to the ownership of the object of sale and against any lien and encumbrance. A tax liability of \$688,186.10 was then a potential lien upon NSCP's marine vessels. Being in bad faith for having failed to inform the buyer, herein respondent, of such potential lien, petitioner breached its warranty and should, therefore, be held liable for the resulting damage, i.e., reimbursement for the amounts paid by petitioner to the US IRS.

The Negotiated Sale Guidelines further provides:

"2.0 TERMS OF SALE

2.01

The sale of the NSCP and the three vessels shall be strictly on "CASH, AS IS-WHERE IS" basis."[59] (Underscoring ours)

In *Hian vs. Court of Tax Appeals*,[60] we had the occasion to construe the phrase "as is, where is" basis, thus:

"We cannot accept the contention in the Government's Memorandum of March 31, 1976 that Condition No. 5 in the Notice of Sale to the effect that 'The above-mentioned articles (the tobacco) are offered for sale 'AS IS' and the Bureau of Customs gives no warranty as to their condition' relieves the Bureau of Customs of liability for the storage fees in dispute. As we understand said Condition No. 5, it refers to the physical condition of the tobacco and not to the legal situation in which it was at the time of the sale, as could be implied from the right of inspection to prospective bidders under Condition No. 1. x x x." (Underscoring ours)

The phrase "as is, where is" basis pertains solely to the physical condition of the thing sold, not to its legal situation. In the case at bar, the US tax liabilities constitute a potential lien which applies to NSCP's legal situation, not to its physical aspect. Thus, respondent as a buyer, has no obligation to shoulder the same.

The case at bar calls to mind the principle of unjust enrichment – *Nemo cum alterius detrimento locupletari potest*. No person shall be allowed to enrich himself unjustly at the expense of others. This principle of equity has been enshrined in our Civil Code, Article 22 of which provides:

"Art. 22. Every person who through an act or performance by another or by 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."

Justice and equity thus oblige that petitioner be held liable for NSCP's tax liabilities and reimburse respondent for the amounts it paid. It would be unjust enrichment on the part of petitioner to be relieved of that obligation.

The deletion of the award of exemplary damages and reduction of the attorney's fees by the Court of Appeals are not challenged by either of the parties. At any rate, we find no error in its ruling quoted hereunder:

"However, we find no basis for the grant of exemplary damages which can be granted only in addition to moral, temperate, liquidated or compensatory damages (Art. 2229, Civil Code of the Philippines), none of which was awarded or deserved in this case. The trial court merely granted plaintiff's prayer in its main cause of action for reimbursement of taxes plaintiff paid to the U.S. Since no actual or moral damages was awarded, there is no legal basis for the award of exemplary damages which may only be granted in addition thereto (*Scott Consultants and Resources Development Corp. Inc. vs. CA*, 242 SCRA 393).

x x x x x x x x

"Anent the award of attorney's fees, we find it excessive, considering that the instant case is a simple action for reimbursement and did not involve extensive litigation. Nothing precludes the appellate courts from reducing the award of attorney's fees when it is found to be unconscionable or excessive under the circumstances (Brahm Industries Inc. vs. NLRC, 280 SCRA 828). Thus, the award of attorney's fees is reduced to P20,000.00." [61]

WHEREFORE, the petition is DENIED and the assailed Decision of the Court of Appeals is AFFIRMED.

SO ORDERED.

Puno, (Chairman), Panganiban, and Carpio-Morales, JJ., concur.
Corona J., on leave.

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- [1] Filed under Rule 45 of the 1997 Rules of Civil Procedure, as amended.
- [2] Exhibit "7-A," Petition, Rollo at 136.
- [3] Petition, Rollo at 27.
- [4] Exhibit "8," Petition, Rollo at 179.
- [5] Exhibit "7," Petition, Rollo at 135.
- [6] Exhibit "8," Petition, Rollo at 186.
- [7] Id. at 180.
- [8] Respondent's Comment on the Petition, Rollo at 222.
- [9] Id. at 222-223.
- [10] Annex "V-1" (Contract of Sale), Respondent's Memorandum, Rollo at 479.
- [11] Id.
- [12] Annex "V," id. at 478-482.
- [13] Respondent's Comment on the Petition, Rollo at 226.
- [14] Annex "F" (RTC Decision dated August 6, 1999), Petition, Rollo at 207; see also Annex "B," Petition, id. at 75-76.
- [15] Annex "J," Respondent's Memorandum, Rollo at 462.
- [16] Annex "F" (RTC Decision dated August 6, 1999), Petition, Rollo at 207-208.
- [17] Id.
- [18] Rollo at 55-65.
- [19] Penned by Judge Roberto C. Diokno; Rollo at 207-212.
- [20] Rollo at 212.
- [21] Penned by Justice Portia Aliño-Hormachuelos and concurred in by Justices Fermin A. Martin, Jr. (now

retired) and Mercedes Gozo-Dadole.

[22] Annex "A," Petition, Rollo at 53.

[23] Id. at 50-51.

[24] Petition, Rollo at 30.

[25] Petitioner's Memorandum, Rollo at 497-498.

[26] Id. at 479.

[27] Id. at 501-502.

[28] Id. at 499-501.

[29] Id. at 385-388.

[30] Id. at 390.

[31] Id. at 388-390.

[32] "Art. 19. Every person must, in the exercise of his rights and in the performance of his duties, act with justice, give everyone his due, and observe honesty and good faith."

[33] "Art. 20. Every person who, contrary to law, wilfully or negligently causes damage to another, shall indemnify the latter for the same."

[34] "Art. 21. Any person who wilfully causes loss or injury to another in a manner that is contrary to morals, good customs or public policy shall compensate the latter for the damage."

[35] Rollo at 368-369.

[36] Id. at 377-381.

[37] Id. at 383-384.

[38] Sweet Lines, Inc. vs. Teves, G.R. No. L-37750, May 19, 1978, 83 SCRA 361; Tolentino, COMMENTS AND JURISPRUDENCE ON THE CIVIL CODE OF THE PHILIPPINES, VOL. IV, 1997 reprint at 503.

[39] Saludo vs. Court of Appeals, G.R. No. 95536, March 23, 1992, 207 SCRA 498.

[40] G.R. No. L-40597, June 29, 1979, 91 SCRA 223.

[41] G.R. No. L-70462, August 11, 1988, 164 SCRA 268.

[42] Qua Chee Gan vs. Law Union and Rock Insurance Co., 98 Phil. 95 (1955); Fieldmen's Insurance, Co. vs. Vda. de Songco, G.R. No. L-24833, September 23, 1968, 25 SCRA 70.

[43] Exnibit "8," Petition, Rollo at 180, 184-185.

[44] Exhibit "8," Petition, Rollo at 186-187.

[45] Annex "F," Petition, Rollo at 211.

[46] Angeles vs. Calasanz, G.R. No. L-42283, March 18, 1985, 135 SCRA 323.

[47] Eastern Shipping Lines, Inc. vs. Margarine-Verkaufs-Union, G.R. No. L-31087, September 27, 1979, 93 SCRA 257.

[48] Palay, Inc. vs. Clave, G.R. No. L-56076, September 21, 1983, 124 SCRA 638; Villacorta vs. Insurance Commissioner, G.R. No. L-54171, October 28, 1980, 100 SCRA 467.

[49] Petitioner's Memorandum, Rollo at 497.

[50] Annex "V," Respondent's Memorandum, Rollo at 481.

[51] Id. at 208-209.

[52] Id. at 209-210.

[53] Annex "F," Petition, Rollo at 208-209.

[54] Id. at 209-210.

[55] Id. at 210-211.

[56] Laureano Investment and Development Corporation vs. Court of Appeals, G.R. No. 100468, May 6, 1997, 272 SCRA 253, 265-266, citing Far East Bank and Trust Company vs. Court of Appeals, G.R. No. 108164, February 23, 1995, 241 SCRA 671, 674-675.

[57] Goldenrod, Inc. vs. Court of Appeals, 418 Phil. 492 (2001); AHS Philippines vs. Court of Appeals, G.R. No. 111807, June 14, 1996, 257 SCRA 319.

[58] Exhibit "8," Petition, Rollo at 182.

[59] Exhibit "8," Petition, Rollo at 179.

[60] G.R. No. L-28782, November 27, 1981, 109 SCRA 470.

[61] Annex "A," Petition, Rollo at 52-53.

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