RAMCAR, INCORPORATED, PETITIONER, VS. HI-POWER MARKETING, LEONIDAS D. BOHOL, AND RHODORA A. BOHOL, RESPONDENTS.

G.R. NO. 157075. July 17, 2006

Ponente: TINGA, J.

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TINGA, J.:

Before the Court is a Petition for Certiorari filed by Ramcar, Incorporated (Ramcar), raising the same questions of fact passed upon by both the lower court[1] and the Court of Appeals.

The antecedents are as follows:

Respondent Leonidas Bohol (Bohol) is a distributor of Ramcar products in Quezon City and San Pablo City using the business name Hi-Power Marketing.

On 4 March 1982, Ramcar and Bohol entered into a loan agreement whereby Ramcar allotted P300,000.00 as a trade credit line for the batteries to be distributed by Bohol, and released another P300,000.00 as a straight loan to the latter.[2] To secure the payment of the loan, Bohol executed a Real Estate Mortgage[3] over a parcel of land and its improvements covered by Transfer Certificate of Title (TCT) No. 285976.[4] Bohol also signed an undated promissory note[5] stipulating the schedule of payments and the breakdown of the principal amount and the interest to be paid.

Subsequently, on the premise that Bohol had defaulted on his loan, Ramcar petitioned the sheriff of Quezon City to foreclose the mortgage to satisfy an indebtedness of P370,429.42 plus interest. The auction sale was set on 6 July 1984.[6]

On 3 July 1984, Bohol and his wife (spouses Bohol) filed a Petition for Prohibition with Preliminary Injunction before the Regional Trial Court (RTC) of Quezon City, Branch 101, docketed as Special Civil Action No. Q-42032, to prevent the sheriff from conducting the auction sale. The RTC issued a status quo order on 4 July 1984, thereby temporarily averting the scheduled sale.[7]

After trial, finding that Bohol had defaulted in the performance of his obligation, the RTC rendered its decision dismissing the petition for prohibition. The spouses Bohol filed a Motion for Reconsideration and For New Trial[8] which was denied by the RTC on 4 November 1985.[9] They then appealed to the Court of Appeals (CA), with the appeal docketed as CA-G.R. CV No. 11496.

While the case was pending before the CA, Ramcar requested the Office of the Sheriff of Quezon City to proceed with the implementation of the extrajudicial foreclosure in view of the dismissal of the petition for prohibition of the spouses Bohol. A notice of sheriff's sale was issued and published for three consecutive weeks in a newspaper of general circulation.

On 28 November 1985, or the day before the scheduled auction sale, the spouses Bohol and Hi-Power Marketing

filed a case against Ramcar before the RTC, docketed as Civil Case No. Q-46683, praying that their obligation be declared extinguished and their property released from the mortgage on the ground that they have already overpaid their account.[10]

Nonetheless, the auction sale pushed through on 29 November 1985, with Ramcar emerging as the highest bidder.[11] After the period to redeem the property had expired, Ramcar caused the transfer of the certificate of title to its name. Thus, on 11 February 1987, TCT No. 354635 was issued in favor of Ramcar in place of the old certificate of title in the name of Bohol.[12] On 4 May 1987, Ramcar filed a Petition for a Writ of Possession with the RTC of Quezon City, docketed as LRC Case No. Q-3696.[13]

Almost one year later, the decision on the appeal by the spouses Bohol in CA-G.R. CV No. 11496 was promulgated on 8 March 1988. The CA declared that the main issue to be threshed out was whether there was indeed default in payment on the part of the spouses Bohol.[14] This issue was not thoroughly passed upon by the trial court. Thus, the CA found the need to remand the case for further hearing on the question of default. It held:

> Since default was the principal ground relied upon for the foreclosure of mortgage, RAMCAR was called upon to prove it and it was absolutely necessary to make a finding that there was in fact a default. While the parties opted to submit the case upon position papers, the latter unfortunately did not provide any clarification. On the contrary, the parties presented positions seriously at odds with each other, and the issue remained as murky as it was before the submission of the papers. RAMCAR's brief is not of any assistance either; it merely reiterates the amount stated in its application for foreclosure and contains no explanation of the issues.
>
> There was therefore urgent need to receive evidence, from the Bohols, that they might prove their claim of overpayment, from RAMCAR, that it might establish not only the fact of default but also the particular loan availment it sought to satisfy with the aborted foreclosure. The decision was clearly premature.[15]

As both Civil Case No. Q-46683 (verified complaint for the extinguishment of Bohol's obligation) and LRC Case No. Q-3697 (for ex-parte issuance of a writ of possession in favor of Ramcar) were pending at the time Special Civil Action No. Q-42032 was ordered remanded to the trial court, and there being interrelated issues, the three cases were consolidated before RTC Branch 101, Quezon City.[16]

After trial and reception of the parties' respective evidence, the RTC in a Decision[17] dated 19 January 1999 ruled in favor of Ramcar, finding that Bohol had an outstanding unpaid obligation in the amount of P370,959.62. It also declared the extrajudicial foreclosure valid and

consequently affirmed the validity of the transfer of Bohol's property to Ramcar.[18]

Bohol went up to the CA with the appeal docketed as CA-G.R. SP No. 52593. The CA reversed the RTC decision, declared the obligation of the spouses Bohol to Ramcar extinguished by payment, and the extrajudicial foreclosure of the real estate mortgage null and void. The appellate court also set aside the writ of possession issued in favor of Ramcar, cancelled the latter's TCT No. 354635, and reinstated Bohol's TCT No. 285976. The CA ruled:

> The pivotal question in these cases is whether the Bohols were in default in the payment of their loan obligation to Ramcar at the time Ramcar foreclosed the mortgage on the Bohol['s] property. x x x
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> x x x x
>
> From comparison of the two sets of computations, it appears the Bohols had paid to Ramcar more than the amount that Ramcar is seeking to collect from them. The reason for this is that the Bohols had shown payments and deliveries that were not taken into consideration by Ramcar when it computed the account of the Bohols. Ramcar failed to prove that the amounts paid by the Bohols, as reflected by the Exhibits C to G, were already

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> credited to them in the statement of account Exhibit 18, which in turn was the basis for the extrajudicial foreclosure. Resultantly, the Bohols had overpaid the mortgaged obligation and may not, therefore, be considered in default. The extrajudicial foreclosure proceedings instituted against them lacks legal basis and its consequences must be rectified accordingly in the interest of justice.[19]

Ramcar filed a Motion for Reconsideration which was denied by the CA in its Resolution dated 22 November 2002.[20]

On 21 February 2003, Ramcar filed this Petition for Certiorari against the spouses Bohol and Hi-Power Marketing alleging that the CA committed grave abuse of discretion: (1) in refusing to consider the evidence of Ramcar showing that Bohol still has an outstanding balance on his loan; and (2) in reversing the final order of the RTC granting the writ of possession in favor of Ramcar.

Ramcar contends that Bohol, by means of double crediting and wrong posting, made it appear that he has already fully paid the obligation. Ramcar also questions the nullification of the extrajudicial sale, contending that the legal requirements were observed by the sheriff in proceeding with the sale.

The spouses Bohol, in their Comment,[21] assert that the instant petition is not the proper remedy as the CA did not commit grave abuse of discretion in rendering the assailed Decision. They also refute the allegation of Ramcar that they have not fully paid the loaned amount. After a lengthy discussion of the facts of the case and the computations made by the CA, they posit that the documents on record clearly show that they have already fulfilled their obligation to Ramcar. Further, they submit that the documents which Ramcar attached to its petition have not been presented before the RTC, are utterly self-serving, and should not be accorded any probative value.

Ultimately, the issue to be decided in this case is whether Bohol has already satisfied his obligation to Ramcar in full.

The present petition must be dismissed for failure of Ramcar to prove that the CA committed grave abuse of discretion. A writ of certiorari may be issued only for the correction of errors of jurisdiction or grave abuse of discretion amounting to lack or excess of jurisdiction. The writ cannot be used for any other purpose as its function is limited to keeping the inferior courts within the bounds of its jurisdiction.[22]

In this case, although Ramcar alleged in its Petition that the CA committed grave abuse of discretion, it did not in any manner show how the appellate court committed such abuse. It is an empty allegation bereft of any substantiation.

The original action for certiorari may be directed against an interlocutory order of the court prior to appeal from the judgment or where there is no appeal or any other plain, speedy or adequate remedy.[23] There was a plain, speedy or adequate remedy available to Ramcar. It could and should have filed an appeal assailing the Decision of the CA.

It is worth mentioning that Ramcar received the Resolution of the CA denying its Motion for Reconsideration on 23 December 2002.[24] Ramcar filed its Petition for Certiorari on 21 February 2003 or sixty (60) days after receipt of the Resolution. Since Ramcar failed to appeal within fifteen (15) days from its receipt of the Resolution, the decision of the CA had become final and executory. It is well-settled that the filing of the petition for certiorari cannot serve as a substitute for the lost remedy of appeal.[25] Where the issue or question involves or affects the wisdom or legal soundness of the decision-not the jurisdiction of the court to render said decision-the same is beyond the province of a petition for certiorari.[26]

The fact that this Petition for Certiorari raises questions of fact further militates against it. In Day v. RTC of Zamboanga City, Br. XIII,[27] the Court held that in an original action for certiorari, questions of fact cannot be

raised much less passed upon by the respondent court. Only established or admitted facts can be considered.[28]

In any case, even if we dispense with the technicalities and reevaluate the questions of fact raised by Ramcar as an exception[29] to the general rule that such questions cannot be reviewed by this Court, the petition should still be dismissed.

The CA, in ruling for the spouses Bohol, held that:

> The Bohols on the other hand, sought to establish overpayment with figures contained in: (1) their summaries, Exhibit C, D, E of deliveries of wooden crates to Ramcar with supporting delivery receipts, (2) list of credit memos, Exhibit F, issued by Ramcar to Bohol showing discounts and price adjustments given to the Bohols, with supporting credit memos; and (3) cash payments, Exhibit G., with official receipts showing remittances to Ramcar. In the hearing on August 11, 1995, as appearing on page 17 of the transcript, the trial court directed the petitioners to underline the entries in their records of payments and deliveries which were not credited to them by Ramcar. In compliance, they made undelinings in Exhibit C, D, E, F and G. They also presented two more statements, Exhibit H and I, which were supposed to reflect additional credit memos and payments to Ramcar, but because these were not supported by evidence, unlike the previous statements, we chose to ignore them. x x x x[30]

It is significant to note that the CA closely analyzed and discussed the merits of the case, taking into consideration the alleged double crediting and wrong posting of Bohol. It concluded, after weighing the respective evidence adduced by the parties, that Bohol has fully satisfied his obligation to Ramcar. In fact, according to the CA, Bohol even made excess payments to Ramcar. The CA extensively computed the statements of account and the receipts presented and found that Bohol should prevail in the present dispute.

In contrast, the trial court's decision is bereft of any meaningful evaluation of the evidence choosing instead merely to replicate the allegations of the various parties particularly the calculations offered by Ramcar.

It should also be stressed that in the instant petition, Ramcar neither denied the veracity of the receipts and credit memos Bohol presented to the lower court nor effectively repudiated these documents. Ramcar merely claims wrong posting on the part of Bohol in arriving at a conclusion of overpayment. While Ramcar questions the CA's finding of overpayment by Bohol, it did not focus its petition on this issue but gave a protracted and irrelevant discussion regarding the redemption of a mortgaged property.

Ramcar also presented to this Court annexes "F", "G" and "H" showing the breakdown of purchases Bohol had made from January 1982 to August 1983, the alleged payments made by Bohol from February 1982 to October 1983, and the credit memos issued by Ramcar thru offsetting from February 1982 to February 1984, respectively. These documents tend to prove that Bohol still has an outstanding balance. However, as correctly pointed out by Bohol, the annexes were not presented before the RTC in Ramcar's Formal Offer of Evidence[31]

and the person who prepared the documents did not authenticate the documents in court. The Court cannot even determine the identity of the person who prepared the documents as only the signature was affixed to the lower right hand corner of each page of the documents.

Our rule on evidence provides the procedure on how to present documentary evidence before the court, as follows: firstly, the documents should be authenticated and proved in the manner provided in the rules of court; secondly, the documents should be identified and marked; and thirdly, it should be formally offered to the court and shown to the opposing party so that the latter may have the opportunity to object thereto.[32]

We have carefully examined the documentary evidence presented by the parties in the RTC and the CA and found that the documents now being presented by Ramcar, i.e. the purchases of Hi-Power Marketing, payments of

battery account, and credit memos issued by Ramcar applied to Hi-Power Market thru offsetting were not part of the records in the lower court or the appellate court. They were submitted for the first time to this Court. This being the case, we shall not take them into account.

In view of the foregoing, we find that the Court of Appeals committed neither grave abuse of discretion nor any error in judgment in rendering the assailed Decision.

WHEREFORE, the instant petition is hereby DISMISSED. The Decision of the Court of Appeals dated 28 June 2002 is hereby AFFIRMED. Costs against petitioner.

SO ORDERED.

Quisumbing, (Chairman), Carpio-Morales, and Velasco, Jr. JJ., concur.
Carpio, J., on official leave.

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[1] Regional Trial Court, Branch 101, Quezon City.

[2] Rollo, pp. 43-50.

[3] Id. at 52-56.

[4] Id. at 57-58.

[5] Id. at 59-60.

[6]See CA Decision of CA-G.R. CV No. 11496 entitled, -Leonidas D. Bohol, et al. v. Ramcar, Inc., et al. Records, Vol. 1, pp. 130-134.

[7] Id. at 36.

[8] Id. at 115-117.

[9] Id. at 123.

[10] Records, Vol. 2, pp. 44-48.

[11]Rollo, p. 32. See also Minutes of Auction Sale and Sheriff's Certificate of Sale, RTC Records, Vol. I, pp. 527-528.

[12] Rollo, p. 87.

[13] Records, Vol. II, pp. 4-6.

[14] Records, Vol. I, pp. 130-134.

[15] Id. at 133.

[16] The Order dated 15 August 1990 consolidating Civil Case No. Q-46683, LRC Case No. Q-3696 and Special Civil Action No. Q-42032 states:

"Acting of (sic) the Motion to [C]onsolidate cases filed by the contending parties thru their respective counsels, the court finding the contents therein stated to be well-founded,

WHEREFORE, let the above-captioned cases be forwarded to Brach 101, this Court, for consolidation with Case No. Q-42032 provided the Honorable Presiding Judge thereat interposes no serious objection to the

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consolidation." Records, Vol. II. p. 110.

The Order dated 12 December 1990 states:

"Finding the Consolidation of Cases justified, let the case from the sala of Judge Macli-ing be now consolidated with CC No. 42032 assigned to this court.

..." Records, Vol. I. p. 135.

[17] Id. at 592-597.

[18]The dispositive portion reads:

WHEREFORE, premises above-considered, the Court hereby finds that Leonidas Bohol, et al., have an unpaid obligation of P370,429.48 as of May 31, 1984 (Civil Case No. Q-42032) and by virtue thereof, the Court hereby declares VALID the extra-judicial foreclosure by Ramcar of Bohol's Real Estate Mortgage Loan Agreement dated March 4, 1982 (LRC No. Q-3696 (87). Consequently, the acts emanating therefrom are likewise declared VALID, namely the [t]ransfer of Bohol's TCT [No.] 285976 to Ramcar's TCT [No.] 354635 which was already implemented upon dismissal of SP No. Q-42032 in the decision of related LRC Case No. Q-3696 (87) on August 27, 1985.

Further, in view of the foregoing, let a writ of possession issue in favor of Ramcar.

SO ORDERED.

[19] Rollo, pp. 33 and 37.

[20]Id. at 41-42.

[21] Rollo, pp. 183-256.

[22] Madrigal Transport, Inc. v. Lapanday Holdings Corporation, G.R. No. 156067, 11 August 2004, 436 SCRA 123, 133.

[23] Atty. Paa v. Court of Appeals, 347 Phil. 122, 136 (1997) citing Regalado, Remedial Law Compendium 543-544 (6th ed. 1997).

[24] Rollo, p. 5.

[25] A.F. Sanchez Brokerage, Inc. v. Court of Appeals, G.R. No. 147079, 21 December 2004, 447 SCRA 427, 436.

[26] Id citing Land Bank of the Philippines v. Court of Appeals, 409 SCRA 455,482 (2003).

[27] G.R. No. 79119, 22 November 1990, 191 SCRA 610, 619.

[28] Id citing Rubio v. Reyes, et al., L-24581, 27 May 1968.

[29] In Sarmiento v. CA, 353 Phil. 834, 846 (1998) citing Bautista v. Mangaldan Rural Bank, 230 SCRA 16 (1994), the Court enumerated the exceptions as follows: (1) x x x the conclusion is a finding grounded entirely on speculation, surmise and conjecture; (2) the inference made is manifestly mistaken; (3) there is grave abuse of discretion; (4) the judgment is based on misapprehension of facts; (5) the findings of fact are conflicting; (6) the Court of Appeals went beyond the issues of the case and its findings are contrary to the admissions of both appellant and appellees; (7) the findings of fact of the Court of Appeals are contrary to those of the trial court; (8) said findings of fact are conclusions without citation of specific evidence on which there are based; (9) the facts

set forth in the petition as well as in the petitioner's main and reply briefs are not disputed by the respondents and (10) the findings of fact of the Court of Appeals are premised on the supposed absence of evidence and contradicted by the evidence on record.

[30] Rollo, p. 36.

[31] Records, Vol. 1, pp. 354-454, including exhibits.

[32] Chua v. Court of Appeals, G.R. No. 88383, 19 February 1992, 206 SCRA 339, 345.

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