

ROMUALDO PAGSIBIGAN, PETITIONER, VS. PEOPLE OF THE PHILIPPINES AND ELEAZAR CABASAL, RESPONDENTS.

G.R. No. 163868. June 04, 2009

Ponente: CARPIO, J.

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CARPIO, J.:

The Case

This is a petition[1] for review under Rule 45 of the Rules of Court. The petition challenges the 30 January 2004 Decision[2] and 26 May 2004 Resolution[3] of the Court of Appeals in CA-G.R. CV No. 76291. The Court of Appeals affirmed in toto the 26 February 2002 Decision[4] of the Regional Trial Court (RTC), Judicial Region 3, Branch 16, Malolos, Bulacan in Criminal Case No. 1149-M-2000.

The Facts

On 29 November 1982, Elizabeth Hinal (Hinal) and the Government Service Insurance System (GSIS) entered into a deed[5] of conditional sale over a piece of property located at 1399 Kadena de Amor Street, Alido Heights Subdivision, Malolos, Bulacan. Under the deed, GSIS sold the property to Hinal payable in 25 years.

Eleazar M. Cabasal (Cabasal) was a depositor, while Romualdo A. Pagsibigan (Pagsibigan) was the manager, of the Rural Bank of Guiguinto, Bulacan (Rural Bank). Aside from being the manager of the Rural Bank, Pagsibigan acted as a real estate agent, usually to bank depositors. A certain Liza Geronimo informed Cabasal that there was a property for sale which he might like. Cabasal approached Pagsibigan and, in 1991, Pagsibigan offered for sale Hinal's property to Cabasal for P215,000 plus assumption of the outstanding obligation with GSIS. Cabasal agreed to buy the property. In a receipt[6] dated 30 January 1992, Pagsibigan acknowledged receipt of P215,000 from Cabasal. Cabasal occupied the property and spent P400,000 on renovation.

In 1992, Cabasal received from GSIS a notice directing Hinal to settle her outstanding obligation of P535,000. Alarmed, Cabasal referred the matter to Pagsibigan. Pagsibigan accompanied Cabasal to the house of Hinal and asked Hinal to sign a deed of sale and transfer of rights over the property in favor of Cabasal. Hinal refused to sign the deed because she did not (1) sell the property, (2) authorize Pagsibigan to sell the property, and (3) receive P215,000. Pagsibigan assured Cabasal that he would settle the problem.

In 1999, Cabasal received another notice[7] from GSIS directing Hinal to settle her outstanding obligation of P752,157.10, otherwise the deed of conditional sale would be cancelled. Cabasal referred the matter to a certain Atty. Reyes. Upon the advice of Atty. Reyes, Cabasal made an initial payment of P50,000 to GSIS to forestall the cancellation of the deed of conditional sale.

Atty. Reyes sent a demand letter to Pagsibigan asking him to return Cabasal's P215,000. Because Pagsibigan failed to return the money, Atty. Reyes initiated a criminal case against him. In an Information[8] dated 3 April 2000, Second Assistant Provincial Prosecutor Alfredo L. Geronimo charged Pagsibigan with estafa. Pagsibigan

pleaded not guilty.

The RTC's Ruling

In its 26 February 2002 Decision, the RTC did not find Pagsibigan guilty beyond reasonable doubt of estafa. However, the RTC ordered Pagsibigan to pay Cabasal P215,000 civil liability, P20,000 attorney's fees and expenses of litigation. The RTC held that:

In the prosecution for estafa under Art. 315, paragraph 2(a) of the Revised Penal Code, it is indispensable that the element of deceit, consisting in the false statement or fraudulent representation of the accused, be made prior to, or, at least simultaneously with, the delivery of the thing by complainant, it being essential that such false statement or fraudulent representation constitutes the very cause or the only motive which induces the complainant to part with the thing. If there be no such prior or simultaneous false statement or fraudulent representation, any subsequent act of the accused, cannot serve as a basis for prosecution for that class of estafa. (People vs. Gines, et al., C.A. 61 O.G. 1365).

In this case it was complainant who approached accused Pagsibigan with respect to the sale of the subject property and he had known that accused was involved in realty sale, through a certain Liza Geronimo. In fact Liza Geronimo had informed him that "there was a house open for sale" which would meet his qualifications, and he was told to see Mr. Pagsibigan. (TSN dated January 18, 2001, Cabasal on Direct, p. 6).

As testified to by complainant, the lot was offered for sale by accused Pagsibigan but there is no evidence that accused Pagsibigan made false statement or fraudulent representation that he is the owner of the property or that he had the power to transfer such property to complainant, convincing enough to induce complainant to part with his P215,000.00.

When accused had made a reputation with respect to realty sale, it shows that he was good at it and that he could be relied upon, otherwise Liza Geronimo would not have referred complainant Cabasal to him. Evidence also shows that accused Pagsibigan tried to transfer the property to complainant Cabasal. Moreover, had the accused from the very beginning conceived an evil plan to deceive complainant he would no longer inform complainant about the status of the subject property with the GSIS.

"In the absence of proof that the representation of the accused was actually false, criminal intent to deceive cannot be inferred" (People vs. Urpiano, C.A., 60 O.G. 6009, citing the ruling in the cases of People vs. Lagasca, G.R. No. 4230-R, June 5, 1960, and U.S. vs. Adriatico, 7 Phil. 187. [sic])

However, the evidence presented shows that accused Pagsibigan received the amount of P215,000.00 from complainant Cabasal and he failed to return or pay the same, upon receipt of the demand letter. Hence, though the accused is not criminally liable, he is under obligation to return the same to complainant Cabasal, with legal interest from the time of demand to pay the same.

"An acquittal based on reasonable doubt that the accused committed the crime charged does not necessarily exempt him from civil liability where a mere preponderance of evidence is required." (Manahan, Jr., vs. Court of Appeals, 255 SCRA 202)

However, the other expenses incurred by complainant in repairing the house same [sic] as well as the amount of P50,000.00 he remitted to the GSIS same [sic] cannot be recovered from the accused, since those are considered useful expenses for the convenience of the complainant.

WHEREFORE, premises considered, the prosecution evidence having failed to prove the guilt of the accused beyond reasonable doubt, his acquittal of the offense charged is hereby rendered.

However, the prosecution having proven with clear and convincing evidence that accused received the amount of P215,000.00 from complainant Cabasal and had not paid the same, he is therefore adjudge [sic] civilly liable to

pay such amount to complainant with legal interest from the time of demand up to full payment of the same to complainant.

Accused is also ordered to pay attorney's fees in the amount of P20,000.00 to complainant and costs of this suit.[9] (Emphasis supplied)

Aggrieved, Pagsibigan appealed to the Court of Appeals. In his memorandum[10] dated 1 August 2001, he claimed that the RTC erred in finding him civilly liable for P215,000 and in ordering him to pay P20,000 attorney's fees. Pagsibigan claimed that he was not civilly liable because Hinal transferred her rights over the property to Cabasal.

The Court of Appeals' Ruling

In its 30 January 2004 Decision, the Court of Appeals affirmed in toto the 26 February 2002 Decision of the RTC. The Court of Appeals held that there was sufficient evidence to show that Pagsibigan was civilly liable and that the transfer of rights over the property did not extinguish Pagsibigan's civil liability. The Court of Appeals held that:

Contrary to the protestations of appellant, evidence adduced by the prosecution is preponderant enough to sustain his civil liability. As a matter of fact, on the strength of the affidavit of Elizabeth Hinal alone, who is the registered owner of the property in question, ample evidence is provided to prove the civil liability of the appellant. In this affidavit, Hinal declared the she never authorized appellant to sell her property nor did she receive the amount of Php215,000.00 which is the alleged consideration of the sale. From this declaration alone, it is clear already that appellant received the amount of Php215,000.00 from Cabasal on account of his misrepresentation that he has the authority to sell the house and lot of Hinal, when in fact there is no such authority. At the very least, appellant's obligation to return the money to Cabasal is sourced from Quasi-contract, particularly solutio indebiti, viz:

Art. 2154. If something is received when there is no right to demand it, and it was unduly delivered through mistake, the obligation to return arises.

Art. 2159. Whoever in bad faith accepts an undue payment shall pay legal interest if a sum of money is involved, or shall be liable for fruits received or which should have been received if the thing produces fruits.

x x x x

Neither had the execution of the Deed of Transfer of Rights between Hinal and Cabasal extinguished the civil liability of appellant. It should be noted that Hinal declared in open court that she did not receive any consideration for executing the Deed of Transfer of Rights to Cabasal. Thus:

Q

So you said the transfer to Cabasal was for a consideration?

A

None, sir.

x x x x

Q

Are you aware that Mr. Pagsibigan sold your house and lot?

A

No, sir.

Q

You have not received any consideration for this sale?

A

No, sir.

x x x x

Q

This house and lot was transferred to Mr. Cabasal because "naawa rin ako sa kanila dahil matagal na silang nakatira doon".

A

Yes, sir.

Q

And you are not claiming any consideration from Cabasal when you executed the transfer of right?

A

Yes, sir.

Thus, even if there had been a transfer of the right over the property from Hinal to Cabasal, the amount of Php215,000.00 which was given to appellant was never the consideration of the said transfer but the sympathy of Hinal to Cabasal. In all probability, it is not far-fetch [sic] that Hinal will later on demand from Cabasal the payment of the consideration for the transfer of her right, perhaps, when the latter had already collected from appellant.[11] (Emphasis supplied)

Pagsibigan filed a motion for reconsideration. In its 26 May 2004 Resolution, the Court of Appeals denied the motion.

Hence, the instant petition. Pagsibigan claims that (1) he did not receive P215,000 from Cabasal, and (2) the lower courts erred in ordering him to pay P20,000 attorney's fees and expenses of litigation.

The Court's Ruling⁴

The petition is partly meritorious.

A petition for review under Rule 45 of the Rules of Court should cover only questions of law. Questions of fact are not reviewable. A question of law exists when the doubt centers on what the law is on a certain set of facts. A question of fact exists when the doubt centers on the truth or falsity of the alleged facts.[12]

There is a question of law if the issue raised is capable of being resolved without need of reviewing the probative value of the evidence. The issue to be resolved must be limited to determining what the law is on a certain set of facts. Once the issue invites a review of the evidence, the question posed is one of fact.[13] In *Paterno v. Paterno*,[14] the Court held that:

Such questions as whether certain items of evidence should be accorded probative value or weight, or rejected as feeble or spurious, or whether or not the proofs on one side or the other are clear and convincing and adequate to establish a proposition in issue, are without doubt questions of fact. Whether or not the body of

proofs presented by a party, weighed and analyzed in relation to contrary evidence submitted by adverse party, may be said to be strong, clear and convincing; whether or not certain documents presented by one side should be accorded full faith and credit in the face of protests as to their spurious character by the other side; whether or not inconsistencies in the body of proofs of a party are of such gravity as to justify refusing to give said proofs weight -- all these are issues of fact. Questions like these are not reviewable by this Court which, as a rule, confines its review of cases decided by the Court of Appeals only to questions of law raised in the petition and therein distinctly set forth.

Whether Pagsibigan received P215,000 from Cabasal is a question of fact. It can only be resolved after reviewing the probative value of the evidence. Thus, it is not reviewable.

The factual findings of the trial court, especially when affirmed by the Court of Appeals, are binding on the Court. The exceptions to this rule are (1) when there is grave abuse of discretion; (2) when the findings are grounded on speculations; (3) when the inference made is manifestly mistaken; (4) when the judgment of the Court of Appeals is based on a misapprehension of facts; (5) when the factual findings are conflicting; (6) when the Court of Appeals went beyond the issues of the case and its findings are contrary to the admissions of the parties; (7) when the Court of Appeals overlooked undisputed facts which, if properly considered, would justify a different conclusion; (8) when the findings of the Court of Appeals are contrary to those of the trial court; (9) when the facts set forth by the petitioner are not disputed by the respondent; and (10) when the findings of the Court of Appeals are premised on the absence of evidence and are contradicted by the evidence on record.^[15] After a careful review of the records, the Court finds that none of these circumstances is present.

The award of attorney's fees and expenses of litigation must have factual and legal justification, which must be stated in the body of the decision. Otherwise, the award is disallowed. In *Consolidated Bank & Trust Corporation v. Court of Appeals*,^[16] the Court held that:

The award of attorney's fees lies within the discretion of the court and depends upon the circumstances of each case. However, the discretion of the court to award attorney's fees under Article 2208 of the Civil Code of the Philippines demands factual, legal and equitable justification, without which the award is a conclusion without a premise and improperly left to speculation and conjecture. It becomes a violation of the proscription against the imposition of a penalty on the right to litigate (*Universal Shipping Lines, Inc. v. Intermediate Appellate Court*, 188 SCRA 170 [1990]). The reason for the award must be stated in the text of the court's decision. If it is stated only in the dispositive portion of the decision, the same shall be disallowed. As to the award of attorney's fees being an exception rather than the rule, it is necessary for the court to make findings of fact and law that would bring the case within the exception and justify the grant of the award (*Refractories Corporation of the Philippines v. Intermediate Appellate Court*, 176 SCRA 539 [1989]).

In the instant case, the lower courts totally failed to justify the award of attorney's fees and expenses of litigation. There was no factual or legal justification stated in the texts of the lower courts' decisions. The RTC merely stated in the dispositive portion of its 26 February 2002 Decision that, "Accused is also ordered to pay attorney's fees in the amount of P20,000.00 to complainant and costs of suit." Thus, the award is disallowed.

WHEREFORE, we GRANT in part the petition. We AFFIRM with MODIFICATION the 30 January 2004 Decision and 26 May 2004 Resolution of the Court of Appeals in CA-G.R. CV No. 76291. The award of P20,000 attorney's fees and expenses of litigation is DELETED.

SO ORDERED.

Puno, C.J., (Chairperson), Corona, Leonardo-De Castro, and Bersamin, JJ., concur.

[1] Rollo, pp. 14-54.

[2] Id. at 55-61. Penned by Associate Justice Rodrigo V. Cosico, with Associate Justices Mariano C. Del Castillo and Rosalinda Asuncion-Vicente, concurring.

[3] Id. at 63.

[4] Id. at 65-68. Penned by Judge Thelma R. Piñero-Cruz.

[5] Id. at 76-77.

[6] Records, p. 6.

[7] Id. at 13-14.

[8] Id. at 1-2.

[9] Rollo, pp. 67-68.

[10] CA rollo, pp. 33-66.

[11] Rollo, pp. 59-61.

[12] Microsoft Corp. v. Maxicorp, Inc., 481 Phil. 550, 561 (2004).

[13] Id.

[14] G.R. No. 63680, 23 March 1990, 183 SCRA 630, 636-637.

[15] Ilagan-Mendoza v. Court of Appeals, G.R. No. 171374, 8 April 2008, 550 SCRA 635, 647.

[16] 316 Phil. 246, 260 (1995).

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