HONORIO C. BULOS, JR., PETITIONER, VS. KOJI YASUMA, RESPONDENT.

G.R. NO. 164159. July 17, 2007

Ponente: CHICO-NAZARIO, J.

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CHICO-NAZARIO, J.:

This is a Petition for Review on Certiorari[1] under Rule 45 of the 1997 Revised Rules of Civil Procedure seeking to set aside and to declare null and void (1) the Decision,[2] dated 5 January 2004, of the Court of Appeals in CA-G.R. CV No. 54969, which affirmed the Decision,[3] dated 30 August 1996, of the Makati City Regional Trial Court (RTC), Branch 148, in Civil Case No. 90-1053; and (2) the Resolution[4] of the Court of Appeals, dated 11 June 2004, which denied the petitioner's Motion for Reconsideration.

Herein petitioner Honorio C. Bulos (petitioner) was one of the defendants in a Complaint for collection of sum of money plus damages with prayer for a writ of preliminary attachment, docketed as Civil Case No. 90-1053, entitled, "Koji Yasuma v. Ramon R. Lim, Honorio C. Bulos and Bede S. Tabalingcos," filed with the RTC by herein respondent Koji Yasuma, a Japanese national.

The controversy in the present case arose from the following antecedents:

Petitioner, together with Dr. Ramon R. Lim (Dr. Lim) and Atty. Bede S. Tabalingcos (Atty. Tabalingcos), obtained a loan from Koji Yasuma (respondent) in the amount of P2,500,000.00, as evidenced by a promissory note,[5] dated 11 October 1988, signed solely by Dr. Lim per agreement among the petitioner, Dr. Lim and Atty. Tabalingcos.[6] The said promissory note provides for the following conditions: (1) payment of interest at the rate of 4% for a period of three months or until 10 January 1989; (2) in case of a "roll over" for failure of the borrowers to pay on the agreed period, the extension will be considered running monthly under the same terms and rate of interest until the principal amount has been fully paid; and (3) should the said promissory note be brought to court for collection, the borrowers agree to pay an additional amount equivalent to 10% of the principal amount plus attorney's fee, which in no case shall be less than P10,000.00. As a security for the said loan, both petitioner and Dr. Lim executed Real Estate Mortgages[7] over their respective properties.

On 16 December 1988, petitioner and Dr. Lim executed a Deed of Assumption,[8] to the effect that petitioner assumed the loan obligation of Dr. Lim due respondent with the condition that Dr. Lim shall first secure the respondent's consent to and approval of the said Deed of Assumption. However, the conformity of respondent to the said Deed of Assumption was not obtained by Dr. Lim. When the loan obligation became due and demandable on 10 January 1989, respondent demanded payment from the petitioner, Dr. Lim and Atty. Tabalingcos, but they failed and refused to pay the same. Respondent then made a demand in writing and through telephone calls to Atty. Tabalingcos. Atty. Tabalingcos just told respondent that he would talk first to the petitioner and Dr. Lim and he will then inform the respondent of their response, but Atty. Tabalingcos never called back.

After painstaking efforts to collect the loan from the petitioner, Dr. Lim and Atty. Tabalingcos, respondent requested Atty. Tabalingcos, who happened to be his legal adviser at that time, to foreclose the Real Estate

Mortgages executed by the petitioner and Dr. Lim over their respective properties. Atty. Tabalingcos failed to do so. Instead, he made a proposal to respondent that the petitioner had certain properties in Parañaque City which he was willing to sell to the respondent to cover the obligation of the petitioner, Dr. Lim and Atty. Tabalingcos. Out of respondent's desperation to collect the loan that he had extended to the petitioner, Dr. Lim and Atty. Tabalingcos, respondent agreed to the aforesaid proposal. Thus, on 24 February 1989, a Deed of Sale,[9] over certain parcels of land located in Parañaque City and covered by Transfer Certificates of Title (TCTs) No. 467734 and 332355 in the name of petitioner, was executed in favor of the respondent for a total consideration of P1,630,750.00, paid via a dacion en pago arrangement.

After the execution of the Deed of Sale, all the parties agreed that there was still a balance of P2,240,000.00 owed to the respondent. In a Certification[10] dated 27 February 1989, which the petitioner and Dr. Lim considered as another Deed of Assumption, petitioner assumed the P1,500,000.00 obligation of Dr. Lim. The consideration for the said assumption of obligation is the transfer[11] of the shares of stocks of the Rural Bank of Parañaque to the respondent to offset the obligation. Petitioner thus offered the said shares of stocks to the respondent. Atty. Tabalingcos, for his part and in his capacity as Chairman of the Board of the said bank, issued a certification[12] to the effect that the respondent holds P1,250,000.00 worth of shares of stocks, equivalent to 20% shareholdings in the Rural Bank of Parañaque. However, during that time, the Rural Bank of Parañaque must first increase its authorized capital stock subject to the approval of the Securities and Exchange Commission (SEC) because the original shares had already been fully subscribed and fully paid. Because of this and of the information provided by his then counsel, the late Atty. Bayani M. Timario, Jr. (Atty. Timario, Jr.), that a foreigner cannot be a stockholder of a rural bank, the respondent absolutely refused to accept the shares of stocks and demanded instead an outright payment of the loan obligation. As the shares of stocks were already assigned to the respondent via a certification issued by Atty. Tabalingcos, the latter then issued a check[13] in the amount of P2,240,000.00 to the order of the respondent, dated 25 December 1989, to buy the said shares in behalf of an interested buyer. When the respondent presented the check to the bank, it was dishonored for having been drawn against insufficient funds.

Subsequently, the respondent sent a demand letter[14] to each of the borrowers -- the petitioner, Dr. Lim and Atty. Tabalingcos -- for the full payment of their outstanding obligation; but, to no avail. This prompted the respondent to file with the RTC a Complaint for Sum of Money with Damages and with Prayer for a Writ of Preliminary Attachment against the petitioner, Dr. Lim and Atty. Tabalingcos. On 23 April 1990, the trial court issued an Order[15] granting the writ of preliminary attachment applied for by the respondent upon his filing of a bond fixed at P2,240,000.00. By virtue of the said writ, several lots of the petitioner, and the house and lot of Dr. Lim located in Quezon City, were attached. Petitioner filed a Motion to Dissolve Writ of Attachment which was granted by the trial court in its Order dated 7 October 1992[16] conditioned upon petitioner's posting of a counter-bond in the amount of P2,240,000.00. Petitioner moved for the reduction of his counter-bond to P770,000.00 considering that the respondent made an admission that the petitioner partially paid the loan obligation in the amount of P1,630,750.00. The said motion was granted by the court a quo in its Order dated 1 August 1995.[17]

On 30 August 1996, the trial court rendered a Decision in favor of the respondent and against the petitioner, Dr. Lim and Atty. Tabalingcos, the decretal portion of which reads as follows:

> WHEREFORE, premises considered, and finding that [herein respondent] has fully established not only by preponderance of evidence by competent proof of his entitlement to his claims in the [C]omplaint, judgment is hereby rendered in favor of [respondent] and against [herein petitioner, together with Dr. Lim and Atty. Tabalingcos]. Ordering [the petitioner, Dr. Lim and Atty. Tabalingcos] to jointly and severally pay the [respondent] the following:

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> (1) The amount of P2,240,000.00 plus interest of 21% per annum as of April, 1990, the time of the filing of the [C]omplaint;
>
> (2) The sum equivalent to 20% of P2,240,000.00 plus P500.00 per appearance in the case, for and as attorney's fees.
>
> (3) Costs of the suit.
>
> The cross-claim filed by [Atty. Tabalingcos] against the [petitioner] is hereby DISMISSED for reasons stated above.
>
> Costs against [petitioner, Dr. Lim and Atty. Tabalingcos].[18]

Aggrieved by the aforesaid Decision of the trial court, the petitioner, Dr. Lim and Atty. Tabalingcos appealed to the Court of Appeals. However, Atty. Tabalingcos did not file his appellant's brief. On 5 January 2004, the Court of Appeals rendered a Decision affirming in toto the Decision of the trial court. The petitioner moved for its reconsideration, but it was denied in a Resolution dated 11 June 2004 issued by the appellate court.

Hence, this petition by petitioner. However, Dr. Lim and Atty. Tabalingcos did not appeal before this Court.

Petitioner submits the following issues for this Court's resolution:

> - Whether or not the obligation of petitioner to pay respondent has already (sic) fully extinguished.
>
> - Whether or not the offer to purchase shares of stock of Rural Bank of Parañaque amounting to P1,250,000.00 extinguished petitioner Bulos' obligation to pay the balance of the loan with (sic) respondent.
>
> - Whether or not petitioner Bulos is entitled to claim for damages.
>
> - Whether or not [the] imposition of 21% interest on P2,240,000.00 and 20% of the said amount as attorney's fees has no legal and factual basis (sic)

Petitioner argues that despite the partial payment made by him in the amount P1,630,750.00, and in spite of the respondent's unequivocal admission of the same, still, the respondent did not deduct the said amount from the total amount of the obligation due him. Instead, the respondent continuously claimed the amount of P2,240,000.00 as of 25 December 1989, plus interest at the rate of 4% per month from 25 December 1989 when he filed his Complaint on 7 April 1990.

The petitioner likewise avers that his obligation to pay the balance of the loan to the respondent had already been extinguished when he offered to the respondent the shares of stocks of the Rural Bank of Parañaque amounting to P1,250,000.00. Respondent's assertion that he did not accept the offer of the shares of stocks because of his nationality deserves scant consideration as in fact, he had religiously followed up with petitioner and Atty. Tabalingcos the issuance of the certificate for the said shares of stocks.

Petitioner further alleges that he is entitled to claim damages for he had been subjected to ridicule, mental anguish, besmirched reputation, and extreme anxiety as a result of the respondent's unfounded and malicious suit. Petitioner lost business opportunities as a consequence of the attachment made on his real properties in Tarlac; thus, respondent should be made liable for the payment of damages for all that he had suffered. As to the imposition of 21% interest on the P2,240,000.00 outstanding loan obligation and 20% of the said amount as attorney's fees, petitioner asserts that the same has no legal and factual bases. The imposition of the said interest is highly excessive and exorbitant in light of the dacion en pago arrangement and the assignment of shares of stocks of the Rural Bank of Parañaque.

It is well-settled that the findings of fact of the trial court, especially when affirmed by the Court of Appeals, are

accorded the highest degree of respect, and generally will not be disturbed on appeal. Such findings are binding and conclusive to the Court. Furthermore, it is not the Court's function under Rule 45 of the 1997 Revised Rules of Civil Procedure to review, examine and evaluate or weigh the probative value of the evidence presented. The jurisdiction of the Court in a Petition for Review under Rule 45 is limited to reviewing only errors of law.[19] Unless the case falls under the recognized exceptions,[20] the rule shall not be disturbed.

The following findings of fact, properly supported by evidence, made by both the trial court and the appellate court can no longer be modified and are binding on this Court: (1) the original loan obtained by the petitioner, together with Dr. Lim and Atty. Tabalingcos, from the respondent amounted to P2,500,000.00 with 4% interest for three months, or from 11 October 1988 up to 10 January 1989, and in case of extension of the loan, the interest of 5% per month will be imposed; (2) the obligation of the petitioner, Dr. Lim and Atty. Tabalingcos was joint and solidary as evidenced by the following acts:

> (a) the promissory note was solely signed by Dr. Lim per agreement among the parties;
>
> (b) the act of Dr. Lim in executing a Deed of Real Estate Mortgage in favor of respondent to cover the amount of the promissory note;
>
> (c) the act of the petitioner in executing a second Deed of Real Estate Mortgage as additional security to the loan; and
>
> (d) the act of Atty. Tabalingcos in issuing a check in the amount of P2, 240,000.00 to cover the balance of the obligation;

(3) petitioner failed to pay the loan by 10 January 1989; thus, from 11 October 1988 up to February 1989, the loan obligation, including interest, reached a total amount of P2,700,000.00; (4) petitioner made a partial payment via a dacion en pago, amounting to P1,630,750.00, which was deducted from the total loan obligation of P2,700,000.00 leaving a balance of P1,069,000.00 as of 24 February 1989; (5) by March 1989, the balance of the loan began earning a 5% interest per month after all the parties agreed to an increase in the interest rate during the extended period; (6) taking into consideration the outstanding loan balance of P1,069,000.00, plus interest, and minus a discount granted by respondent, the amount still due respondent was determined by the parties to be P2,240,000.00; and (7) to pay the remaining indebtedness, Atty. Tabalingcos issued a check covering the amount but it was dishonored, therefore, the indebtedness remains at P2,240,000.00.

When the existence of a debt is fully established by the evidence contained in the record, the burden of proving that it has been extinguished by payment devolves upon the debtor who offers such defense. The debtor has the burden of showing with legal certainty that the obligation has been discharged by payment.[21] In the present case, the petitioner failed to prove that indeed, his liability to pay the remaining balance of his obligation with the respondent had been extinguished by his offer to transfer to respondent his shares of stocks in the Rural Bank of Parañaque.

The defense of the petitioner that the offer he made to respondent of his shares of stocks in Rural Bank of Parañaque amounting to P1,250,000.00 had already extinguished his obligation to pay the balance of the loan stands on hollow ground.

Section 4, Republic Act No. 7353, otherwise known as "The Rural Banks Act of 1992," provides:

> Section. 4. x x x. With the exception of shareholdings of corporations organized primarily to hold equities in rural banks as provided for under Section 12-C of Republic Act No. 337, as amended, and of Filipino-controlled domestic banks, the capital stock of any rural bank shall be fully owned and held directly or indirectly by citizens of the Philippines or corporations, associations or cooperatives qualified under Philippine

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laws to own and hold such capital stock: x x x. (Emphasis supplied.)

Given the foregoing provision of law, this Court agrees with the Court of Appeals that the respondent, being a foreigner, is not qualified to own capital stock in the Rural Bank of Parañaque. This renders the assignment of shares of stocks in the Rural Bank of Parañaque in favor of respondent void. As previously stated, the assignment of the shares of stocks in the rural bank was not accepted by the respondent precisely because of the prohibition stated under Republic Act No. 7353, which was explained[22] to him by his counsel, the late Atty. Timario, Jr.

Moreover, petitioner mentioned in his testimony before the trial court that all the shares of stocks of the Rural Bank of Parañaque had already been fully subscribed and, for shares to be made available, additional capital should be infused and the SEC should approved the additional shares for subscription. Here we quote that part of the petitioner's testimony:

Q:

Now, you have stated a while ago Mr. Witness, that the balance be paid by shares of stocks and as a matter of fact the [respondent] has accepted that preposition, what happened if any, afterwards?

A:

In my case, I transferred 330 something shares of stocks in the name of [the respondent] and I believe [Atty.] Tabalingcos have done the same.

Q:

Did you find out for yourselves what happened afterwards if any?

A:

However we have transferred in their name however there are technicalities in the issuance, Central Bank technicalities

Q: What are these Central Bank technicalities?

A: Issuance of shares of stocks certificate, during that period we have to increase our authorized capital stock with the [SEC] because the original one were already fully subscribed and fully paid. [Emphasis supplied].

Q: Then what happened?

A: The only way for us, for the bank to issue additional shares of stocks certificate is to wait for the approval of the increase of capitalization from the [SEC] so that these assigned shares to [Atty.] Tabalingcos can be lodge.

Q: What did you do if any afterwards?

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A: We informed the [respondent] about that.

x x x x.

Q: What was his reply if any?

A: He started complaining and said, "just return to me my money" that is how it all started.[23]

From the aforesaid testimony of the petitioner, it is highly impossible for respondent to have acquired by assignment any shares of stocks in the Rural Bank of Parañaque. Thus, the obligation of the petitioner to pay the balance of the loan remains subsisting.

In the face of all of the above, this Court nevertheless sustains the assertion of the petitioner that the imposition of 21% interest on the outstanding loan obligation of P2,240,000.00 has no legal and factual bases.

According to the promissory note executed by Dr. Lim, and agreed to by all the parties, in case of the borrower's failure to pay the loan obligation within the stipulated period, the extended period shall be considered running monthly under the same terms and rate of interest, which is 4% per month, until the principal has been fully paid. Thus, the remaining balance of P2,240,000.00 is still subject to the interest rate of 4% per month[24] or 48% per annum. To our mind such rate of interest is highly unconscionable and inordinate.

In the case of Ruiz v. Court of Appeals,[25] citing the cases of Medel v. Court of Appeals,[26] Garcia v. Court of Appeals,[27] Spouses Bautista v. Pilar Development Corporation[28] and the recent case of Spouses Solangon v. Salazar,[29] this Court considered the 3% interest per month or 36% interest per annum as excessive and unconscionable. Thereby, the Court, in the said case, equitably reduced the rate of interest to 1% interest per month or 12% interest per annum. The Court also held that while the Usury Law has been suspended by Central Bank Circular No. 905, s. 1982, effective on 1 January 1983, and parties to a loan agreement have been given wide latitude to agree on any interest rate, still stipulated interest rates are illegal if they are unconscionable. Nothing in the said circular grants lenders carte blanche authority to raise interest rates to levels which will either enslave their borrowers or lead to a hemorrhaging of their assets.[30] Surely, it is more consonant with justice that the rate of interest in the present case, which is 4% per month or 48% per annum, be reduced equitably. We find, that the reduction of the interest rate by the trial court, pegged at 21% per annum, was not proper.

In Eastern Shipping Lines, Inc. v. Court of Appeals,[31] the Court formulated the following rules of thumb to guide the lower courts in the imposition of the proper interest on the amounts due, to wit:

- x x x x.

- With regard particularly to an award of interest in the concept of actual and compensatory damages, the rate of interest, as well as the accrual thereof, is imposed, as follows:

- When the obligation is breached, and it consists in the payment of a sum of money, i.e., a loan or forbearance of money, the interest due should be that which may have been stipulated in writing. Furthermore, the interest due shall itself earn legal interest from the time it is judicially demanded. In the absence of stipulation, the rate of interest shall be 12% per annum to be computed from default, i.e., from judicial or extrajudicial demand under and subject to the provisions of Article 1169 of the Civil Code.

- x x x x.

> - When the judgment of the court awarding a sum of money becomes final and executory, the rate of legal interest, whether the case falls under paragraph 1 or paragraph 2, above, shall be 12% per annum from such finality until its satisfaction, this interim period being deemed to be by then an equivalent to a forbearance of credit.[32] [Emphasis supplied].

The agreed interest rate of 4% per month or 48% per annum is unconscionable and must be mitigated. Following established jurisprudence, the legal interest rate of 12% should apply, computed from the date of judicial demand, that is, 7 April 1990. The aforequoted paragraph 3 of the guidelines is also appropriate herein, and a 12% interest per annum is imposed on petitioner's monetary liability to respondent from the date of the finality of this Decision until it is fully paid.

As regards the argument of the petitioner that the award of attorney's fees equivalent to 20% of P2,240,000.00 is excessive, this Court finds the same specious. The lower courts found that by reason of the acts of the petitioner and his cohorts, the respondent had to secure the services of counsel in order to preserve and protect his rights. If not for the refusal of the petitioner to settle his obligation, the respondent would not have incurred expenses in filing a case which dragged on for more than a decade in order to recover the loan which he extended to the petitioner, Dr. Lim and Atty. Tabalingcos. Hence, the award of 20% of P2,240,000.00 as attorney's fees is only reasonable. Conspicuously, there appears to be a variation as to the percentage of attorney's fees awarded in the dispositive portion and in the body of the RTC decision. In the dispositive portion of the RTC decision, the attorney's fees awarded was 20% of P2,240,000.00; while in the body of the same decision, the rate referred to 10% of P2,240,000.00.[33]

The general rule is that, where there is conflict between the dispositive portion or the fallo and the body of a decision, the fallo controls. This rule rests on the theory that the fallo is the final order while the opinion in the body is merely a statement ordering nothing. However, where the inevitable conclusion from the body of the decision is so clear as to show that there was a mistake in the dispositive portion, the body of the decision prevails.[34] In his complaint before the RTC, the respondent prayed for 20% of P2,240,000.00 as attorney's fees. In the body of the RTC decision, the trial court awarded outright respondent's prayer for attorney's fees without any discussion that it found the 20% respondent prayed for as excessive and that it was reducing the percentage of the attorney's fees to 10%. This court is more inclined to believe that the 10% attorney's fees in the body of the RTC decision is merely a typographical error. Consequently, the general rule applies to this case, and the 20% attorney's fees ordered paid by the fallo of the RTC decision controls.

WHEREFORE, premises considered, the instant Petition is PARTIALLY GRANTED. The Decision and Resolution of the Court of Appeals dated 5 January 2004 and 11 June 2004, respectively, in CA-G.R. CV No. 54969, which affirmed the Decision, dated 30 August 1996, of the Makati City RTC, Branch 148, in Civil Case No. 90-1053, are hereby AFFIRMED with the MODIFICATION that an interest rate of 12% per annum shall be applied to the balance of the loan amounting to P2,240,000.00, computed from the date of judicial demand, i.e., 7 April 1990; and of 12% interest per annum on the amount due from the date of the finality of this Decision until fully paid. Costs against the petitioner.

SO ORDERED.

Ynares-Santiago, (Chairperson), Austria-Martinez, and Nachura, JJ., concur.

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[1] Rollo, pp. 31-55.

[2] Penned by Associate Justice Arsenio J. Magpale with Associate Justices Conrado M. Vasquez, Jr. and

Bienvenido L. Reyes, concurring; id. at 8-19.

[3] Penned by Judge Oscar B. Pimentel; id. at 126-167.

[4] Id. at 183-184.

[5] Id. at 81.

[6] TSN, 25 May 1992, pp. 7-12; TSN, 31 March 1995, p. 6.

[7] Rollo, pp. 82-85.

[8] Records, Vol. II, p. 444.

[9] Rollo, pp. 111-113.

[10] Id. at 115.

[11] The petitioner, Dr. Lim and Atty. Tabalingcos are stockholders of the Rural Bank of Parañaque. However, Dr. Lim later on decided not to join the bank anymore.

[12] Rollo, p. 116.

[13] Id. at 86.

[14] Id. at 87-93.

[15] Id. at 94-95.

[16] Id. at 122.

[17] Id. at 123-124.

[18] Id. at 167.

[19] Culaba v. Court of Appeals, G.R. No. 125862, 15 April 2004, 427 SCRA 721, 729.

[20] Recognized exceptions to this rule are: (1) when the findings are grounded entirely on speculation, 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 facts are conflicting; (6) when in making the findings, the Court of Appeals went beyond the issues of the case, or its findings are contrary to the admissions of both the appellee and the appellant; (7) when the findings are contrary to the trial court; (8) when the findings are conclusions without citation of specific evidence on which they are based; (9) when the facts set forth in the petition as well as in the petitioner's main and reply briefs are not disputed by the respondents; (10) when the findings of facts are premised on the supposed absence of evidence and contradicted by the evidence on record; and (11) when the Court of Appeals manifestly overlooked certain relevant facts not disputed by the parties, which if properly considered, would justify a different conclusion. (Langkaan Realty Development, Inc. v. United Coconut Planters Bank, 400 Phil. 1349, 1356 [2000]; Nokom v. National Labor Relations Commissions, 390 Phil. 1228, 1242-1243 [2000]; Commissioner of Internal Revenue v. Embroidery and Garments Industries [Phils.], Inc., 364 Phil. 541, 546-547 [1999]; Sps. Sta. Maria v. Court of Appeals, 349 Phil. 275, 282-283 [1998]).

[21] Coronel v. Capati, G.R. No. 157836, 26 May 2005, 459 SCRA 205, 213.

[22] TSN, 29 July 1992, pp. 19-20.

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[23] TSN, 31 March 1995, pp. 16-19.

[24] In the promissory note which was signed solely by Dr. Lim per agreement among the petitioner, Dr. Lim and Atty. Tabalingcos, the stipulated rate of interest was 4%. When the loan obligation became due and demandable and the borrowers failed to pay on the agreed period they sought extension of their loan obligation and promised to increase the rate of interest to 5% to which the respondent agreed. But, when the respondent filed his Complaint for collection of sum of money, the rate of interest which he prayed for was 4% as what was stated in the promissory note.

[25] 449 Phil. 419, 433-434 (2003).

[26] 359 Phil. 820, 829-830 (1998).

[27] G.R. No. L-82282-83, 24 November 1988, 167 SCRA 815, 830-831.

[28] 371 Phil. 533, 543-544 (1999).

[29] 412 Phil. 816, 822-823 (2001).

[30] Ruiz v. Court of Appeals, supra note 25 at 434.

[31] G.R. No. 97412, 12 July 1994, 234 SCRA 78.

[32] Id. at 95-97.

[33] Rollo, p. 163.

[34] Poliand Industrial Limited v. National Development Company, G.R. No. 143866, 22 August 2005, 467 SCRA 500, 550.

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