

GOLDEN (ILOILO) DELTA SALES CORPORATION, PETITIONER, VS. PRE-STRESS INTERNATIONAL CORPORATION, ZEÑON SETIAS AND JERRY JARDIOLIN, RESPONDENTS.

G.R. No. 176768. January 12, 2009

Ponente: AZCUNA, J.

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AZCUNA, J.:

This is a petition for review on certiorari under Rule 45 of the 1997 Revised Rules of Civil Procedure seeking to set aside the Decision[1] dated July 22, 2005 and the Amended Decision[2] dated February 20, 2007 of the Court of Appeals (CA) in CA-G.R. CV No. 79101.

Petitioner Golden (Iloilo) Delta Sales Corporation (Golden Delta) is a domestic corporation engaged in the business of selling hardware and construction materials. Mr. Chui Han Sing Cembrano is its Vice-President and General Manager.[3]

Respondent Pre-Stress International Corporation (PSI) is also a domestic corporation engaged in the fabrication of pre-stress concrete pipes and pre-case concrete, while respondents Jerry Jardiolin and Zeñon Setias are officers of PSI.[4]

Sometime in 1990, Cembrano was introduced by Jardiolin to the PSI Board of Directors, among whom was Setias. Since then, Golden Delta supplied PSI with its construction materials on credit and at times helped finance the latter's construction projects through Golden Delta's sister financing company.[5]

Initially, the construction materials delivered by Golden Delta to PSI were taken from the former's warehouse located in Dungon A, Jaro, Iloilo City, which was situated some kilometers away from the PSI compound at Barangay Maliao, Pavia, Iloilo.[6]

Sometime in March 2000, for convenience of both parties, the officers of PSI allegedly offered Golden Delta to store its construction materials at the PSI compound in Pavia, Iloilo. At that time, Golden Delta's warehouse in Dungon A, Jaro, Iloilo City, was being rented by Wewins Bakeshop. Consequently, Golden Delta accepted the proposal and began utilizing a portion of the PSI compound as its warehouse and bodega, stacking and storing its construction materials there.[7]

Golden Delta alleged that its stocks coming from Luzon and Cebu were delivered directly to the PSI compound and stored there. Golden Delta also placed there trucks, forklifts and other equipment necessary for loading and unloading the materials. It likewise assigned there its own personnel to manage and attend to the receipts and withdrawal of materials by its buyers. Golden Delta claimed that the procedure in the withdrawal of materials by its customers in the PSI compound was to first purchase the materials from its main office in Iloilo City; the customer would then be issued a withdrawal slip describing the materials and their quantities; the withdrawal slip would then be presented to Golden Delta's personnel stationed at the PSI compound and the latter would record it and release the materials to the customer. Golden Delta claimed that the arrangement went smoothly from March

2000 to December 2001.[8]

Before December 5, 2001, the lessee of Golden Delta's warehouse in Dungon A, Jaro, Iloilo City, terminated its lease agreement with Golden Delta. Hence, Golden Delta decided to resume its operations at its own warehouse. Thereafter, Golden Delta started to retrieve and transfer its alleged stocks from the PSI compound to its own warehouse in Dungon A. Golden Delta's employees were able to load three out of four trucks with assorted construction materials, but were only able to bring out two loaded trucks from the PSI compound to its warehouse in Dungon A. When Golden Delta's people returned to retrieve the remaining materials, they were prevented from doing so by the guards of PSI, allegedly upon the instructions of Jardiolin. Despite numerous telephone calls by Golden Delta to the officers and personnel of PSI, the latter allegedly refused to allow Golden Delta to withdraw its remaining stocks.[9]

On December 7, 2001, PSI purportedly called Golden Delta's office to inform the latter that it may retrieve the two trucks that were left at the PSI compound. Golden Delta, however, found two empty trucks along the highway outside the PSI compound. It appears that one of the trucks which were loaded with materials earlier was emptied of its cargo. At that time, according to Golden Delta, the drivers who retrieved the trucks saw Golden Delta's materials still inside the PSI compound.[10]

On December 8, 2001, Golden Delta sent a Letter[11] addressed to Setias, the General Manager of PSI, demanding the release of the construction materials. PSI allegedly refused to release or allow Golden Delta to enter the compound and withdraw the materials.[12]

Consequently, Golden Delta filed on January 8, 2002 a Complaint for Recovery of Personal Property with Prayer for Replevin with Damages[13] before the Regional Trial Court (RTC), Iloilo City, against PSI, Jardiolin and Setias, later docketed as Civil Case No. 02-27020. In its complaint, Golden Delta averred that respondents' refusal to allow it to withdraw the construction materials inside the PSI compound, in effect, constitutes unlawful taking of possession of personal properties. Golden Delta prayed that the trial court issue a writ of replevin ordering the seizure and delivery of the subject personal properties in accordance with law or in the event that manual delivery cannot be effected, to render judgment ordering respondents to pay, jointly and severally, the sum of P3,885,750.69 plus 20% as attorney's fees and the replevin bond premium and other expenses incurred in the seizure of the construction materials. Golden Delta likewise prayed for P200,000 moral damages, P200,000 exemplary damages, and the cost of the suit.[14]

On January 12, 2002, upon the complaint of Golden Delta, agents of the National Bureau of Investigation (NBI) apprehended and impounded two trucks loaded with Golden Delta's materials that were not retrieved from the PSI compound. Said materials, according to Golden Delta, were identified by the metal tags attached thereto bearing the name "Golden Delta." The truck drivers and their helpers were apprehended and detained by the NBI. Thereafter, on the basis of the evidence gathered and the findings of the NBI, a complaint for qualified theft was filed by the NBI with the Municipal Circuit Trial Court, Sta. Barbara-Pavia, Iloilo, against Jardiolin and Setias together with other officers and personnel of PSI.[15]

In their Answer with Affirmative Defense and Counterclaim[16] filed on February 8, 2002, PSI and Setias contended that Golden Delta's action for recovery of personal property with prayer for replevin with damages has no factual and legal basis. They averred that they came to know Cembrano when Jardiolin introduced him to them and that they are familiar with Golden Delta since they used to buy construction materials from it. They added that Golden Delta delivered construction materials at the PSI compound when they bought materials from the latter or when it delivered construction materials to Jardiolin at a separate area within the compound. Further, the PSI compound has a total of 5.7 hectares. It has wide and idle spaces since PSI occupies only a portion of the

property consisting of more or less 2.5 hectares. Jardiolin was also allowed to use a portion of the area as storage for his own equipment and construction materials. In addition, they do not interfere with the affairs and activities of Jardiolin as his operations do not interfere with their own operations. Although Golden Delta also delivers construction materials to Jardiolin, their transaction is exclusively between the two of them and they have no participation in it whatsoever.[17]

In his own Answer with Affirmative Defenses and Counterclaim[18] dated February 8, 2002, Jardiolin maintained that he did not agree or allow, impliedly or explicitly, Golden Delta or any of its representatives to store any construction materials in his designated area inside the PSI compound. He averred that neither he, PSI nor Setias agreed to the withdrawal of any of the alleged stocks because the stocks inside the PSI compound were not owned by Golden Delta. He added that the construction materials inside the PSI compound being claimed by Golden Delta were his personal properties. Thus, he cannot and could not have refused Golden Delta from withdrawing any construction materials that it allegedly stored inside the PSI compound since Golden Delta had not stored or delivered any construction materials to him for storing or safekeeping with the obligation to return the same.[19]

Thereafter, trial ensued and on March 17, 2003, the RTC rendered a Decision[20] in favor of respondents and against Golden Delta. Its dispositive portion stated:

WHEREFORE, judgment is hereby rendered in favor of the defendants and against the plaintiff as follows:

- Dismissing the complaint of plaintiff;
- Directing plaintiff to pay defendants as follows:
 - To defendant Jerry Jardiolin:
 - Five Hundred Thousand Pesos (P500,000.00) as Attorney's Fees and one [sic] Hundred Thousand Pesos (P100,000.00) as Acceptance Fee;
 - Moral Damages in the amount of Three Million Five Hundred Thousand Pesos (P3,500,000.00);
 - Exemplary Damages in the amount of One Million Pesos (P1,000,000.00);
 - To defendant Zeñon Setias;
 - One Million Pesos (P1,000,000.00) for Attorney's Fees;
 - Moral Damages in the amount of Three Million Five Hundred Thousand Pesos (P3,500,000.00);
 - Exemplary Damages in the amount of One Million Pesos (P1,000,000.00);

SO ORDERED.[21]

In ruling for respondents the RTC ratiocinated that Golden Delta was not able to prove its ownership of the subject materials and its entitlement to their possession. The court stated that Golden Delta was not able to prove its case or causes of action, having failed to establish in a satisfactory manner the facts upon which it based its claims. Specifically, Golden Delta failed to establish the requisites for Replevin under Rule 60 of the Revised Rules of Court. The RTC concluded that there was no agreement to store the materials in the PSI compound and that Jardiolin was the owner of the subject material.[22]

Further, it was the opinion of the trial court that the case was filed not for the recovery of the subject construction materials but due to Cembrano's motive to take revenge on Jardiolin. The court based this on the testimony of one Imee Vilches who testified that she was the girlfriend of Cembrano and that they have a daughter. Their relationship started in 1996 and it lasted until April 26, 2001. She testified that Cembrano was extremely jealous

of Jardiolin who, compared to him, was more talented, good looking and intelligent. The RTC pointed out that Ms. Vilches knew the transactions between Cembrano and PSI because she is the consultant and accountant of PSI.[23]

Also, the RTC found that Cembrano was not able to prove that he was authorized by the Board of Directors of Golden Delta to file the case.[24]

Moreover, the RTC noted that even before the filing of the complaint, the construction materials were in the possession of respondents. As such, it was Jardiolin who was entitled to the possession of the subject materials since he was both their owner and possessor, and no storage agreement was proven by Golden Delta.[25]

Aggrieved, Golden Delta sought recourse before the CA, claiming that the RTC erred:

I

IN HOLDING THAT CHUI HAN SING CEMBRANO, VICE-PRESIDENT AND MANAGER OF APPELLANT CORPORATION, HAS NO AUTHORITY TO REPRESENT/SUE FOR AND ON BEHALF OF APPELLANT.

II

IN RULING THAT NO CONSTRUCTION MATERIALS BELONGING TO APPELLANT [WAS] EVER RECEIVED BY APPELLEES AND STORED AT THE PSI COMPOUND.

III

IN FINDING THAT THE CONSTRUCTION MATERIALS SUBJECT OF THIS CASE [ARE] OWNED BY APPELLEES AND NOT BY APPELLANT.

IV

IN CONCLUDING THAT THE CONSTRUCTION MATERIALS, SUBJECT OF THIS CASE, ARE NOT PARTICULARLY DESCRIBED AND ARE INCORPOREAL PERSONAL PROPERTIES, HENCE, NOT SUBJECT OF REPLEVIN.

V

IN GIVING ABSOLUTE CREDENCE, AND SWALLOWING HOOK, LINE, AND SINKER THE TESTIMONY OF A MORALLY DEPRAVED AND ADULTEROUS WOMAN, IMEE VILCHES; AND

VI

IN AWARDING ATROCIOUS, SCANDALOUSLY EXHORBITANT AND GARGANTUAN AMOUNTS OF DAMAGES WHICH ARE TOTALLY UNPROVED.[26]

On July 22, 2005, the CA rendered a Decision[27] affirming with modification the decision of the RTC. In its decision, the CA found that Cembrano had the personality to appear and represent Golden Delta. It, however, agreed with the RTC that Golden Delta was not able to prove by a scintilla of evidence that it is the owner of the subject materials and that it is entitled to their possession. Further, the appellate court reduced the monetary awards granted to Jardiolin and Setias. The decretal portion of the decision reads:

WHEREFORE, premises considered, the assailed Decision under review dated March 17, 2003 of the Regional Trial Court, 6th Judicial Region, Branch 32, Iloilo City, in Civil Case No. 02-27020, is hereby MODIFIED as follows:

- To defendant Jerry Jardiolin:

- The award of Attorney's Fees and Acceptance Fee is reduced from P600,000.00 [sic] to P100,000.00;
- The award of moral damages is reduced from P3,500,000.00 to P200,000.00; and
- the award of exemplary damages is reduced from P1,000,000.00 to P100,000.00;
- To defendant Zeñon Setias:
- The award of Attorney's Fees and Acceptance Fee is reduced from P1,000,000.00 to P100,000.00;
- The award of moral damages is reduced from P3,500,000.00 to P200,000.00; and
- The award of exemplary damages is reduced from P1,000,000.00 to P100,000.00;

In all respects, the assailed decision is hereby AFFIRMED except the portion wherein the trial court erroneously ruled that herein appellant was not able to prove that he was authorized by the Board of Directors of Golden (Iloilo) Delta Sales Corp.

SO ORDERED.[28]

Thereafter, Golden Delta filed a motion for reconsideration, insisting that it is the owner of the construction materials purportedly delivered to the PSI compound for storage. Golden Delta also asserted that there was no evidence or legal basis for the award of moral and exemplary damages, as well as attorney's fees in favor of Jardiolin and Setias.[29] On February 20, 2007, the CA rendered an Amended Decision[30] partially granting Golden Delta's motion, the dispositive portion of which reads:

WHEREFORE, after due consideration, the instant motion is GRANTED in PART. This court's decision promulgated on July 22, 2005, is AFFIRMED as to the dismissal of plaintiff-appellant's complaint. However, the award of moral and exemplary damages and attorney's fees to defendants Jerry Jardiolin and Zeñon Setias is hereby DELETED and SET ASIDE and the counterclaim of appellees is likewise DISMISSED.

SO ORDERED.[31]

The CA concluded that after a reevaluation and thorough perusal of the evidence presented by both parties, it likewise found that Golden Delta failed to present convincing and concrete evidence to support its claim of ownership and rightful possession of the subject construction materials. However, the CA found the award for moral and exemplary damages and attorney's fees to Jardiolin and Setias to be without sufficient basis.[32]

Not contented with the amended decision, Golden Delta filed the petition here, assigning as errors the action of the appellate court:

I

IN FINDING THAT THERE IS NO PROOF THAT PETITIONER EVER DELIVERED CONSTRUCTION MATERIALS SUBJECT OF THE CONTROVERSY, INTO PSI's COMPOUND.

II

IN RULING THAT RESPONDENT JERRY H. JARDIOLIN, NOT PETITIONER, IS THE "PRESUMED" OWNER OF THE CONTESTED CONSTRUCTION MATERIALS.

III

IN CONVENIENTLY PASSING SUB-SILENCIO THE VERY CRUCIAL ISSUE, WHETHER OR NOT THE TRIAL COURT (RTC, BR. 32, ILOILO) PRESIDING JUDGE, HON. LOLITA CONTRERAS-BESANA, WHO HERSELF CONFESSED HER PROXIMATE CONSANGUINITAL

RELATION WITH ATTY. LEONARDO JIZ, COUNSEL FOR RESPONDENTS IN THE TRIAL COURT, SHOULD HAVE INHIBITED HERSELF FROM HEARING THE CASE. THE VERY FACT SHE (BESANA) PURSUED IN THE OTHER EARLIER CASES BEFORE HER WHEREIN ATTY. JIZ WAS A PARTY, AND IN NOT NULLIFYING OR AT THE VERY LEAST, REVERSING, THE DECISION OF THE TRIAL COURT ON GROUNDS OF CLEAR BIAS AND BEREFT OF EVIDENTIARY BASIS, AS BORNE BY THE RECORDS.

IV

IN NOT RESOLVING RESPONDENTS' MOTION FOR LEAVE TO ADMIT THEIR VERY BELATEDLY FILED APPELLEES' BRIEF, WHICH IS ACTUALLY IN THE NATURE OF A MOTION FOR RECONSIDERATION OVER ITS EARLIER RESOLUTION DIRECTING THE CASE SUBMITTED FOR DECISION WITHOUT THE APPELLEES' BRIEF, IN THE FACE OF PETITIONER'S VIGOROUS AND WELL FOUNDED OPPOSITION, BEFORE RENDERING ITS DECISION, THEREBY VIOLAT[ING] PETITIONER'S RIGHT TO DUE PROCESS.[33]

Petitioner argues that the conclusions of the RTC and CA are not only utterly baseless but, worse, contrary to the evidence on record and the law. Respondents allegedly failed to produce any evidence, in the form of purchase orders, delivery receipts, proof of payment, and the like, that would prove that the subject construction materials are owned by Jardiolin.[34]

Golden Delta insists that sufficient evidence was presented to show that the construction materials subject of the controversy were delivered and stored in PSI's compound, but the CA refused to consider it and concluded instead that the ownership and possession thereof were presumed to belong to Jardiolin.[35] The above conclusion, says Golden Delta, which is evidently based on a presumption, clearly showed that there was no direct, clear, concrete and positive evidence of the fact of ownership.[36] Golden Delta likewise faults the appellate court for keeping mum on the question it raised on the trial judge's partiality, considering her close blood relation with PSI's counsel.[37] Lastly, Golden Delta avers that the CA should have first resolved whether or not to admit respondents' brief before deciding the case on the merits. Failure to do so, says Golden Delta, amounts to a denial of due process.[38]

Respondents, on the other hand, claim that only questions of law may be raised in a Petition for Review on Certiorari under Rule 45; that both the CA and the RTC found that petitioner did not store construction materials at the compound of PSI and neither was its ownership established; that both the CA and the RTC found that petitioner did not offer any written evidence showing that the construction materials were received by respondents' personnel; that the alleged bias and partiality of the trial judge were never raised as an issue before the CA, hence, it cannot be raised for the first time in the instant petition; that when the CA noted the entry of appearance of Gellada Law Office in substitution of respondent's former counsel, Atty. Leonardo E. Jiz, it impliedly noted and admitted its belated Appellees' Brief; that the instant petition is premature because the Partial Motion for Reconsideration of the CA's Amended Decision it filed is still pending resolution.[39]

As a rule only questions of law are entertained in petitions for review on certiorari under Rule 45 of the Rules of Court. The trial court's findings of fact, especially when affirmed by the CA, are generally binding and conclusive upon this Court. However, the rule allows certain exceptions. Among the recognized exceptions are: (1) when the conclusion is grounded on speculations, surmises or conjectures; (2) when the inference 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 findings of fact are conflicting; (6) when there is no citation of specific evidence on which the factual findings are based; (7) when the finding of facts is contradicted by the evidence on record; (8) when the CA manifestly overlooked certain relevant and undisputed facts that, if properly considered,

would justify a different conclusion; (9) when the findings of the CA are beyond the issues of the case; and, (10) when such findings are contrary to the admissions of the parties.[40]

This case falls under the exceptions. The findings of the CA are contrary to the evidence, which it grossly misappreciated, and to the judicial admissions of respondents. In fine, the findings and conclusions of the CA are contrary to the undisputed facts and clear evidence on record.

Petitioner Golden Delta clearly delivered construction materials to the PSI compound. There is sufficient basis in both respondents' judicial admissions and the evidence on record that indeed construction materials were delivered by petitioner in the PSI compound. Allegations, statements and admissions made by a party in his pleadings are binding upon him. He cannot subsequently take a position contradictory or inconsistent with his admissions.[41] Respondents PSI and Setias admitted in their Answer:

12. That although the plaintiff (Golden Delta) delivered construction materials at the PSI Compound, it was only on occasion when herein defendants bought some construction materials from them or when plaintiffs delivered construction materials to JERRY JARDIOLIN and that were stocked at a separated area designated for the latter.

x x x

14. That herein defendants do not interfere with the affairs and activities of the plaintiff and JERRY JARDIOLIN as their operation does not interfere with our company's operation; that although plaintiff delivers also construction materials to JERRY JARDIOLIN [sic], the transaction is purely between them and that herein defendants has [sic] no participation their [sic] whatsoever.[42] (Emphasis supplied)

The CA, however, said that petitioner failed to prove "as to how much or how many" of these construction materials were actually stored at the PSI compound.[43]

The CA simply ignored the evidentiary impact of the voluminous withdrawal slips and inventory lists (Exhs. "G" to "CC," inclusive) prepared and testified to by petitioner's personnel proving the exact quantity and specifications of these construction materials stored at the PSI compound. Furthermore, a list of these construction materials with their respective quantities and descriptions, was annexed to the petitioner's complaint for replevin.[44] This list was never denied by respondents in their respective Answers, much less refuted by them during the trial.

The CA's findings that these inventory lists[45] that were testified to by petitioner's witnesses were not signed or acknowledged by any of respondents' personnel do not militate against their evidentiary value. As correctly pointed out by petitioner, the withdrawal slips and inventory lists do not bear the signature of any PSI officer/personnel because, as admitted by PSI and Setias in their Answer, they do not interfere with the affairs and activities of Golden Delta and Jardiolin as their operations do not interfere with their company's operation and that although Golden Delta delivers construction materials to Jardiolin, the transaction is purely between the two of them and that they have no participation in their transactions whatsoever.[46]

Nor can it be contended that the inventory lists are self-serving simply because they were prepared by petitioner's employees. These documents were prepared ante litem motam, and without anticipation that any litigation between the parties may ensue in the future. In *Philippine Airlines, Inc. v. Ramos*,[47] this Court held that a writing or document made contemporaneously with a transaction which evidenced facts pertinent to the issue, when adduced as proof of those facts, is ordinarily regarded as more reliable proof and of greater probative force than the oral testimony of a witness as to such facts based upon memory and recollection. Statements, acts or conducts accompanying or so nearly connected with the main transaction as to form part of it, and which illustrate, elucidate, qualify or characterize the act, are admissible as part of the res gestae.[48]

In the present case, the withdrawal slips and inventory lists were prepared by the petitioner's employees who were detailed at the PSI compound, in the regular course of its business, made contemporaneously with the transaction, and in the performance of their regular duties without anticipation of any future litigation which may arise between petitioner and PSI. They should have been afforded great weight and credence as evidence.

Petitioner's voluminous documentary evidence consisting of certifications and invoices[49] of its purchase and shipment to it of construction materials by its suppliers Chuabenco Resources, Inc., Biñan Steel Corp., Pag-asa Steel Works Inc., Lapu-Lapu Steel Industries and Metal Steel Corp. prove that the subject construction materials belong to it. The admissions of respondents that they bought construction materials from petitioner which were stocked at its own compound proved that petitioner owned the materials and such ownership was recognized by respondents by the mere fact that they purchased some of the construction materials from petitioner. Moreover, the metal tags bearing the name "Golden Delta"[50] attached to some of the construction materials that were seized by the NBI from the truck of respondent Jardiolin are also proof of petitioner's ownership.

Furthermore, witnesses Arman Zarragosa[51] and Rudy Yap,[52] regular customers of petitioner, testified that whenever they purchased construction goods from petitioner they would withdraw the purchased materials from the PSI compound. Their testimonies and those of petitioner's personnel, namely, Messrs. Marvin Llorente,[53] Manuel Serue[54] and Jocelyn Santacera,[55] that they supervised the delivery and withdrawals of construction materials from the PSI compound have not been contradicted by any of respondents' evidence on record.

On the other hand, respondents' proof of ownership over the subject construction materials consisting of sales invoices of Chuabenco Resources, Inc.,[56] Lapu-Lapu Steel Industries[57] and Oakland Metal Corporation[58] does not buttress their claim. As correctly pointed out by the petitioner, the sales invoices issued by Chuabenco Resources, Inc. were disclaimed by it in a Certification[59] stating that it has no business transaction with PSI and neither sold any hardware or construction materials to PSI nor has it received payment from the latter. Also, the sales invoice of Lapu-Lapu Steel Industries refers to corrugated tie wires, which were not among the materials sought to be recovered by petitioner in the complaint. Aside from these sales invoices, no other documentary evidence was presented by Jardiolin or PSI to prove their ownership of the controverted materials.

Furthermore, it appears that respondents themselves cannot even agree on who among them is the real owner of the subject construction materials. In his Answer, Jardiolin claimed ownership over the construction materials, viz:

4. In so far as the defendant Jardiolin is concerned, the stocks of construction materials inside the compound of PSI now being claimed by the plaintiff were not owned by the plaintiff but by defendant Jardiolin. Furthermore, defendant Jardiolin requested the stoppage of the removal of the construction materials being claimed by the plaintiff, because these materials were the personal properties of defendant Jardiolin. The representative of the plaintiff was not intimidated or coerced into stopping the alleged removal of the construction materials.[60]

In respondent PSI and Jardiolin's letter to the NBI,[61] Jardiolin stated under oath that the subject construction materials belonged to PSI, not to him:

The construction materials that you (NBI) seized consisting of 12mm x 20' round bars; 2,150 pcs. round bars; 182 pcs. ¼x2x20" and 43 pcs. C purlins 2x4x20 angle bars, were not stolen but are owned and legally possessed by Pre-Stress International Phil. as shown by machine copies of the Sales Invoices of the construction materials seized by the agents of NBI as annexes "A," "B," "C." (Emphasis supplied)

The CA found that indeed there was an agreement between petitioner and Jardiolin with respect to the construction materials stored at the PSI compound, but the specifics of the agreement were not clear. Hence, the

CA concluded that Jardiolin was the "presumed" owner of the construction materials.[62] This conclusion is based on pure conjecture and not on the evidence.

From all the foregoing, it is evident that the findings of the CA are contrary to the evidence and the admissions in the pleadings.

WHEREFORE, the petition is GRANTED and the Decision of July 22, 2005 and the Amended Decision of February 20, 2007 of the Court of Appeals are REVERSED and SET ASIDE. Respondents Pre-Stress International Corporation, Zeñon Setias and Jerry Jardiolin are DIRECTED, jointly and severally, to return to petitioner Golden (Iloilo) Delta Sales Corporation all the construction materials subject of the complaint or to indemnify petitioner the sum of P3,338,750 representing their value. Respondents are further ordered to pay petitioner interest on the principal amount at the legal rate from the date of filing of the complaint on January 8, 2002 until finality of this judgment and at twelve percent (12%) from such time until its satisfaction.

No costs.

SO ORDERED.

Puno, C.J., (Chairperson), Carpio, Chico-Nazario,[*] and Leonardo-De Castro, JJ., concur.

[*] Per Special Order No. 545, dated December 16, 2008, signed by Chief Justice Reynato S. Puno, designating Associate Justice Minita V. Chico-Nazario to replace Associate Justice Renato C. Corona, who is on leave.

[1] Penned by Associate Justice Mercedes Gozo-Dadole with Associate Justices Arsenio J. Magpale and Ramon M. Bato, Jr. concurring; rollo, pp. 52-72.

[2] Penned by Associate Justice Arsenio J. Magpale with Associate Justices Romeo F. Barza and Priscilla Baltazar-Padilla concurring; id. at 74-82.

[3] Id. at 14.

[4] Id.

[5] Id. at 15.

[6] Id.

[7] Id.

[8] Id. at 16.

[9] Id.

[10] Id. at 17.

[11] Id. at 87.

[12] Id. at 55.

[13] Id. at 83-86.

[14] Id. at 84-86.

[15] Supra, note 10.

[16] Rollo, pp. 98-103.

[17] Id. at 100-101.

[18] Id. at 105-109.

[19] Id. at 105-107.

[20] Id. at 132-203.

[21] Id. at 203.

[22] Id. at 193-201.

[23] Id. at 184-188.

[24] Id. at 200.

[25] Id. at 201.

[26] Id. at 220-221.

[27] Supra, note 1.

[28] Rollo, p. 71.

[29] Id. at 75-76.

[30] Supra, note 2.

[31] Rollo, p. 81.

[32] Id. at 77-81.

[33] Id. at 25-26.

[34] Id. at 26-29.

[35] Id. at 26-33.

[36] Id. at 33-38.

[37] Id. at 39-42.

[38] Id. at 45-46.

[39] Id. at 427-436.

[40] Pelonia v. People, G.R. No. 168997, April 13, 2007, 521 SCRA 207.

[41] Sec. 4, Rule 129; Sec. 26, Rule 130, Herrera, Remedial Law, Vol. 5, pp. 107-108, citing Mcdaniel v. Apacible, 44 Phil 248; Cunanan v. Ocampo, 80 Phil 227.

[42] Rollo, pp. 100-101.

[43] Id. at 64.

[44] Id. at 84.

[45] Exhibits "G" to "CC" and Exhibits "EE" to "FF."

[46] Supra, note 42.

[47] G.R. No. 92740, March 23, 1992, 207 SCRA 461.

[48] Id. at 471.

[49] Exhs. "KKK" to "OOO."

[50] Exhs. "JJ," "KK" and "LL."

[51] TSN, pp. 3-28, August 19, 2002.

[52] TSN, pp. 29-46, August 19, 2002; TSN, pp. 23-29, August 23, 2002; TSN, pp. 8-24, August 26, 2002.

[53] TSN, pp. 3-24, July 17, 2002.

[54] TSN, pp. 48-64, August 19, 2002.

[55] TSN, pp. 5-17, August 23, 2002.

[56] Exhs. "55" and "57."

[57] Exhs. "67" and "68."

[58] Exh. "69."

[59] Exh. "QQQ."

[60] Rollo, p. 106.

[61] Exh. "JJJ."

[62] Annex "B," p. 14.

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