

CARMELA BROBIO MANGAHAS, PETITIONER, VS. EUFROCINA A. BROBIO, RESPONDENT.

G.R. No. 183852. October 20, 2010

Ponente: NACHURA, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/g-r-no-183852/>

NACHURA, J.:

This petition for review on certiorari seeks to set aside the Court of Appeals (CA) Decision[1] dated February 21, 2008, which dismissed petitioner's action to enforce payment of a promissory note issued by respondent, and Resolution[2] dated July 9, 2008, which denied petitioner's motion for reconsideration.

The case arose from the following facts:

On January 10, 2002, Pacifico S. Brobio (Pacifico) died intestate, leaving three parcels of land. He was survived by his wife, respondent Eufrocina A. Brobio, and four legitimate and three illegitimate children; petitioner Carmela Brobio Mangahas is one of the illegitimate children.

On May 12, 2002, the heirs of the deceased executed a Deed of Extrajudicial Settlement of Estate of the Late Pacifico Brobio with Waiver. In the Deed, petitioner and Pacifico's other children, in consideration of their love and affection for respondent and the sum of P150,000.00, waived and ceded their respective shares over the three parcels of land in favor of respondent. According to petitioner, respondent promised to give her an additional amount for her share in her father's estate. Thus, after the signing of the Deed, petitioner demanded from respondent the promised additional amount, but respondent refused to pay, claiming that she had no more money.[3]

A year later, while processing her tax obligations with the Bureau of Internal Revenue (BIR), respondent was required to submit an original copy of the Deed. Left with no more original copy of the Deed, respondent summoned petitioner to her office on May 31, 2003 and asked her to countersign a copy of the Deed. Petitioner refused to countersign the document, demanding that respondent first give her the additional amount that she promised. Considering the value of the three parcels of land (which she claimed to be worth P20M), petitioner asked for P1M, but respondent begged her to lower the amount. Petitioner agreed to lower it to P600,000.00. Because respondent did not have the money at that time and petitioner refused to countersign the Deed without any assurance that the amount would be paid, respondent executed a promissory note. Petitioner agreed to sign the Deed when respondent signed the promissory note which read --

31 May 2003

This is to promise that I will give a Financial Assistance to CARMELA B. MANGAHAS the amount of P600,000.00 Six Hundred Thousand only on June 15, 2003.

(SGD)

EUFROCINA A. BROBIO[4]

When the promissory note fell due, respondent failed and refused to pay despite demand. Petitioner made several

more demands upon respondent but the latter kept on insisting that she had no money.

On January 28, 2004, petitioner filed a Complaint for Specific Performance with Damages[5] against respondent, alleging in part--

- That plaintiff and defendant are legal heirs of the deceased, Pacifico S. Brobio[,] who died intestate and leaving without a will, on January 10, 2002, but leaving several real and personal properties (bank deposits), and some of which were the subject of the extra-judicial settlement among them, compulsory heirs of the deceased, Pacifico Brobio. x x x.
- That in consideration of the said waiver of the plaintiff over the listed properties in the extra-judicial settlement, plaintiff received the sum of P150,000.00, and the defendant executed a "Promissory Note" on June 15, 2003, further committing herself to give plaintiff a financial assistance in the amount of P600,000.00. x x x.
- That on its due date, June 15, 2003, defendant failed to make good of her promise of delivering to the plaintiff the sum of P600,000.00 pursuant to her "Promissory Note" dated May 31, 2003, and despite repeated demands, defendant had maliciously and capriciously refused to deliver to the plaintiff the amount [of] P600,000.00, and the last of which demands was on October 29, 2003. x x x.[6]

In her Answer with Compulsory Counterclaim,[7] respondent admitted that she signed the promissory note but claimed that she was forced to do so. She also claimed that the undertaking was not supported by any consideration. More specifically, she contended that --

10. Defendant was practically held "hostage" by the demand of the plaintiff. At that time, defendant was so much pressured and was in [a] hurry to submit the documents to the Bureau of Internal Revenue because of the deadline set and for fear of possible penalty if not complied with. Defendant pleaded understanding but plaintiff was adamant. Her hand could only move in exchange for 1 million pesos.

11. Defendant, out of pressure and confused disposition, was constrained to make a promissory note in a reduced amount in favor of the plaintiff. The circumstances in the execution of the promissory note were obviously attended by involuntariness and the same was issued without consideration at all or for illegal consideration.[8]

On May 15, 2006, the Regional Trial Court (RTC) rendered a decision in favor of petitioner. The RTC found that the alleged "pressure and confused disposition" experienced by respondent and the circumstances that led to the execution of the promissory note do not constitute undue influence as would vitiate respondent's consent thereto. On the contrary, the RTC observed that --

It is clear from all the foregoing that it is the defendant who took improper advantage of the plaintiff's trust and confidence in her by resorting to a worthless written promise, which she was intent on reneging. On the other hand, plaintiff did not perform an unlawful conduct when she insisted on a written commitment from the defendant, as embodied in the promissory note in question, before affixing her signature that was asked of her by the defendant because, as already mentioned, that was the only opportunity available to her or which suddenly and unexpectedly presented itself to her in order to press her demand upon the defendant to satisfy the correct amount of consideration due to her. In other words, as the defendant had repeatedly rebuffed her plea for additional consideration by claiming lack of money, it is only natural for the plaintiff to seize the unexpected opportunity that suddenly presented itself in order to compel the defendant to give to her [what is] due [her]. And by executing the promissory note which the defendant had no intention of honoring, as testified to by her, the defendant clearly acted in bad faith and took advantage of the trust and confidence that plaintiff had reposed in her.[9]

The RTC also brushed aside respondent's claim that the promissory note was not supported by valuable consideration. The court maintained that the promissory note was an additional consideration for the waiver of

petitioner's share in the three properties in favor of respondent. Its conclusion was bolstered by the fact that the promissory note was executed after negotiation and haggling between the parties. The dispositive portion of the RTC decision reads:

WHEREFORE, judgment is hereby rendered as follows:

- Ordering the defendant to pay to plaintiff the sum of Six Hundred Thousand Pesos (P600,000.00) which she committed to pay to plaintiff under the promissory note in question, plus interest thereon at the rate of 12% per annum computed from the date of the filing of the complaint;
- Ordering the defendant to pay to plaintiff the sum of P50,000.00 as attorney's fees; and
- Ordering the defendant to pay to plaintiff the costs of this suit.

SO ORDERED.[10]

On February 21, 2008, the CA reversed the RTC decision and dismissed the complaint.[11] The CA found that there was a complete absence of consideration in the execution of the promissory note, which made it inexistent and without any legal force and effect. The court noted that "financial assistance" was not the real reason why respondent executed the promissory note, but only to secure petitioner's signature. The CA held that the waiver of petitioner's share in the three properties, as expressed in the deed of extrajudicial settlement, may not be considered as the consideration of the promissory note, considering that petitioner signed the Deed way back in 2002 and she had already received the consideration of P150,000.00 for signing the same. The CA went on to hold that if petitioner disagreed with the amount she received, then she should have filed an action for partition.

Further, the CA found that intimidation attended the signing of the promissory note. Respondent needed the Deed countersigned by petitioner in order to comply with a BIR requirement; and, with petitioner's refusal to sign the said document, respondent was forced to sign the promissory note to assure petitioner that the money promised to her would be paid.

Petitioner moved for the reconsideration of the CA Decision. In a Resolution dated July 9, 2008, the CA denied petitioner's motion.[12]

In this petition for review, petitioner raises the following issues:

- The Honorable Court of Appeals erred in the appreciation of the facts of this case when it found that intimidation attended the execution of the promissory note subject of this case.
- The Honorable Court of Appeals erred when it found that the promissory note was without consideration.
- The Honorable Court of Appeals erred when it stated that petitioner should have filed [an action] for partition instead of a case for specific performance.[13]

The petition is meritorious.

Contracts are voidable where consent thereto is given through mistake, violence, intimidation, undue influence, or fraud. In determining whether consent is vitiated by any of these circumstances, courts are given a wide latitude in weighing the facts or circumstances in a given case and in deciding in favor of what they believe actually occurred, considering the age, physical infirmity, intelligence, relationship, and conduct of the parties at the time of the execution of the contract and subsequent thereto, irrespective of whether the contract is in a public or private writing.[14]

Nowhere is it alleged that mistake, violence, fraud, or intimidation attended the execution of the promissory note. Still, respondent insists that she was "forced" into signing the promissory note because petitioner would not sign

the document required by the BIR. In one case, the Court - in characterizing a similar argument by respondents therein - held that such allegation is tantamount to saying that the other party exerted undue influence upon them. However, the Court said that the fact that respondents were "forced" to sign the documents does not amount to vitiated consent.[15]

There is undue influence when a person takes improper advantage of his power over the will of another, depriving the latter of a reasonable freedom of choice.[16] For undue influence to be present, the influence exerted must have so overpowered or subjugated the mind of a contracting party as to destroy his free agency, making him express the will of another rather than his own.[17]

Respondent may have desperately needed petitioner's signature on the Deed, but there is no showing that she was deprived of free agency when she signed the promissory note. Being forced into a situation does not amount to vitiated consent where it is not shown that the party is deprived of free will and choice. Respondent still had a choice: she could have refused to execute the promissory note and resorted to judicial means to obtain petitioner's signature. Instead, respondent chose to execute the promissory note to obtain petitioner's signature, thereby agreeing to pay the amount demanded by petitioner.

The fact that respondent may have felt compelled, under the circumstances, to execute the promissory note will not negate the voluntariness of the act. As rightly observed by the trial court, the execution of the promissory note in the amount of P600,000.00 was, in fact, the product of a negotiation between the parties. Respondent herself testified that she bargained with petitioner to lower the amount:

ATTY. VILLEGAS:

Q

And is it not that there was even a bargaining from P1-M to P600,000.00 before you prepare[d] and [sign[ed]] that promissory note marked as Exhibit "C"?

A

Yes, sir.

Q

And in fact, you were the one [who] personally wrote the amount of P600,000.00 only as indicated in the said promissory note?

A

Yes, sir.

COURT:

Q

So, just to clarify. Carmela was asking an additional amount of P1-M for her to sign this document but you negotiated with her and asked that it be lowered to P600,000.00 to which she agreed, is that correct?

A

Yes, Your Honor. Napilitan na po ako.

Q

But you negotiated and asked for its reduction from P1-M to P600,000.00?

A

Yes, Your Honor.[18]

Contrary to the CA's findings, the situation did not amount to intimidation that vitiated consent. There is intimidation when one of the contracting parties is compelled to give his consent by a reasonable and well-grounded fear of an imminent and grave evil upon his person or property, or upon the person or property of his spouse, descendants, or ascendants.[19] Certainly, the payment of penalties for delayed payment of taxes would not qualify as a "reasonable and well-grounded fear of an imminent and grave evil."

We join the RTC in holding that courts will not set aside contracts merely because solicitation, importunity, argument, persuasion, or appeal to affection was used to obtain the consent of the other party. Influence obtained by persuasion or argument or by appeal to affection is not prohibited either in law or morals and is not obnoxious even in courts of equity.[20]

On the issue that the promissory note is void for not being supported by a consideration, we likewise disagree with the CA.

A contract is presumed to be supported by cause or consideration.[21] The presumption that a contract has sufficient consideration cannot be overthrown by a mere assertion that it has no consideration. To overcome the presumption, the alleged lack of consideration must be shown by preponderance of evidence.[22] The burden to prove lack of consideration rests upon whoever alleges it, which, in the present case, is respondent.

Respondent failed to prove that the promissory note was not supported by any consideration. From her testimony and her assertions in the pleadings, it is clear that the promissory note was issued for a cause or consideration, which, at the very least, was petitioner's signature on the document.

It may very well be argued that if such was the consideration, it was inadequate. Nonetheless, even if the consideration is inadequate, the contract would not be invalidated, unless there has been fraud, mistake, or undue influence.[23] As previously stated, none of these grounds had been proven present in this case.

The foregoing discussion renders the final issue insignificant. Be that as it may, we would like to state that the remedy suggested by the CA is not the proper one under the circumstances. An action for partition implies that the property is still owned in common.[24] Considering that the heirs had already executed a deed of extrajudicial settlement and waived their shares in favor of respondent, the properties are no longer under a state of co-ownership; there is nothing more to be partitioned, as ownership had already been merged in one person.

WHEREFORE, premises considered, the CA Decision dated February 21, 2008 and its Resolution dated July 9, 2008 are REVERSED and SET ASIDE. The RTC decision dated May 15, 2006 is REINSTATED.

SO ORDERED.

Corona, C.J.,[*] Carpio, (Chairperson), Leonardo-De Castro,[**] and Mendoza, JJ., concur.

[*] Additional member in lieu of Associate Justice Diosdado M. Peralta per Raffle dated May 27, 2009.

[**] Additional member in lieu of Associate Justice Roberto A. Abad per Special Order No. 905 dated October 5, 2010.

[1] Penned by Associate Justice Normandie B. Pizarro, with Associate Justices Edgardo P. Cruz and Fernanda Lampas Peralta, concurring; rollo, 30-42.

[2] Id. at 43-44.

[3] TSN, August 17, 2005, pp. 4-5.

[4] The promissory note is a non-negotiable instrument as it does not conform to the requirements under Sec. 1 of the Negotiable Instruments Law; records, p. 57.

[5] Id. at 5-6.

[6] Id.

[7] Id. at 25-29.

[8] Id. at 26-27.

[9] Id. at 102-103.

[10] Id. at 104.

[11] Rollo, p. 41.

[12] Id. at 44.

[13] Id. at 17-18.

[14] *Leonardo v. Court of Appeals*, 481 Phil. 520, 532 (2004).

[15] *Development Bank of the Philippines v. Court of Appeals*, G.R. No. 138703, June 30, 2006, 494 SCRA 25, 42-43.

[16] Civil Code of the Philippines, Art. 1337.

[17] *Carpo v. Chua*, G.R. Nos. 150773 and 153599, September 30, 2005, 471 SCRA 471, 482.

[18] TSN, August 17, 2005, p. 11.

[19] Civil Code of the Philippines, Art. 1335.

[20] *Martinez v. Hongkong & Shanghai Bank*, 15 Phil. 252, 270 (1910).

[21] Civil Code of the Philippines, Art. 1354.

[22] *Saguid v. Security Finance, Inc.*, G.R. No.159467, December 9, 2005, 477 SCRA 256, 270-271.

[23] Civil Code of the Philippines, Art. 1355.

[24] *Republic v. Baltazar-Ramirez*, G.R. No.148103, July 27, 2006, 496 SCRA 718, 721.

ABOUT BATAS.ORG

Study smarter at BATAS.org

The Philippine bar review and law-school companion built around how your brain actually remembers.

The complete Philippine law library - free for everyone.

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

Audio case-brief lectures.

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

Bar review built on the science of memory.

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

The full law-school curriculum.

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

Mock exams that tell you where you stand.

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

A study planner that keeps you on pace.

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

Start free at <https://batas.org>

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.