

CAPTAIN MATEO P. FRANCISCO, PETITIONERS, VS. HON. PELAGIO S. MANDI, IN HIS CAPACITY AS PRESIDING JUDGE OF THE REGIONAL TRIAL COURT OF ISABELA, BASILAN, BRANCH I AND ALBINO AREVA...

G.R. No. 74625. July 31, 1987

Ponente: PARAS, J.

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PARAS, J.:

This is a petition for review on certiorari, seeking to annul and set aside the March 4, 1985 Decision[*] (and the Order denying the motion for reconsideration) of the then Court of First Instance of Basilan in Civil Case No. 135, entitled Albino Arevalo vs. Captain Mateo P. Francisco.

The dispositive portion of said decision reads:

"WHEREFORE, the Court renders judgment in favor of plaintiff Albino Arevalo ordering defendant Mateo Francisco to pay plaintiff the sum of P8,591.55 plus legal interest thereon, plus P1,500.00 as attorney's fees and costs."

As found by the trial court, the factual background of this case is as follows:

Sometime in the month of November, 1974, petitioner, accompanied by his father Maximo Francisco, went to the residence of plaintiff (private respondent herein), in Lamitan, Basilan, to borrow P8,000.00 from him. To accommodate petitioner who is his nephew-in-law, on November 20, 1974, private respondent mortgaged a parcel of agricultural land with the Philippine National Bank in Zamboanga City for P8,000.00, and in the execution of the Real Estate Mortgage, petitioner and his wife signed as principal co-obligors. The latter also signed together with private respondent and his late wife a promissory note in favor of the Philippine National Bank with the understanding that petitioner will assume and pay the obligation plus the interest that will be due thereon. In fact it was petitioner who personally received the loan money of P8,000.00 from the bank, and in his letter dated August 5, 1976 to the Manager of the Philippine National Bank, Zamboanga City, petitioner admitted his loan account of P8,000.00.

However, when the loan became due, it was private respondent who paid it to avoid the mortgage being foreclosed; and up to the present, petitioner has not yet paid the amount to him (Decision, Civil Case No. 135, Rollo, p. 7; Order dated April 15, 1985, Rollo, pp. 22-23).

On July 14, 1980, private respondent filed with the then Court of First Instance of Basilan a complaint for recovery of money against the herein petitioner, docketed therein as Civil Case No. 135 (Record, pp. 11-15).

Petitioner, in his Answer of October 1, 1980 (Ibid., pp. 17-19), denies the main allegations in the complaint and claimed in effect that it was he and his wife who accommodated private respondent who needed the loan as he is better known to the bank personnel. He claimed further that he agreed to be co-obligor because private respondent

is his uncle-in-law and that he made payments to the bank on behalf of the private respondent because he is a permanent resident of Zamboanga City while private respondent is a Lamitan resident and did not have enough time to transact his business with the bank. The last payment made by him, as shown in Annex "D-1", was on August 25, 1980. However, as early as September 3, 1979, private respondent, through counsel, already demanded from him the payment of P8,000.00, which he never owed (Rollo, pp. 17-19).

As aforesaid, respondent Judge, in a Decision dated March 4, 1985, ruled in favor of private respondent (Ibid., pp. 7-9).

On March 22, 1985, petitioner filed a Motion for Reconsideration (Ibid., pp. 20-21), which motion was denied in an Order dated April 15, 1985 (Ibid., pp. 22-23).

Hence, this petition (Ibid., pp. 3-6).

The Second Division of this Court, in a Resolution dated July 2, 1986, resolved to require the respondents to comment (Ibid., p. 31), which comment was filed by private respondent on August 14, 1986 (Ibid., pp. 32-36) while a reply thereto (Ibid., p. 42) was filed by the petitioner in compliance with the resolution dated September 17, 1986 (Ibid., p. 38).

In a Resolution dated March 30, 1987, the Second Division of this Court resolved to give due course to the petition, and to require the parties to file their respective memoranda (Ibid., p. 44).

On May 2, 1987, private respondent filed a Manifestation praying, in substance, that his Comment of August 7, 1986 be considered as his memorandum (Ibid., pp. 46-47), while petitioner filed his Memorandum on May 13, 1987 (Ibid., pp. 52-54).

The sole issue in this case is — whether or not certiorari will lie.

The instant petition is devoid of merit.

In the case of *Philippine Virginia Tobacco Administration vs. Lucero* (125 SCRA 337, 343), this Court ruled that —

"x x x For certiorari to lie, there must be a capricious, arbitrary and whimsical exercise of power, the very antithesis of the judicial prerogative in accordance with centuries of both civil law and common law traditions (Panaligan vs. Adolfo, 61 SCRA 176, 180).' The abuse of discretion must be grave and patent, and it must be shown that the discretion was exercised arbitrarily or despotically (Palma and Ignacio vs. Q. & S., Inc., et al., 17 SCRA 97, 100)."

In the instant case, it is obvious that there is no capricious, arbitrary and whimsical exercise of power.

Petitioner avers that the best evidence to determine who the borrowers were is the Real Estate Mortgage read together with the Promissory Note; that it is common knowledge that the proceeds of real estate loans from the Philippine National Bank are delivered to the borrower; and that during the trial, no documentary evidence was adduced by private respondent to show that petitioner received the proceeds of the loan. Based on these averments, petitioner concludes that the lower court erred or abused its discretion in holding that petitioner received the proceeds of the loan for this would be in violation of the bank policy, unless of course a written authority had been given by private respondent to the petitioner. No such document exists, in view of which, the presumption is that private respondent received the proceeds of the loan.

But petitioner himself stated the exception to the rule, that is — "unless of course a written authority was given by plaintiff to defendant." Such authority was categorically pointed out by respondent Judge in his Order dated April

15, 1985 denying petitioner's motion for reconsideration (Rollo, pp. 22-23), the pertinent portion of which is quoted hereunder:

"Exhibit B of the plaintiff in this case is the Promissory Note dated November 22, 1974, acknowledging receipt of the sum of P8,000.00. The said document is signed by the plaintiff and the defendant (Exh. "B-4"), as well as his wife, Eleonor S. Francisco (Exh. "B-5") together with the plaintiff, Ignacia Petilla. The following phrase is typewritten at the bottom of Exhibit "B", quote: 'please pay the proceed of this loan to Mr. Mateo P. Francisco . . .' (italics supplied). At the trial, plaintiffs testimony that the defendant received all the proceeds of the loan, was not controverted."

Evidently, respondent Judge cannot be faulted for maintaining his stand. Besides, this Court will not substitute its own judgment for that of the trial court over matters involving weight of evidence in certiorari cases (Padilla vs. Commission on Elections, July 9, 1985, 137 SCRA 424).

It is too well-settled to need further elaboration, that the findings of fact of the trial court, if supported by substantial evidence, are binding on the Supreme Court (Talisay Employees & Laborers' Association, et al. v. CIR, et al., G.R. No. 39844, July 31, 1986; People v. Monteverde, G.R. No. 60962, July 11, 1986; People v. Crus, G.R. No. L-68805, July 9, 1986; Director of Lands, et al. v. Funtilar, G.R. No. 68533, May 23, 1986; Legaspi v. CA, et al., L-45510, May 27, 1986).

That the findings of the trial court, in the case at bar, are based on substantial evidence is beyond question. The ruling of the trial court on this matter is as follows:

"Indeed that the loan of P8,000.00 was defendant's obligation, and/or was obtained from the bank (or the benefit of the defendant, who received the aforementioned sum of money, is indubitably proven by the defendant's own admission as indicated in plaintiffs Exhibit "C". In this Exhibit, a letter addressed to the Bank on 5 August 1976, and signed by the defendant, he categorically admitted that the loan of P8,000.00 granted by the Philippine National Bank on November 22, 1974 was his account. This kind of evidence is admissible against the defendant (Sec. 22, Rule 130, Rules of Court), and correctly appreciated by the Court in its Decision (p. 2) against the defendant and in favor of the plaintiff."

Furthermore, as already shown above, petitioner himself personally received the loan money of P8,000.00.

Thus, as aforesaid findings are supported by unrefuted oral and documentary evidence, there appears to be no cogent reason to disturb the findings of fact of the trial court.

PREMISES CONSIDERED, this petition is hereby DISMISSED, and the assailed decision and order are hereby AFFIRMED.

SO ORDERED.

Teehankee, C.J., Narvasa, Cruz, and Gancayco, JJ., concur.

[1] Penned by Judge Pelagio S. Mandi.

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