

AMADO T. GURANGO AND ESTER GURANGO, PETITIONERS, VS. INTERMEDIATE APPELLATE COURT AND EDWARD L. FERREIRA, RESPONDENTS.

G.R. No. 75290, November 04, 1992

Ponente: NOCON, J.

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NOCON, J.:

This is a petition for review on certiorari to annul and set aside the decision dated March 12, 1986 of the then Intermediate Appellate Court[1] reversing the decision of the trial court[2] and ordering petitioners spouses Amado and Ester Gurango to pay private respondent Edward Ferreira the sum of P36,000.00 representing the price of the car and P5,000.00 as attorney's fees, as well as the Resolution dated July 11, 1986[3] denying petitioners' Motion for Reconsideration in the appealed decision.

It appears on record that, on January 26, 1977, private respondent Edward Ferreira sold to petitioner Amado Gurango one (1) booklet of raffle tickets valued at Five Hundred (P500.00) Pesos consisting of one hundred (100) tickets bearing ticket numbers 162501 to 162600 in connection with a fund-raising project sponsored by the Makati Jaycees to be held in the evening of April 14, 1977 at the Manila Peninsula Hotel.

At around 10:00 p.m. of April 14, 1977, ticket number 162574 in the name of Armando "Boyett" Gurango, a minor son of the petitioners, but in the custody or possession of private respondent, won a Toyota Corolla car.

Petitioner Amado Gurango alleged that on April 14, 1977, he issued Check No. 00730 dated April 12, 1977 for the payment of the sixty (60) raffle tickets in the amount of Three Hundred (P300.00) Pesos. Thereafter, petitioner called his cashier, Miriam Burgo, and instructed the latter to fill up the stubs of the one hundred (100) raffle tickets with the names of his family members before surrendering the same to the messenger of private respondent who would go there to collect the check for the payment of said raffle tickets.

When petitioner arrived at his office in the afternoon of that same day, his cashier gave him the one hundred (100) claim stubs and informed him that the messenger of the private respondent took the check as well as all the raffle tickets. Thereafter, petitioner instructed his cashier to keep said claim stubs as he was in a hurry to return to Cavite City for the induction of the officers and directors of the Cavite Jaycees.

The following morning or on April 15, 1977, private respondent called up petitioner Amado Gurango to inform the latter that he had already paid petitioner's remaining unpaid balance of Two Hundred (P200.00) Pesos to the Makati Jaycees the previous night during the raffle and, subsequently, arranged a meeting with the petitioner for the latter to turnover the forty (40) claim stubs representing the unpaid balance. During said telephone conversation, petitioner inquired from the private respondent if any of his tickets won a car during the raffle but was told by the latter that no Jaycee had won any car in said raffle.

Upon private respondent's arrival at the office of the petitioner, the latter inquired again from the former if any of his tickets won a car to which private respondent answered again in the negative. When private respondent asked

for the forty (40) claim stubs from the petitioner, the latter informed the former that he is still willing to honor their previous agreement and even tendered a check for Two Hundred (P200.00) Pesos dated April 30, 1977 but private respondent refused to accept said check maintaining that the money he advanced the previous night will be charged against his company and he only needs the claim stubs of said tickets to justify said expense.

As petitioner was in a hurry to finish his income tax return, he handed all the claim stubs to the private respondent who selected forty (40) claim stubs from the lot representing the unpaid balance. Thereafter, private respondent asked the petitioner to put down their agreement into writing which the latter did on a piece of yellow paper and in his own handwriting, to wit:

"14 April 1977

This is a mutual agreement between Mads Gurango & Ed Ferreira that they bought a booklet of Raffle Tickets of Makati JC worth P500.00. All the stubs in our possessions remains our share and any number happened to win in the raffle corresponding to the stub numbers each one of us is holding will own the prize solely w/o the other party claims co-ownership, even that the name printed in the such raffle stubs is in the name of one party or any other person.

(SGD.) (SGD.)

MADS GURANGO EDWARD L. FERREIRA

Furthermore any holder of the winning stub shall be printed as the sole winner and owner, even though it was in other's name.

This is a Gentlemen and Jayceely agreement that both of us will stick to this simple and binding agreement.

(SGD.) (SGD.)

MADS GURANGO EDWARD L. FERREIRA"[4]

On April 18, 1977, petitioner was shown a copy of Daily Express and learned from an item in said newspaper that ticket no. 162574 won a Toyota Corolla car but was surprised to find out that the winning stub was among those taken by the private respondent.

That same evening, petitioner attended a meeting of the Metropolitan Jaycees at the Metro Jaycee Clubhouse and confronted private respondent about the winning stub. Upon being shown a copy of their agreement, petitioner realized his mistake in dating said agreement on April 14, 1977 instead of April 15, 1977 which he distinctly remembered to be the date said agreement was executed since it was the last day to file the income tax return but must have erroneously wrote down the wrong date due to his tight schedule on that day.

On the other hand, private respondent claimed that on April 12, 1977, petitioner informed the former that he is only buying sixty (60) tickets and offered to return the remaining forty (40) tickets since he needed the money for the payment of his income tax on April 15, 1977, which was accepted by the private respondent and the latter agreed to appropriate for himself the remaining tickets.

Consequently, in the morning of April 14, 1977, petitioner turned over the one hundred (100) tickets to be dropped in the "tambolito" and his check for Three Hundred (P300.00) Pesos for the sixty (60) tickets he bought from the private respondent.

Upon noticing that all the returned tickets were in the name of the petitioner Amado Gurango or members of his family, private respondent, during his meeting with the petitioner at Manila Midtown Ramada Hotel at around 6 p.m. of April 14, 1977, asked the latter to write down their agreement which petitioner did as shown by the

agreement signed by them on April 14, 1977 (Exhibit "A").

Thereafter, private respondent and petitioner met at the Metro Jaycee Clubhouse where the former asked the latter to comply with their agreement but petitioner refused and wrote a letter to the Makati Jaycees disclaiming said agreement. Eventually, the car was awarded to petitioners' son. Subsequent demands by the private respondent to the petitioner to comply with their agreement were ignored by the latter.

Consequently, on August 25, 1977, private respondent filed a complaint for damages against petitioners with the then Court of First Instance of Rizal, Branch XX in Civil Case No. 27163.

After trial on the merits, a decision was rendered by the Regional Trial Court, the dispositive portion of which reads as follows:

"IN VIEW OF ALL THE FOREGOING, the Court dismisses the complaint, for failure on the part of the plaintiff to have established a cause of action against the defendants.

"On the counterclaim, the Court orders the plaintiff to pay the defendants the sum of Ten Thousand Pesos (P10,000.00) as moral damages, and the sum of Two Thousand Five Hundred Pesos (P2,500.00) as and for attorney's fees and expenses of litigation. However, the defendants are ordered to reimburse the plaintiff the sum of Two Hundred Pesos (P200.00), the balance of the price of the forty (40) tickets paid for by the plaintiff."[5]

Not satisfied with said decision, private respondent appealed to the respondent court which reversed the decision of the trial court. The pertinent portion of its decision reads:

"We find therefore and so hold that the agreement (Exh. A or A-1) was prepared and signed by the parties on April 14, 1977 before the raffle. Considering the business and social backgrounds of the parties, Exhibit A or A-1 is the most practical covenant for their mutual protection before the raffle.

"WHEREFORE, the decision of the lower court appealed from is hereby REVERSED ordering defendants-appellees to pay plaintiff-appellant the sum of P36,000.00 representing the price of the car and the sum of P5,000.00 as and for counsel fees. No damages and costs."[6]

The principal issue presented to Us in the instant case is the validity of the agreement executed between petitioner and private respondent on April 14, 1977.

As a rule, only legal questions are reviewable by this Court on appeals from decisions of the Court of Appeals. However, one of the exceptions to the rule is when there is a conflict in factual findings of the Court of Appeals and the trial court.[7]

Section 9, Rule 130 of the Revised Rules of Court in the Philippines provides that:

"Sec. 9. Evidence of written agreements. -- When the terms of an agreement have been reduced to writing, it is to be considered as containing all such terms, and, therefore, there can be, between the party and their successors in interest, no evidence of the terms of the agreement other than the contents of the writing, except in the following cases:

(a) Where a mistake or imperfection of the writing, or its failure to express the true intent and agreement of the parties, or the validity of the agreement is put in issue by the pleading;

(b) When there is an intrinsic ambiguity in the writing."

Under the aforementioned provision, when the parties have reduced their agreement in writing, the contents of said agreement are rendered conclusive upon the parties and evidence aliunde is inadmissible to change a valid

and enforceable agreement embodied in a document. "The mistake contemplated as an exception to the parole evidence rule is one which is a mistake of fact mutual to the parties,"[8] which is not present in this case. Moreover, in view of the parties' conflicting claims regarding the true nature of the agreement executed by them, We find the version of the private respondent more credible for the terms of said agreement are clear and require no room for interpretation since the intention of the parties, as expressly specified in said agreement, do not contradict each other.

The fact that the agreement was prepared and written by petitioner himself further indicates that said agreement was entered into by the parties freely and voluntarily which renders petitioners' claim of fraud in the execution of the agreement unbelievable. Being the author of the agreement, petitioner is presumed to have actual knowledge of the true intent of the parties and the surrounding circumstance that attended the preparation of the document in question including the date when said agreement was executed. If it is true that the date of execution was on April 15, 1977, petitioner should have written said date on the agreement and not April 14, 1977 considering that one does not usually forget a date that has a special significance to him as alleged by the petitioner. In the instant case, it is highly improbable that petitioner's consent was given through fraud since the document was prepared and executed by petitioner himself. Therefore, the agreement is valid and binding upon petitioner and respondent.

WHEREFORE, finding no reversible error in the questioned decision of the appellate court, the petition for certiorari is hereby DENIED for lack of merit.

SO ORDERED.

Feliciano, Regalado, and Campos, Jr., JJ., concur.

Narvasa, C.J., (Chairman), on official leave.

[1] Rollo, pp. 13-16. Ponente: Justice Leonor Ines Luciano with the concurrence of Justice Ramon G. Gaviola, Jr., Justice Eduardo P. Caguioa and Justice Maria Rosario Quetulio-Losa.

[2] Id., at pp. 18-24. Penned by Judge Celso L. Magsino.

[3] Id., at p. 17.

[4] Id., at pp. 3-4.

[5] Id., at p. 24.

[6] Id., at p. 16.

[7] Co vs. Court of Appeals, 193 SCRA 198, 206, citing Ranases vs. Intermediate Appellate Court, 187 SCRA 397, and Remolete vs. Tibe, 158 SCRA 138.

[8] Magellan Manufacturing Marketing Corporation vs. Court of Appeals, 201 SCRA 102 [1991].

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