

CERTIFIED TRUE COPY Division/Clerk nd Third Division

Republic of the Philippines Supreme Court Manila

SEP 2 6 2018

THIRD DIVISION

MARIBELLE Z. NERI, Petitioner,

G.R. No. 230831

Present:

versus -

PERALTA, J., Chairperson, LEONEN, GESMUNDO, REYES, A., JR.* and REYES, J., JR., JJ.

RYAN ROY YU.

Promulgated:

Respondent.	September 5, 2018
X	·····

DECISION

PERALTA, J.:

This is to resolve the Petition for Review on Certiorari under Rule 45 of the Rules of Court, dated March 8, 2017, of petitioner Maribelle Z. Neri that seeks to reverse and set aside the Decision¹ dated August 19, 2016 and the Resolution² dated January 25, 2017 of the Court of Appeals (CA) in CA-G.R. CV No. 03495-MIN holding petitioner and Bridgette Insoy jointly liable to respondent Ryan Roy Yu for the amount of P1,200,000.00.

The facts follow.

Respondent, on March 12, 2009, filed a Complaint before the Regional Trial Court (RTC), for "Sum of Money, Damages, Attorney's Fees, Etc." against one Bridgette "Gigi" Insoy (Insoy) and petitioner, docketed as Civil

Designated additional member per Special Order No. 2588 dated August 28, 2018.

Penned by Associate Justice Maria Filomena D. Singh, with Associate Justices Ronaldo B. Martin and Perpetua T. Atal-Paño concurring, with the dissent of Associate Justices Edgardo A. Camello and Edgardo T. Lloren; rollo, pp. 37-52. Id. at 66-68.

Case No. 32-787-09 and raffled to the RTC, Branch 16 of Davao City. Respondent alleged that he and his friends, William Matalam (Matalam) and Hsipin Liu a.k.a. Steven Lao (Lao), went on a leisure trip to Cebu City on June 24, 2007. Matalam planned to check out a Toyota Prado sports utility vehicle that he intended to buy from petitioner. Around 9:00 a.m. of June 25, 2007, petitioner met the three men at the lobby of the Waterfront Hotel where they were all fetched by a Toyota RAV4 and brought to a Toyota yard. At said yard, petitioner introduced respondent's group to Insoy, petitioner's supposed business partner in Cebu. Thereafter, respondent's group was shown different models of Toyota vehicles that the two women claimed they were authorized to sell. Since the Toyota Prado that Matalam wanted to see was not there and he was not interested in other vehicles, the group left the yard. Petitioner joined respondent's group for lunch at Café Laguna in the Ayala Mall, during which, she convinced respondent and Lao to consider buying Toyota vehicles from her, saying they can get a big discount if they buy from her as a group, because it would be considered a bulk purchase. Respondent further alleged that while preparing for their trip to Davao City later that same day, petitioner convinced and accompanied them back to the Toyota yard for a second look Respondent test-drove a Toyota Grandia which at the vehicles there. petitioner claimed that she can sell to him at a discounted price of P1.2 Million under bulk purchase as Lao and Matalam already committed to purchase their respective Toyota vehicles from her. Petitioner assured respondent that her transaction is legitimate and aboveboard, and that she can immediately cause the delivery of the vehicle within a week after her receipt of the payment. Petitioner then gave respondent her personal bank account number for fund transfer in case he decides to proceed with the sales transaction. Yu's group returned to Davao City convinced by petitioner's representations. On June 26, 2007, respondent alleged that he transferred the amount of ₽1.2 Million from his Account (No. 1187097203) in Equitable PCI Bank (EPCIB) to petitioner's Account (No. 0254022012) in said bank. Thereafter, respondent went to see and inform petitioner of the fund transfer and after the bank's confirmation of the same, she issued respondent a receipt acknowledging payment for a Toyota Super Grandia. Petitioner then assured respondent that the vehicle will be delivered after a week. However, a week after, petitioner told respondent that the delivery of his vehicle will be delayed without giving any reason and she asked for a week's extension. After several extensions and despite repeated demands, no vehicle was delivered to respondent and petitioner started avoiding him and ignoring his calls. Consequently, respondent sought legal counsel and a demand letter was sent to petitioner. Instead of complying with her commitment, the latter denied any liability and passed on the blame to Insoy saying that respondent directly transacted with the latter. Thus, respondent filed a complaint with the RTC.

Petitioner, on the other hand, denied that she was Insoy's business partner or agent. She claimed to have learned that Insoy was selling Toyota vehicles at a lesser price through her friend Araceli Tan, whose sister in Cebu is Insoy's friend. After meeting Insoy in person, petitioner ordered two (2) units of Toyota Prado and paid P2 Million as down payment *via* fund transfer

to Insoy's EPCIB account. Having learned of said orders, Belinda Lao, who is Matalam's niece and petitioner's friend, requested petitioner to reserve one of the Toyota Prados for Matalam as he is interested in buying it, to which petitioner acquiesced. Subsequently, the latter and Matalam agreed to meet in Cebu because she wanted to follow up on her order from Insoy and Matalam wanted to see the Prado vehicle. Petitioner claimed meeting Yu for the first time on June 25, 2007 as he was with Matalam and Lao at the Waterfront Hotel. After contacting Insoy, they were fetched at the hotel and brought to a Toyota yard where Insoy showed Yu's group to see the vehicles. Petitioner, who did not join them because the Prados were not there, then learned that Yu's group had already chosen their respective Toyota vehicles and ordered the same directly from Insoy. Insoy supposedly told the men that she preferred to receive their payments at one time since it is a bulk purchase and they all agreed to deposit the same. Thus, after arriving from Cebu on June 26, 2007, Yu's group requested petitioner to deposit their payment in her account and to remit the same to Insoy's account, as she (former) had already done it before. Barely an hour after receiving the payments of Yu's group totaling #2,950,000.00 (#1,200,000.00 for Yu's Grandia, #1,000,000.00 for Matalam's Fortuner and ₽750,000.00 for Lao's Yaris), petitioner claimed that she deposited the same to Insoy's account. Moreover, to prove that Yu dealt directly with Insoy on his own, petitioner pointed out that Yu and Lao subsequently went to Cebu on July 4, 2007 to follow-up with their orders from Insoy and that on July 9, 2007, Insoy went to Davao City and had dinner with Yu's group and petitioner, after which, Yu treated Insoy for a night out. Petitioner further averred that except for Lao's Yaris, her two (2) units of Prado ordered and her subsequent order of a Toyota Hi-Lux (for which she deposited another #800,000.00 to Insoy's account), as well as the vehicles ordered by Yu's group were never delivered. Consequently, after exerting much effort to contact Insoy to no avail, petitioner filed a criminal complaint for estafa against the former which was docketed as Criminal Case No. 63,689-08 and is pending before the RTC, Branch 17 of Davao City.

The RTC, on October 9, 2013, ruled in favor of respondent Yu. The dispositive portion of the said decision reads as follows:

WHEREFORE, premises considered, judgment is hereby rendered in favor of the plaintiff and against the defendants Maribelle Z. Neri and Bridgette Insoy, DIRECTING them to pay plaintiff Ryan Roy Yu, jointly and solidarily, the following amounts:

- 1. P1,200,000.00 as actual damages for reimbursement of the amount paid by Ryan Roy Yu, plus 6% legal interest to commence from the filing of the Complaint and twelve percent (12%) interest from the finality of the Decision until fully paid;
- 2. P20,000.00 as Moral Damages;
- 3. P10,000.00 as Exemplary damages;
- 4. P50,000.00 as Attorney's Fees; and
- 5. Costs of the suit.

The Counterclaim of defendant Maribelle Z. Neri is DISMISSED for want of basis from which to draw the same.

SO ORDERED.³

Petitioner elevated the case to the CA, and on August 19, 2016, the CA partially granted petitioner's appeal, and disposed of the case as follows:

WHEREFORE, the appeal is GRANTED IN PART. The Decision dated 9 October 2013 of the Regional Trial Court, 11th Judicial Region, Branch 16 of Davao City in Civil Case No. 32-787-09, is AFFIRMED with the following MODIFICATION:

- 1.) Maribelle Z. Neri and Bridgette Insoy are held jointly liable to Ryan Yu for the amount of Php 1,200,000.00; and
- 2.) The awards of moral and exemplary damages, as well as attorney's fees, are deleted.

SO ORDERED.⁴

The CA eventually denied petitioner's partial motion for reconsideration in its Resolution⁵ dated January 25, 2017.

Hence, the present petition with the following arguments:

RECEIPT THE ACKNOWLEDGMENT CANNOT BE CONCLUSIVELY CONSIDERED AS A MEMORANDUM OF DEED OF SALE OBLIGING PETITIONER TO DELIVER HERSELF THE AS SELLER THERETO WHEN SUBJECT VEHICLES CIRCUMSTANCES AND ADMISSIONS ONLY RELATE TO PURCHASE OF VEHICLE BY PETITIONER FOR YU'S GROUP AND NOT AS THE SELLER HERSELF.

NO BASIS IN LAW IN FINDING THAT PETITIONER IS A VENDOR.

COMMON SENSE DICTATES THAT YU WAS AWARE OF THE ROLE OF PETITIONER IN THE PAYMENT OF P1,200,000 FOR THE PURCHASE OF THE VEHICLE.

MATALAM AND LAO'S ACT OF NOT DEMANDING PAYMENT FROM PETITIONER CLEARLY INDICATES THAT THEY KNOW THE ROLE OF PETITIONER IN THE PURCHASE OF THE SUBJECT VEHICLES.

THE DECISION PROMULGATED ON 19 AUGUST 2016 DID NOT CONTAIN CLEAR AND DISTINCTIVE SET OF FACTS AND THE LAW WHICH IT IS BASED.⁶

³ *Rollo*, pp. 40-41.

⁴ *Id.* at 51.

⁵ *Id.* at 66-68.

⁶ *Id.* at 13-19.

According to petitioner, the memorandum for all intents and purposes only attested to the fact of payment of one (1) unit of Toyota Grandia, thus, the CA is gravely mistaken by concluding that petitioner is the seller when there is no circumstance, either by declaration or by supporting evidence that she obligated herself to respondent to transfer ownership of and deliver the subject vehicle. She also argues that in the assumption that respondent was really convinced that petitioner was an agent of Insoy in the car dealership business, respondent failed to exert effort to ascertain not only the fact of petitioner's agency but also the nature and extent of her authority to represent Insoy. It is also the contention of petitioner that the CA overlooked the fact that respondent, who is a businessman for decades, would accept a mere acknowledgment receipt from petitioner as only proof of sale of the motor vehicle without requiring her to execute notarized Deed of Sale when the latter document is a customary business practice since only a notarized Deed of Sale is acceptable to the Land Transportation Office for the transfer of Certificate of Registration and Official Receipt. Petitioner further claims that the CA's Decision dated August 19, 2016 was not explicit as to what clear and distinctive set of facts and the law on which it was anchored.

In his Comment,⁷ respondent insists that the CA correctly ruled that petitioner should be held liable for the P1,200,000.00 that she received from respondent.

The petition lacks merit.

The Rules of Court require that only questions of law should be raised in petitions filed under Rule 45.⁸ This court is not a trier of facts. It will not entertain questions of fact as the factual findings of the appellate courts are "final, binding[,] or conclusive on the parties and upon this [c]ourt"⁹ when supported by substantial evidence.¹⁰ Factual findings of the appellate courts will not be reviewed nor disturbed on appeal to this court.¹¹

However, these rules do admit exceptions. Over time, the exceptions to these rules have expanded. At present, there are ten (10) recognized exceptions that were first listed in *Medina v. Mayor Asistio*, Jr.¹²

⁷ *Id.* at 74-116.

⁸ Rules of Court, Rule 45, Sec. 1.

⁹ Commissioner of Internal Revenue v. Embroidery and Garments Industries (Phil), Inc., 364 Phil. 541, 546 (1999) [Per J. Pardo, First Division].

¹⁰ Siasat v. Court of Appeals, 425 Phil. 139, 145 (2002) [Per J. Pardo, First Division]; Tabaco v. Court of. Appeals, 239 Phil. 485, 490 (1994) [Per J. Bellosillo, First Division]; and Padilla v. Court of Appeals, 241 Phil. 776, 781 (1988) [Per J. Paras, Second Division].

¹¹ Bank of the Philippine Islands v. Leobrera, 461 Phil, 461, 469 (2003) [Per J. Ynares-Santiago, Special First Division].

¹² 269 Phil. 225 (1990) [Per J. Bidin, Third Division].

(1) When the conclusion is a finding grounded entirely on speculation, surmises or conjectures; (2) When the inference made is manifestly mistaken, absurd or impossible; (3) Where there is a 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 the Court of Appeals, in making its findings, went beyond the issues of the case and the same is contrary to the admissions of both appellant and appellee; (7) The findings of fact 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; and (10) The finding of fact of the Court of Appeals is premised on the supposed absence of evidence and is contradicted by the evidence on record.¹³

These exceptions similarly apply in petitions for review filed before this court involving civil,¹⁴ labor,¹⁵ tax,¹⁶ or criminal cases.¹⁷

A question of fact requires this court to review the truthfulness or falsity of the allegations of the parties.¹⁸ This review includes assessment of the "probative value of the evidence presented."¹⁹

There is also a question of fact when the issue presented before this court is the correctness of the lower courts' appreciation of the evidence presented by the parties.²⁰ In this case, the issues raised by petitioner obviously asks this Court to review the factual findings of the RTC and the CA which is not the role of this Court.

Nevertheless, the CA did not err in ruling that petitioner is engaged in the business of selling cars and that respondent's group directly transacted with her for the purchase of their vehicle, thus, petitioner is jointly liable with Insoy to respondent for the amount of P1,200,000.00. As aptly ruled by the CA:

¹³ *Id.* at 232.

¹⁴ Dichoso, Jr., et al. v. Marcos, 663 Phil. 48 (2011) [Per J. Nachura, Second Division] and Spouses Caoili v. Court of Appeals, 373 Phil. 122, 132 (1999) [Per J. Gonzaga- Reyes, Third Division].

Go v. Court of Appeals, 474 Phil. 404, 411 (2004) [Per J. Ynares-Santiago, First Division] and Arriola v. Pilipino Star Ngayon, Inc., et al., 741 Phil. 171 (2014) [Per J. Leonen, Third Division].

¹⁶ Commissioner of Internal Revenue v. Embroidery and Garments Industries (Phil), Inc., 364 Phil. 541, 546-547 (1999) [Per J. Pardo, First Division].

Macayan, Jr. v. People, 756 Phil. 202 (2015) [Per J. Leonen, Second Division]; Benito v. People, 753 Phil. 616 (2015) [Per J. Leonen, Second Division].

¹⁸ Republic v. Ortigas and Company Limited Partnership, 728 Phil. 277, 287-288 (2014) [Per J. Leonen, Third Division] and Cirtek Employees Labor Union-Federation of Free Workers v. Cirtek Electronics, Inc., 665 Phil. 784, 788 (2011) [Per J. Carpio Morales, Third Division].

¹⁹ *Republic v. Ortigas and Company Limited Partnership, supra* note 18, at 287. [Per J. Leonen, Third Division].

Pascual v. Burgos, et al., 776 Phil. 167, 183 (2016).

Neri denied that she is engaged in selling Toyota vehicles and that Yu's group directly transacted with her in the purchase of their Toyota vehicles, insisting that such transaction was purely between the latter and Insoy. Neri contradicts her claim in her own testimony, viz.:

CROSS-EXAMINATION x x x

ATTY. ZARATE: Miss Neri, you mentioned that you are a business woman?

A: Yes sir.

Q: And you are engaged in what business, just for the record? A: Flour and sugar, bakery supplies.

Q: Aside from selling flour or bakery supplies, are you also engaged in other business?

A: Nos, sir.

хххх

Q: What about selling cars to your friends?

A: No sir.

Q: But you will admit that when Anita Quitain bought the Toyota RAV IV from Cebu, it was you who received the final payment of Anita Quitain which you in return, according to your affidavit, delivered to Bridgette Insoy?

A: Yes.

Q: Yes. A: It was not Bridgette Insoy.

Q: x x x

On June 25, 2007, you mentioned in [your] affidavit on page 3, paragraph 1, xxx that xxx in the end deals were made between Steven Lao, William Matalam and plaintiff Ryan Yu, you in fact enumerated here the amount which you have deposited. My question now is, you knew these deals because when they were negotiating you were around?

A: No.

Q: Now, Ms. Neri, you will admit that xxx, at the time you were maintaining an Equitable-PCI Bank Account?

A: Yes.

хххх

Q: You will also admit that Bridgette Insoy was maintaining an Equitable-PCI Bank Account?

A: Yes.

Q: But you will also admit that all the payments of these cars, ordered in Cebu including that of the plaintiff was made to you and in turn, according to you, you remitted the amount to Bridgette Insoy?

A: Yes sir.

хххх

Q: And in fact on June 26, as admitted, you issued plaintiff Ryan Yu a memorandum receipt acknowledging the receipt of P1,200,000.00? A: Yes sir.

RE-DIRECT: xxx

Q: Ms. Neri, you were asked why Steven Lao gave you the P750,000.00 xxx check in payment of his order, the Yaris?

хххх

A: So that will be the one to make the payment?

Q: Why was it you who would make the payment?

A: Because on June 21, I ordered a Toyota Prado for myself, I ordered it online from Gigi (Insoy) for P1 Million. On June 22, 2007, I ordered for my sister another Prado. Steven and his group decided that I will be the one to order online since I was able to order online before.

Q: What did you do with the P750,000.00 check given to you by Steven Lao?

A: I deposited it in my account in BPI and I ordered online for them.

COURT:

Okay, clarifications from the Court. It appears from the totality of your declarations that you have been receiving orders from persons for you to place an order with Toyota?

хххх

A: No, your Honor.

 $\mathbf{x} \mathbf{x} \mathbf{x} \mathbf{x}$

Q: You are telling me in your statement that "I placed an order, they gave me the money, place an order on a particular date."

A: They were the one who told me to place an order online.

Q: So, how do you describe your role in accommodating third parsons, in placing an order online?

A: I just accommodated them but I only knew Steven Lao. They just instructed me sir to have their payments online because before I was able to secure a loan on my car.

RE-CROSS x x x

Q: What about the order placed by Matalam, what happened to that?

A: I do not know about the order of Matalam.

Q: But you will admit Ms. Neri that you refunded William Matalam the amount of P500,000.00?

A: Yes.

Q: From your personal money?

It is clear from the foregoing testimonies that Yu's group, of whom only Lao is known to Neri, directly went to her and transacted directly with her for the purchase of their respective Toyota vehicles, and she was the one who ordered these vehicles for them online. Add this to the undisputed fact that Neri received their payments in her bank account and issued an acknowledgment receipt without qualification that such acknowledgment of payment was only for Insoy. The conclusion becomes inescapable that Neri transacted as a seller, not as a mere conduit or middleman or agent.

The main argument of Neri is that she merely "placed an order online." True, Neri cannot be held liable under the transaction if she merely placed an order online. However, it would be an entirely different story if the act of placing an order online is coupled with her efforts in convincing Yu to buy a Toyota Grandia on several occasions. Neri even provided the transportation from the Cebu Waterfront Hotel to the Toyota Yard. In addition to this, Neri received the amount of Php1.2 Million and issued a corresponding Acknowledgment Receipt without qualification with regard to her authority to receive the said amount, or in what capacity she was receiving it, as agent or seller.

Note also the excuse Neri harps on that she only agreed to place the order online and accept the deposit of money using her account "because she has done it once before." Considering the millions of pesos involved and the number of vehicles, but more importantly the persons who supposedly made the request to Neri (Yu, Lao and Matalam), none of whom Neri personally knew before these transactions, the Court cannot but brand Neri's story as incredulous.

It is apparent that the participation of Neri here cannot be discounted as merely accommodating Yu because in the first place Yu had no intention to buy the subject vehicle when he visited Cebu. It was through the sales talk of Neri plus the discount that she gave to YU and his group that Yu was enticed to purchase the subject vehicle. In this regard, how can Neri offer such discounts if she were not the seller?

The testimonies of Yu's witnesses point to Neri as representing herself as a seller. Yu and Hsipin Liu never spoke to Insoy. In fact, when the two Avanzas ordered by Hsipin Liu (known as Steven Lao) were not delivered a week after payments were made to them, Hsipin Liu talked to Neri regarding the status of the vehicles purchased. Neri did not reveal the cause of the delay and merely requested for an extension of another week. Neri gave assurance that she paid for the units which Lao ordered. Why would Neri go to all these trouble if she has absolutely no obligation as a seller?

A: Yes.

Moreover, the mere act of Neri in "ordering the vehicles online" cannot overshadow her other acts in negotiating, arranging and facilitating the purchase of the subject vehicles, to wit:

- Neri fetched Yu and His Pin Liu (Steven Lao) at the Cebu Waterfront Hotel and brought them to the Toyota Yard;
- (2) After Yu was introduced to Insoy, Yu only talked to Neri all the time while Yu was at the Toyota Yard;
- (3) Neri convinced Yu and the others to buy vehicles in bulk after their visit at the Toyota Yard while having lunch at Laguna Café in Ayala Mall, by offering them discounts.

Again, this Court respects the factual findings of the CA. The Court of Appeals must have gravely abused its discretion in its appreciation of the evidence presented by the parties and in its factual findings to warrant a review of factual issues by this Court.²¹ Grave abuse of discretion is defined, thus:

By grave abuse of discretion is meant such capricious and whimsical exercise of judgment as is equivalent to lack of jurisdiction. The abuse of discretion must be grave as where the power is exercised in an arbitrary or despotic manner by reason of passion or personal hostility and must be so patent and gross as to amount to an evasion of positive duty or to a virtual refusal to perform the duty enjoined by or to act at all in contemplation of law.

Grave abuse of discretion refers not merely to palpable errors of jurisdiction; or to violations of the Constitution, the law and jurisprudence. It refers also to cases in which, for various reasons, there has been a gross misapprehension of facts.²²

A careful review of the records would show that the CA did not commit any grave abuse of discretion in the appreciation of the evidence presented by both parties. Thus, this Court finds no merit to reverse the appellate court's decision and resolution.

WHEREFORE, the Petition for Review on *Certiorari* under Rule 45 of the Rules of Court, dated March 8, 2017, of petitioner Maribelle Z. Neri is **DENIED** for lack of merit. Consequently, the Decision dated August 19, 2016 and the Resolution dated January 25, 2017 of the Court of Appeals in CA-G.R. CV No. 03495-MIN are **AFFIRMED**. Consequently, the amount of \blacksquare 1,200,000.00 due to respondent Ryan Roy Yu shall be paid with legal interest of twelve percent (12%) *per annum* of the said amount from March

²¹ *Id.* at 185.

²² United Coconut Planters Bank v. Looyuko, 560 Phil. 581, 591-592 (2007) [Per J. Austria-Martinez, Third Division].

12, 2009 to June 30, 2013 and six percent (6%) *per annum* from July 1, 2013 until fully satisfied.²³

SO ORDERED.

DIOSDA ΓА Associate Justice

WE CONCUR:

ARIO VICTOR F. LI Associate Justice

GESMUNDO sociate Justice

ANDRE YES, JR. Associate Justice

I lee JØSE C. REYES, JR.

Associate Justice

ATTESTATION

I attest that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.

DIOSDADO M. PERALTA Associate Justice Chairperson, Third Division

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Nacar v. Gallery Frames, 716 Phil. 267 (2013).

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CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution and the Division Chairperson's Attestation, I certify that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.

Levrita levrardo de Castro TERESITA J. LEONARDO-DE CASTRO Chief Justice

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