



Republic of the Philippines  
Supreme Court  
Manila

FIRST DIVISION

NOTICE

Sirs/Mesdames:

*Please take notice that the Court, First Division, issued a Resolution dated September 3, 2020 which reads as follows:*

**“G.R. No. 225655 - Benito H. Tan, Chan Siok Yuan and Sixta S. Talag v. Metropolitan Bank and Trust Company, Diane P. Enrique and Henry M. Sun**

Petitioners raise only factual issues in their Petition for Review from the Decision<sup>1</sup> dated October 21, 2015 and Resolution<sup>2</sup> dated July 5, 2016 of the Court of Appeals in CA-G.R. CV No. 99309 affirming the Consolidated Decision dated January 17, 2012 of the Regional Trial Court (RTC) in Civil Cases Nos. 237-M-2000, 805-M-2003 and 396-M-2004.

**Facts**

The main factual findings of the RTC and CA are that, in 1996, as principal stockholder of B. A. Hospital, petitioner Sixta Talag (petitioner Talag) obtained from respondent Metropolitan Bank and Trust Company or Metrobank, Head Office, an SSS-Hospital Loan for ₱10,000,000.00 and from respondent’s Grace Park Center branch, an interim loan of ₱6,000,000.00. Both are secured by a 1) real estate mortgage (REM) over B.A. Hospital and its land, registered in her name under TCT No. 152410 (M), and 2) two (2) surety agreements executed by petitioner Talag and petitioner Benito Tan, as director and principal stockholder, for ₱10,000,000.00 and ₱6,000,000.00, respectively.<sup>3</sup> Petitioners also opened a credit line and obtained other loans from respondent amounting to ₱8,650,000.00. They secured this

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<sup>1</sup> Penned by Associate Justice Myra V. Garcia-Fernandez, with Associate Justices Rosmari D. Carandang and Mario V. Lopez (now Members of the Court), concurring; id. at 38-51.

<sup>2</sup> Id. at 61-62.

<sup>3</sup> Id. at 39-40.

with a REM over the property of petitioner Tan and petitioner Chan Siok Yuan, also a principal stockholder, registered as TCT No. M-1807 for ₱9,000,000.00.<sup>4</sup> As of May 18, 1999, the total loan of petitioners amounted to ₱23,000,000.00, including the ₱10,000,000.00 SSS-hospital loan. On that day, petitioners made ₱17,000,000.00 payment and ₱1,000,000.00 restructured loan, but this was only in partial fulfillment of petitioners' total loan obligations.<sup>5</sup>

Petitioners filed Civil Case No. 237-M-2000 for moral and exemplary damages alleging that respondent Metrobank Metropolitan Bank and Trust Company or Metrobank made unauthorized and unscheduled deductions from the accounts in excess of the three loans, and that respondent made an arbitrary and illegal call on the loan and REM even when petitioners had sufficient funds.<sup>6</sup> They also filed Civil Case No. 805-M-2003 for collection of a sum of money and damages, alleging that “[r]elative to the six million loan, plaintiffs already had paid ₱1,581,084.51; the ₱8,650 million loan, ₱3,146,031.67”.<sup>7</sup> As for the “ten million loan [it] is being paid, the last deposit of which was on February 22, 2000 for ₱487,980.77.”<sup>8</sup> And yet, respondent continued to unduly debit from petitioners' account the total of ₱7,288,461.52.<sup>9</sup> Finally, acting for B.A. Hospital, petitioners filed Civil Case No. 396-M-2004 for annulment of the extrajudicial foreclosure on TCT No. 152410.<sup>10</sup>

The RTC dismissed Civil Case No. 237-M-2000 for lack of cause of action considering that, with the partial settlement of ₱17,000,000.00 payment and ₱1,000,000.00 in restructured loan, “all other claims of supposed unauthorized deductions are deemed waived x x x [just] as the [bank] also waived penalties and reduced interests and other charges.”<sup>11</sup> It also found petitioners' evidence insufficient to prove their affirmative allegations, including the allegation that the total loan was settled.<sup>12</sup> The CA affirmed the RTC on this point:

This Court notes that before plaintiffs-appellants filed the complaint for damages docketed as Civil Case No. 237-M-2000, the parties agreed to partially settle plaintiffs-appellants' outstanding obligation amounting to ₱23,315,729.00 as of May 18,

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<sup>4</sup> Id. at 39, 111.

<sup>5</sup> Id. at 111.

<sup>6</sup> Id. at 103-112.

<sup>7</sup> Id. at 108.

<sup>8</sup> Id.

<sup>9</sup> Id. at 113.

<sup>10</sup> Id. at 109-112.

<sup>11</sup> Id. at 116.

<sup>12</sup> Id. at 116-118.

1999 for ₱18,000,000.00. The payment was broken down into ₱17,000,000.00 cash and ₱1,000,000.00 restructured 5-year term loan. When parties enter into a compromise, they make reciprocal concessions in order to avoid a litigation or to put an end to one already commenced.

The RTC likewise dismissed Civil Case No. 805-M-2003 for lack of cause of action as found a clear preponderance of evidence that petitioners paid only part of the loan and that respondent had the right to continue to collect on the ₱10,000,000.00 unpaid portion.<sup>13</sup> The CA sustained these findings of the RTC:

A perusal of the record of the case reveals that indeed, only the ₱6,000,000.00 and ₱8,650,000.00 loans booked with defendant-appellee bank's Grace Park Center were considered fully paid upon payment of the ₱17,000,000.00 cash and ₱1,000,000.00 restructured loan. Evident in the promissory for the ₱1,000,000.00 restructured loan that the purpose of the loan was to pay-off the remaining obligations of plaintiffs-appellants with defendant-appellee bank's Grace Park Center branch only. Plaintiffs-appellants failed to prove that they are entitled to the return of the subsequent deductions made by defendant-appellee bank from plaintiffs-appellants' S/A No. 004-3000-363154 as the same were sufficiently shown to be payments pertaining to the ₱10,000,000.00 SSS Hospital Loan which remained outstanding. Hence, the evidence on record supports the conclusion of the RTC that plaintiffs-appellants are not entitled to their claims for sum of money and damages in Civil Case No. 805-M-2003.<sup>14</sup>

Finally, the RTC also dismissed Civil Case No. 396-M-2004 for lack of legal standing of B.A. Hospital as the property subject of the extrajudicial foreclosure is owned by petitioner Talag.<sup>15</sup> The CA sustained the RTC.<sup>16</sup>

### Issues

From the foregoing findings and conclusions of the RTC and CA, petitioners raised the following issues:

THE COURT OF APPEALS ERRED WHEN IT SUSTAINED THE CONSOLIDATED DECISION OF THE REGIONAL TRIAL COURT WHICH RULED IN FAVOR OF THE RESPONDENTS INSPITE OF THE CLEAR PREPONDERANCE OF EVIDENCE IN FAVOR OF THE PETITIONERS WHICH CONSIST MOSTLY OF DOCUMENTS COMING FROM RESPONDENT BANK; AND

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<sup>13</sup> Id. at 117-118.

<sup>14</sup> Id. at 48.

<sup>15</sup> Id. at 121.

<sup>16</sup> Id. at 48-50.

THE COURT OF APPEALS ERRED WHEN IT UPHELD THE DECISION OF THE REGIONAL TRIAL COURT WHEN THE EVIDENCE OF THE CASE DICTATES AN AWARD OF DAMAGES IN FAVOR OF PETITIONERS FROM THE BLATANT VIOLATION OF THEIR RIGHTS AND OF BANKING LAWS BY RESPONDENTS.<sup>17</sup>

Respondents objected that these are factual questions which are not a proper subject matter of a Petition for Review under Rule 45.<sup>18</sup>

Indeed, this Court has held that a petition raises a purely factual question when its resolution does not call upon the Court to interpret and apply the law; rather, it requires the Court to examine each piece of evidence, weigh their totality and assess against it the concurrent factual conclusions of the lower courts.<sup>19</sup> This will not do in a petition for review under Rule 45, not only because there is an express provision in the Rules of Court narrowing the scope of review to questions of law or mixed questions of facts and law,<sup>20</sup> but more importantly because such rule serves a valid logistical and organizational purpose. It avoids the logistical nightmare that will ensue if physical evidence, such as murder weapons and drug paraphernalia, were required to be moved from the lower courts to this Court for actual examination for the sake of addressing a factual question. It forestalls the organizational discord that will arise if the factual assessment of the lower courts, such as about the demeanor of witnesses testifying before them, were made easily reversible by this Court without having seen or heard the evidence.

Based on the formulation of the questions and the substance of the arguments raised, the petition undoubtedly involves a review of the lower courts' assessment of the preponderance of evidence for or against petitioners' complaints.<sup>21</sup> Petitioners sought to present their formal offer of evidence and appellants' brief for the Court to peruse. They explicitly ask the Court to revisit and weigh the evidence and adopt the conclusion that the RTC and CA "decisions and resolution are not supported by the evidence on record".<sup>22</sup> Such question is not proper in a petition for review under Rule 45.<sup>23</sup> There are, of course, established exceptions, namely:

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<sup>17</sup> Id. at 10.

<sup>18</sup> Id. at 125-126.

<sup>19</sup> *G & M (Phils.), Inc. v. Epifanio Cruz*, 496 Phil. 119-127 (2005).

<sup>20</sup> *Century Iron Works, Inc. v. Bañas*, 711 Phil. 576, 585 (2013).

<sup>21</sup> *Rollo*, pp. 22-24. See *Magpantay v. Court of Appeals*, 201 Phil. 702-706 (1982).

<sup>22</sup> Id. at 19.

<sup>23</sup> *Canete v. Asian Bank Corp.*, G.R. No. 208940 (Notice), February 17, 2014; *Bright Star, Inc. v. Spouses Yu*, G.R. No. 214417 (Notice), March 6, 2019.

(1) when the findings are grounded entirely on speculation, surmises or conjectures; (2) when the inference made 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 facts are conflicting; (6) when in making its findings the Court of Appeals went beyond the issues of the case, or its findings are contrary to the admissions of both the appellant and the appellee; (7) when the findings are contrary to the trial court; (8) when the findings 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 respondent; (10) when the findings of fact are premised on the supposed absence of evidence and contradicted by the evidence on record; and (11) when the Court of Appeals manifestly overlooked certain relevant facts not disputed by the parties, which, if properly considered, would justify a different conclusion."<sup>24</sup>

Petitioners do not allege much less prove that their petition falls under any of the exceptions. In fact, they expressly state that they brought this petition because "at the very least, by preponderance of evidence, it was established that the payments made by petitioners pertain to the three loans."<sup>25</sup>

**ACCORDINGLY**, the Court resolves to **DENY** the instant petition and **AFFIRM** the October 21, 2015 Decision and July 5, 2016 Resolution of the Court of Appeals in CA-G.R. CV No. 99309 affirming the Consolidated Decision dated January 17, 2012 of the Regional Trial Court (RTC) dismissing Civil Cases Nos. 237-M-2000, 805-M-2003 and 396-M-2004 for lack of evidence.

**SO ORDERED.**" *Inting, J., designated as Additional Member in lieu of Lopez, J., per Raffle dated August 26, 2020.*

By authority of the Court:

  
**LIBRADA C. BUENA**  
Division Clerk of Court

by:

**MARIA TERESA B. SIBULO**  
Deputy Division Clerk of Court  
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<sup>24</sup> *Santiago v. Tan*, 253 Phil.509-516 (1989); *Fuentes v. Court of Appeals*, 335 Phil.1163-1169 (1997).

<sup>25</sup> *Rollo*, p. 30.



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805-M-2003 & 396-M-2004)

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