

## THIRD DIVISION

[ G.R. No. 172816, March 03, 2008 ]

**VIOLETA ESPINO, Petitioner, vs. NORMANDY P. AMORA and  
NELIA B. AMORA, doing business under the name of NBA  
Enterprises, Respondents.**

### DECISION

**NACHURA, J.:**

This petition for review on *certiorari* assails the Court of Appeals (CA) Decision in CA –G.R. CV No. 62461<sup>[1]</sup> which affirmed with modification the decision of the Regional Trial Court (RTC), Branch 254, Las Piñas City in Civil Case No. LP-97-0268.<sup>[2]</sup>

The facts, fairly summarized by the appellate court, follow.

[Respondents] Normandy and Nelia Amora, who were doing business under the trade name “NBA Enterprises”, were suppliers of construction materials to building contractors and real estate firms. Among their clients were D.N. Tuangco Construction and Development Corporation and CEJ Construction, owned by the family of [petitioner] Violeta Espino, to which [respondents sold] on credit various construction materials since 1994.

[Espino’s] total purchases on credit amounted to One Million Nine Hundred Ninety-Two Thousand Eight Hundred Thirty-Nine and 64/100 (P1,992,839.64) Pesos. Although [Espino had] already remitted the aggregate sum of Two Million Eighty-Five Thousand (P2,085,000.00) Pesos, [respondents] claim that the former still owe(s) the latter the amount of Nine Hundred Sixteen Thousand Two Hundred Eight and 77/100 (P916,208.77) Pesos, inclusive of interest at the rate of three percent (3%) per month, as of October 15, 1997. Thus, on November 10, 1997, [respondents] filed in the RTC a complaint for sum of money and damages which was docketed as Civil Case No. LP-97-0268.

For their defense, [Espino] averred full payment of [her] obligation and denied having agreed to the imposition of three percent (3%) interest per month which [she] considered usurious, illegal, and arbitrary as the stipulation in the delivery receipt clearly provided that if the bill is not paid within thirty (30) days from date of receipt, the buyer will pay interest at the rate of only twelve percent (12%) per annum.

Despite due notice, [Espino] did not file a pre-trial brief nor appear at the pre-trial hearing of this case. Thus, the trial court allowed [respondents] to present their evidence ex-parte. On August 21, 1998, the trial court

denied [Espino's] motion for reconsideration and on October 15, 1998, rendered the assailed decision, the decretal portion of which reads:

WHEREFORE, [respondents] having satisfactorily proven the outstanding obligation of [Espino] in the amount of P1,109,716.94 as of March 31, 1998, [Espino is] hereby ordered to pay [respondents] said amount and attorney's fees amounting to 25% of the sum collectible. [Espino's] collectibles from the DPWH having been under garnishment, the DPWH is hereby ordered to release the amount or sum so much as to satisfy the judgment against [Espino] in the amount of P1,109,716.94. With cost.

In its order dated February 25, 1999, the trial court, upon motion of [Espino], reconsidered its earlier decision, thus:

WHEREFORE, premises considered, the assailed Decision is RECONSIDERED and the amount of P65,000.00 is ordered deducted from the amount of P1,109,716.64.<sup>[3]</sup>

On appeal, the CA affirmed the RTC's holding as to the subsisting obligation of Espino and the imposition of interest rates thereon. However, the CA limited the imposable rate of interest to twelve percent (12%) per annum. The award of attorney's fees was, likewise, modified to ten percent (10%) of Espino's outstanding balance as the CA deemed the trial court's award of twenty-five percent (25%) iniquitous and unconscionable. It disposed of the case, thus:

WHEREFORE, in view of the foregoing, the appealed decision and resolution of Branch 254, Regional Trial Court, Las Piñas City in Civil Case No. LP-97-0268 are MODIFIED that the interest rate is reduced to twelve percent (12%) per annum and the award of attorney's fees is reduced to ten percent (10%) of the amount collectible. In all other respects, the appealed decision is AFFIRMED.<sup>[4]</sup>

Consequently, Espino filed a Motion for Clarification and Reconsideration of the CA decision questioning the finding and computation of the outstanding balance plus the imposition of interest rates thereon. Espino maintains that she has fully settled and has, in fact, even paid over and above the total amount of her obligation to NBA Enterprises. In the alternative, Espino argues that the computation of her outstanding balance should not include the three percent (3%) per month interest rate unilaterally imposed by NBA Enterprises. Thus, Espino's actual obligation is simply equivalent to the value of the purchased goods plus the reduced rate of interest of twelve percent (12%) per annum as declared by the CA. However, the CA denied the Motion.

Undaunted, Espino comes to this Court positing the following issues:

1. Whether the CA erred in sustaining Espino's outstanding obligation to NBA Enterprises notwithstanding the P2,085,000.00 already remitted to the latter.
2. Corollarily, whether Espino's outstanding obligation pegged at P1,044,716.64 by the RTC is the correct base for applying the

twelve percent (12%) reduced rate of interest imposed by the CA.

The petition is bereft of merit. We find no reason to depart from the finding of the RTC, and affirmed by the CA, that Espino has an outstanding obligation to NBA Enterprises for various purchases of construction materials.

We uphold the well-entrenched rule that factual findings of the trial court, especially when affirmed by the appellate court, are accorded the highest degree of respect and are considered conclusive between the parties.<sup>[5]</sup> The rule, however, is not absolute and admits of exceptions upon a showing of highly meritorious circumstances, such as: (1) when the findings of a trial court are grounded entirely on speculation, surmises or conjectures; (2) when a lower court's inference from its factual findings is manifestly mistaken, absurd or impossible; (3) when there is grave abuse of discretion in the appreciation of facts; (4) when the findings of the appellate court go beyond the issues of the case, or fail to notice certain relevant facts which, if properly considered, will justify a different conclusion; (5) when there is a misappreciation of facts; (6) when the findings of fact are conclusions without mention of the specific evidence on which they are based, are premised on the absence of evidence, or are contradicted by evidence on record.<sup>[6]</sup> None of the laid down exceptions which would warrant a reversal of the assailed decision obtain herein.

Espino anchors her petition and assails the CA decision, on two grounds: (1) the original amount of the obligation set at P1,992,839.64 and undisputed by the parties which had, supposedly, already been offset against the installment payments totaling P2,085,000.00 effected by Espino as of September 1, 1997, resulting in a surplus of P92,160.64 to be considered as accrued interest on the obligation; and (2) the final computation of Espino's outstanding balance, if any, applying the twelve percent (12%) rate of interest imposed by the CA.

We do not subscribe to Espino's simplistic computation of her outstanding obligation to NBA Enterprises. Contrary to her assertion, the records reveal that the established arrangement between the parties afforded Espino a continuing credit line with NBA Enterprises for the purchase of construction materials which the former then pays through an installment scheme. For these purchases paid on installment, NBA Enterprises charged a monthly interest of three percent (3%) on the remaining balance of the obligation. The total purchases minus the tendered installment payments, plus the accrued interest, are all reflected in a statement of account for a given period prepared by NBA Enterprises. Unarguably, from 1994, Espino acquiesced and conformed to this arrangement. She did not dispute or question how NBA Enterprises arrived at her outstanding obligation. In fact, Espino even certified as correct the statement of account dated July 15, 1996 by NBA Enterprises reflecting the computation of her principal obligation of P977,215.46.<sup>[7]</sup> She likewise acknowledged this same amount of liability and obligation to NBA Enterprises in a Deed of Assignment<sup>[8]</sup> covering her collectibles from the Department of Public Works and Highways (DPWH). Consequently, although this Deed of Assignment is not notarized and remains ineffective against third persons, it does not detract from Espino's explicit acknowledgment of her debt.<sup>[9]</sup>

And in yet another categorical acknowledgment of her obligation and the amount thereof, Espino signed her conformity to the declarations and statements in