

FIRST DIVISION

[G.R. No. 227896, January 29, 2020]

**ROBERTO R. IGNACIO AND TERESA R. IGNACIO DOING
BUSINESS UNDER THE NAME AND STYLE TERESA R. IGNACIO
ENTERPRISES, PETITIONERS, VS. MYRNA P. RAGASA AND
AZUCENA B. ROA, RESPONDENTS.**

D E C I S I O N

PERALTA, C.J.:

Before Us is a petition for review on *certiorari* under Rule 45 of the Rules of Court assailing the Decision^[1] dated September 30, 2015 and the Resolution^[2] dated October 21, 2016 of the Court of Appeals (CA) in CA G.R. CV No. 102112, which affirmed the Decision of the Regional Trial Court, Parañaque City, Branch 274, in favor of herein respondents.

The antecedent facts, as culled from the CA Decision, are as follows:

On January 11, 2000, petitioners engaged, on an exclusive basis, the services of the respondents, who are both licensed real estate brokers, to look for and negotiate with a person or entity for a joint venture project involving petitioners' undeveloped lands in Mindanao Avenue, Quezon City and the developed subdivision sites in Las Piñas City, Parañaque City, and Bacoor.^[3] The contract was embodied in the *Authority to Look and Negotiate for a Joint Venture Partner*,^[4] effective for six months from January 10, 2000, or until July 10, 2000. The said *Authority* provided that the petitioners will pay the respondents a commission equivalent to five percent (5%) of the price of the properties.^[5]

On January 13, 2000, respondents met with Mr. Porfirio Yusingbo, Jr. (*Yusingbo*), the General Manager of Woodridge Properties, Inc. (*Woodridge*), and they presented to him the different subdivisions and project sites available for investment. After inspecting the properties, Yusingbo expressed Woodridge's interest in acquiring and developing the Krause Park and Teresa Park properties.

As a result, Woodridge sent respondents a formal proposal dated January 21, 2000^[6] for a joint venture agreement with the petitioners covering the Teresa Park. The proposal was sent by the respondents to the petitioners via facsimile. On January 25, 2000, the petitioners met with the representatives of Woodridge to discuss the prices of the properties, and Woodridge likewise intimated that it would develop both the Krause Park and the Teresa Park.

On February 4, 2000, respondents met again with Yusingbo and Mr. Elmer Loredó (*Loredó*), Woodridge's broker, to discuss Woodridge's proposal for bulk purchase covering the Teresa Park, including the terms of payment. On February 9, 2000, respondents presented Woodridge's offer to petitioner Roberto Ignacio. They discussed the projected cash inflows and the advantages of the scheme. Petitioner

Ignacio said he wanted to sell the lots in batches at a lower volume, instead of in bulk. Respondents communicated the offer to Woodridge and the latter intimated that it will make a revised offer. On March 9, 2000,^[7] Woodridge, however, changed its offer from direct acquisition to joint venture, covering 200 lots in Teresa Park, and sent the proposal to the respondents, who, in turn, relayed it to the petitioners. In a meeting on March 13, 2000, petitioners and respondents discussed the proposal for joint venture. Petitioners commented that Woodridge's offer was low, but respondents reassured them that they could negotiate for a better price. After this March 13, 2000 meeting, however, petitioners stopped communicating with the respondents. Several attempts were made by the respondents to contact the petitioners to follow-up on the proposal of Woodridge, but to no avail.

Sometime thereafter, respondents learned that the petitioners continued to negotiate with Woodridge, and this led to the execution of two joint venture agreements between the petitioners and Woodridge, covering the Krause Park. The two joint venture agreements were notarized on March 7, 2000 and October 16, 2000.^[8]

For the Teresa Park, four joint venture agreements were executed between the petitioners and Woodridge, and these were notarized on December 6, 2000, March 12, 2001, September 25, 2001, and October 1, 2002.^[9] Aside from the joint venture agreements, several deeds of sale were also executed between the petitioners and Woodridge, and these are dated September 24, 2001 and August 25, 2003.^[10]

Per respondents' estimate, petitioners earned P26,068,000.00 and P22,497,000.00 for the sale of the Krause Park and Teresa Park projects, respectively. Respondents demanded payment of their commission from the petitioners, contending that the joint venture agreements and the sales over the Krause Park and Teresa Park were products of their successful negotiation with Woodridge. Petitioners, however, refused to pay despite demand.^[11] Thus, respondents filed a complaint for sum of money, damages, attorney's fees, and litigation expenses before the Regional Trial Court of Parañaque City.^[12]

In their Answer,^[13] petitioners denied that they have an obligation to pay the respondents. Petitioners contend that the respondents offered their services as exclusive real estate brokers, but they were never engaged. Petitioners further state that they were not looking for an exclusive agency and they entertained brokers on a "first come, first served" basis. Petitioners, likewise, contend that they were not agreeable with the respondents' proposal to sell the lots below the prevailing market value with no escalation clause, and that the sale of the Krause Park and the Teresa Park was made through the joint efforts of their consultants, Engr. Julius Aragon and Florence Cabansag. No sales transaction was realized on account of the respondents.

Ruling of the RTC

After trial on the merits, the trial court rendered judgment in favor of herein respondents. It ruled that herein respondents are entitled to brokers' fees and damages because the sale and development of the Krause Park and the Teresa Park were made possible because of the efforts of the respondents. The RTC Decision reads -

WHEREFORE, all the foregoing duly considered, judgment is hereby rendered for the plaintiffs and against the defendants, as follows:

(1) Ordering the defendants solidarily to pay the plaintiffs the sum of P11,881,915.50 as brokers' fee affecting Krause Park, Molino, Bacoar, Cavite, and Teresa Park, Almanza, Las Piñas City, plus legal interest of 12% per annum to be computed thereon starting July 3, 2001, the date of the first demand letter of plaintiffs' counsel until the obligation shall be fully paid;

(2) Ordering the defendants solidarily to pay the plaintiffs the sum of P200,000[.00] as moral damages, the sum of P100,000[.00] as exemplary damages, the sum of P200,000[.00] as attorney's fees, and costs of suit.

SO ORDERED.^[14]

Aggrieved, petitioners filed an appeal before the Court of Appeals.

Ruling of the CA

In its Decision dated September 30, 2015, the CA denied the appeal and affirmed *in toto* the ruling of the RTC.

The CA held that herein respondents are entitled to their commission because they were the procuring cause of the joint venture agreements and sales between the petitioners and Woodridge. Through the respondents' efforts, they held meetings with the officers of Woodridge in the year 2000, started negotiating with them, and accompanied them during the ocular inspection. All these brought the petitioners and Woodridge together and resulted in joint venture agreements and deeds of sale.

The CA did not find any credence in petitioner Ignacio's claim that it was Julius Aragon who brokered the said transactions, particularly the March 7, 2000 joint venture agreement. This is because respondents were already in active negotiation with Woodridge and, in fact, held meetings with them on separate dates of January 13, 21, and 25, 2000, and February 4 2000, wherein they extensively discussed about Teresa Park and Krause Park, and that Aragon had no participation in those meetings.

A motion for reconsideration was filed by herein petitioners, but the same was denied by the CA in its Resolution dated October 21, 2016.

Thus, this petition for review.

Issues

The petitioners raised the sole issue:

WHETHER OR NOT THE COURT OF APPEALS COMMITTED SERIOUS AND REVERSIBLE ERROR IN RULING THAT RESPONDENTS ARE ENTITLED TO BROKERS' FEES.

Petitioners contend that the respondents are not entitled to commission or brokers' fees because they are not the procuring cause for the successful business transactions between the petitioners and Woodridge.

Petitioners anchored their position on the following: (1) respondents allegedly admitted that they did not negotiate a successful joint venture agreement between the petitioners and Woodridge because, according to the respondents, their sole responsibility was merely to look for or source potential buyers and not to successfully negotiate a joint venture agreement; (2) respondents miserably failed in their duty to negotiate a successful joint venture agreement between the petitioners and Woodridge because respondents insisted on the bulk sale of the petitioners' properties instead of a joint venture agreement; (3) respondents' authority already expired when the petitioners entered into the joint venture agreements and deeds of sale with Woodridge for the development of the properties in Teresa Park and Krause Park.

Our Ruling

The petition lacks merit.

The Rules of Court requires that only questions of law should be raised in petitions filed under Rule 45.^[15] 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"^[16] when supported by substantial evidence.^[17] Factual findings of the appellate courts will not be reviewed nor disturbed on appeal to this court.^[18]

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.*:

(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 the Court of Appeals are contrary to those of the trial court; (8) When 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.^[19]

These exceptions similarly apply in petitions for review filed before this court involving civil,^[20] labor,^[21] tax,^[22] or criminal cases.^[23]

A question of fact requires this Court to review the truthfulness or falsity of the allegations of the parties.^[24] This review includes assessment of the "probative value of the evidence presented."^[25] 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.^[26]

In this case, the issue raised by the petitioners obviously asks this Court to review the evidence presented during the trial. Clearly, this is not the role of this Court