

SECOND DIVISION

[G.R. No. 235914, July 29, 2020]

JANOLINO * "NOLI" C. PALAFOX REPRESENTED BY HIS ATTORNEY-IN-FACT, EFRAIM B. ORODIO, PETITIONER; VS. MS. CHRISTINE B. WANGDALI AND THE RURAL BANK OF TABUK PRO (KA) INC., RESPONDENTS.

DECISION

INTING, J.:

This is a Petition^[1] for Review on *Certiorari* under Rule 45 of the Rules of Court seeking to reverse and set aside the Decision^[2] dated May 30, 2017 and the Resolution^[3] dated October 26, 2017 of the Court of Appeals (CA) in CA-G.R. CV No. 106481. The assailed Decision reversed the Decision^[4] dated October 30, 2014 of Branch 25, Regional Trial Court (RTC), Bulanao, Tabuk City, Kalinga.

The Antecedents

Janolino "Noli" C. Palafox (Palafox) had in his name a Certificate of Time Deposit (CTD) No. 19265^[5] issued by herein respondent, Rural Bank of Tabuk, Inc. (Bank) with maturity date on April 12, 2003.^[6]

On June 11, 2003, Palafox went to the Bank to surrender the CTD and claim its value in the amount of P1,181,388.99. However, the Bank's employees refused to give him the value of the CTD and advised him to wait for the Bank Manager, Christine B. Wangdali (Wangdali). She likewise refused to give him the CTD's value.^[7]

On June 12, 2003, Atty. Edgar S. Orro (Atty. Orro), counsel for Palafox, wrote a letter^[8] dated June 12, 2003 addressed to Wangdali demanding payment of the value of the CTD. In her reply,^[9] Wangdali related that the Bank could not yet act on Palafox' request as it was under investigation by the Bangko Sentral ng Pilipinas (BSP) on the ground that Palafox might have been a party in defrauding and misappropriation of the Bank's funds.

Hence, the Complaint^[10] for Withdrawal of Deposit and Damages filed by a certain Efraim B. Orodio (Orodio) on behalf of Palafox praying for the payment of the CTD's value with accrued interests. Orodio was equipped, with a Special Power of Attorney^[11] (SPA) executed by Palafox authorizing him to institute the instant complaint.

On August 5, 2003, the Bank and Wangdali (collectively, respondents) filed a Motion to Dismiss and argued that the complaint did not state a cause of action because it

was not prosecuted by Palafox himself; that Orodio, being an attorney-in-fact, was not the real party in interest to the case who stood to be benefited or injured by the judgment in the case; that although there is a name among the Bank's depositors similar to that of Palafox, the records of the Bank showed a difference in their signatures, hence, the Bank asserted that Palafox was an impostor.^[12]

Further, the respondents alleged that another ground for the dismissal of the complaint was Palafox' noncompliance with the rule on filing a certificate of non-forum shopping as this was executed by Orodio and not by the principal party to the case who had the knowledge of whether or not he had initiated similar actions or proceedings in different agencies.^[13]

On October 20, 2003, the RTC of Bulanao, Tabuk City, Kalinga denied the motion to dismiss.^[14]

In an Order dated October 7, 2005, the RTC ordered the parties to submit a position prayed regarding the preliminary attachment prayed for by Palafox.

The respondents filed their Position Paper with prayer to retain the deposit. Petitioner Palafox, on the other hand, did not file a position paper. Thus, invoking Section 3, Rule 17 of the Rules of Court, the respondents filed another motion to dismiss arguing that petitioner Palafox failed to comply with the RTC's Order to file a position paper, a justifiable ground to cause the dismissal of the complaint.^[15]

The RTC granted the respondents' prayer to retain the deposit, but denied the motion to dismiss as it saw the need to proceed with the trial of the case.^[16]

The respondents then filed an Answer with Counterclaim reiterating, among others, that the complaint did not have a cause of action because Palafox was a nominal depositor who did not actually own the deposit; that the CTD was a renewal certificate and the history of the deposit revealed that the CTD originated from two deposit accounts, to wit: (1) the first account covered by the Certificate of Deposit No. 17575 was opened by a certain Rachel Orodio, the former general manager of the Bank, and renewed under the name "N. Palafox by Rachel B. Orodio"; and (2) the second account covered by the Certificate of Deposit No. 17575 was opened in the name of Noli Palafox; that the money used to open the account was the proceeds of a simulated loan which Rachel Orodio granted to petitioner Palafox; that Rachel Orodio only used Palafox as a dummy and used the latter's name to appear in the CTD, a violation of the Anti-Money Laundering Act;^[17] and for that reason, the matter was reported to the Anti-Money Laundering Council.^[18]

Trial on the merits ensued.

Orodio was the only one who testified in court for Palafox. On the other hand, the respondents failed to present their witnesses.

While the case was pending before the RTC, the respondents filed a petition for review with the CA assailing the RTC's Resolution^[19] dated October 12, 2015 that denied their second motion to dismiss. However, the CA denied the petition and ruled that the dismissal under Section 3, Rule 17 of the Rules of Court was the trial

court's discretion; and that the RTC did not commit grave abuse of discretion in denying the respondents' second motion to dismiss. The respondents sought for the Court's review. The Court denied it.^[20]

On October 30, 2014, the RTC issued the Decision^[21] granting the relief prayed for by Palafox for failure of the respondents to rebut Palafox's allegations and documentary evidence. The dispositive portion of the Decision reads:

ACCORDINGLY, judgment is hereby rendered in favor of the plaintiff, and:

1. For this Court to issue a writ of preliminary mandatory injunction for the release of the face value of the CTD to the plaintiff;
2. To compel the defendants to pay the plaintiff certificate of time deposit (CTD) including all accrued interest therein;
3. To indemnify defendants in solidum to pay the following amounts:
 - a. Thirty thousand (P30,000.00) Pesos for exemplary damages;
 - b. Ten Thousand (P10,000.00) Pesos for actual expenses and another Thirty Thousand (P30,000.00) Pesos for litigation expenses;
 - c. Forty Thousand (P40,000.00) Pesos as attorney's fees; and
 - d. Cost of the suit.

SO ORDERED.^[22]

Feeling aggrieved, the respondents filed an appeal on the RTC Decision.

The Ruling of the CA

On May 30, 2017, the CA rendered the assailed Decision^[23] finding merit on the respondents' appeal. It ruled that Palafox failed to overcome the burden of proving his entitlement to the value of the CTD and the other reliefs prayed for in the complaint. Hence, the CA reversed the findings of the RTC.

Petitioner Filed a Motion for Reconsideration.^[24] On October 26, 2017 the CA rendered the assailed Resolution^[25] denying it.

Hence, the present petition.

In the petition, Palafox raised the following errors of law, to wit:

1. THE [CA] COMMITTED SERIOUS ERRORS OF LAW AND JURISPRUDENCE IN RULING THAT PETITIONER IS THE , [sic] NOT THE PERSON "NOLI PALAFOX" NAMED 'IN CERTIFICATE OF TIME DEPOSIT NO. 19265;

2. THE [CA] COMMITTED SERIOUS ERRORS OF LAW AND JURISPRUDENCE IN ALLOWING A CHANGE OF THEORY BY THE PRIVATE RESPONDENTS ON APPEAL.^[26]

Our Ruling

The petition is denied.

The Court is not a trier of facts. As a rule, the jurisdiction of the Court in a petition for review on *certiorari* under Rule 45 of the Revised Rules of Court is limited to reviewing only errors of law, not of fact, unless the factual findings complained of are completely devoid of support from the evidence on record, or the assailed judgment is based on a gross misapprehension of facts.^[27]

Like all other general rules, this also admits of exceptions which have already expanded over time.^[28] As enumerated in *Pascual v. Burgos, et al.*,^[29] there are 10 recognized exceptions^[30] laid down in *Medina v. Mayor. Asistio, Jr.*,^[31] which are as follows:

(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 petitioners' 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.^[32]

However, none of the above-mentioned exceptions exists in this case. Thus, the Court finds no cogent reason to depart from the findings of fact and conclusions of law of the appellate court, more so, when these are supported by substantial evidence.^[33]

A judicious perusal of the petition shows that Palafox raises issues which are a mere rehash of what were already raised before the appellate court. Whether or not Palafox is the person "Noli Palafox" named in the CTD No. 19265, and whether or not there was a change of theory by the respondents on appeal, are clearly questions of facts which have all been settled by the appellate court.

Even when the Court is to consider the facts as alleged by Palafox, the Court will reach to the same conclusion that he failed to prove his claims against the respondents. Palafox failed to establish his case by preponderance of evidence.^[34] In other words, he failed to meet the required quantum of evidence to establish his identity and his ownership over CTD No. 19265.