

## THIRD DIVISION

[ G.R. No. 197842, October 09, 2013 ]

**JAIME P. ADRIANO AND LEGASPI TOWERS 300, INC.  
PETITIONERS, VS. ALBERTO LASALA AND LOURDES LASALA,  
RESPONDENTS.**

### D E C I S I O N

**MENDOZA, J.:**

This is a petition for review on *certiorari* under Rule 45 of the Rules of Court seeking the reversal of the September I 3, 2010 Decision<sup>[1]</sup> and the July 18, 2011 Resolution<sup>[2]</sup> of the Court of Appeals (CA) in CA-G .R. CV No. 70768, which denied the appeal of Legaspi Towers 300, Inc. (*LT300*) and affirmed with modification the March 9, 2001 Decision<sup>[3]</sup> of the Regional Trial Court of Manila, Branch 46 (*RTC*), holding the petitioners liable for the illegal termination of the Security Service Contract entered into with Alberto and Lourdes Lasala acting in the name of Thunder Security and Investigation Agency (*respondents*).

#### **The Facts**

On September 25, 1992, in order to protect and secure its premises against theft, pilferage, arson, robbery, vandalism, and other illegal acts directed at unit owners, officers and personnel, petitioner entered into a security service contract with respondents for a period of one year ending on September 25, 1993.

On October 18, 1992, respondents received a letter signed by petitioner Jaime P. Adriano (*Adriano*), the building administrator, reminding them of their non-compliance with the security services agreement, among which were the failure to assign security guards with the required height and educational attainment, and the failure to provide the agreed service vehicle. In compliance, respondents relieved and replaced the unqualified personnel with Adriano's recommendees. A Ford Fiera was also produced although parked in a nearby area as no space in the building was available.

Despite their positive responses, respondents received another letter, dated October 21, 1992, reiterating the same instances of non-compliance. Dismayed, they talked to Adriano who replied with an invitation to hold a meeting. Respondents agreed.

In the scheduled meeting, Adriano mentioned that the differences could only be settled by cooperating with each other. He then requested from respondents the payment of P18,000.00, of which P5,000 would be given to petitioner Emmanuel Santos, the LT300 President; P3,000.00 to Captain Perez; and the rest to Adriano himself. These payments were requested in return for acting as the bridge in resolving the issues. The respondents came across, but the petitioners demanded another equivalent amount in another meeting in November.

Thereafter, a series of correspondence between the parties took place, with the petitioners constantly reiterating respondents' alleged violations of the service contract. In the last letter, they added another grievance – non-payment of the minimum wage. In an attempt to finally settle the issues, respondents sought audience before the LT300 Board but to no avail. The Board, without giving respondents an opportunity to explain, terminated the contract as voted upon in a meeting held on January 28, 1993.

On February 8, 1993, respondents filed a complaint for damages alleging that LT300 and Adriano illegally terminated their services.

On March 9, 2001, the RTC ruled in favor of respondents. It held that the September 25, 1992 agreement could only be terminated for a valid cause; that respondents neither committed any violation nor failed to give security services to LT300; that respondents were not given their right to be heard under the fundamental principle of due process of law; and that respondents were entitled to all the benefits and considerations due them. The dispositive portion of the decision reads:

WHEREFORE, judgment is hereby rendered:

I. holding that plaintiffs have not violated the AGREEMENT dated September 25, 1992 that would constitute a valid cause for termination of said AGREEMENT before its expiration date on September 25, 1993.

II. ordering the defendants to pay jointly and severally the plaintiffs the following damages:

- a) the shortage of the salary given to plaintiffs for the period from Feb. 16-26, 1993 ..... P19,549.89;
- b) the benefit/compensation of plaintiffs from Feb. 26, 1993 to Sept. 25, 1993 (7 ½ months) to which they are entitled. .... P1,604,362.50;
- c) moral damages ..... P500,000.00; and
- d) exemplary damages ..... P250,000.00;
- [and]
- e) attorney's fees ..... P50,000.00 with interest at the legal rate on letters (a) and (b) from the filing of the complaint on February 8 1993.

III. Costs shall be paid by the defendants jointly and severally; and

IV. The counterclaims of defendants are dismissed for lack of merit.

IT IS SO ORDERED.<sup>[4]</sup>

On appeal, the CA categorized as baseless and flimsy all the allegations thrown against respondents thereby affirming the RTC ruling but with modification as to the award of damages, to wit:

WHEREFORE, considering the foregoing premises, the Decision of the Regional Trial Court of Manila (Branch 46) dated March 9, 2001 is AFFIRMED with modifications, to wit:

"WHEREFORE, judgment is hereby ordered:

- V. holding that plaintiffs have not violated the AGREEMENT dated September 25, 1992, that would constitute a valid cause for termination of said AGREEMENT before its expiration date on September 25, 1993.
- VI. ordering the defendant-appellant LT300 with defendants Jaime P. Adriano and Emmanuel T. Santos to pay jointly and severally the plaintiffs the following damages:
  - a) *the shortage of the salary given to plaintiffs for the period from Feb. 16 – 26, 1993.....P 19,549.89*
  - b) *temperate damages.....P 200,000.00*
  - c) *moral damages.....P 100,000.00*
  - d) *exemplary damages.....P 50,000.00*
  - e) *attorney's fees.....P 50,000.00*  
*with interest at the legal rate on letter(a) from the filing of the complaint on February 8, 1993;*
- VII. Costs shall be paid by the defendant-appellant jointly and severally with defendants Jaime P. Adriano and Emmanuel T. Santos.
- VIII. The counterclaims of defendants are dismissed for lack of merit."

SO ORDERED. [5]

The petitioners filed their motion for reconsideration but it was denied by the CA on July 18, 2011.

Hence, this petition.

The petitioners present for evaluation the following errors:

#### I.

**The Honorable Court of Appeals seriously erred in holding that no breach, substantial or otherwise, was committed by the respondents that would warrant the pre-termination of the Security Service Contract (Agreement) with the petitioner LT 300.**

#### II.

**The Honorable Court of Appeals gravely erred in awarding temperate damages as there is clearly no pecuniary loss, from the facts of the case, suffered by the respondents as a direct consequence of the termination of the Security Service Contract (Agreement).**

#### III.

**The Honorable Court of Appeals gravely erred in awarding moral and exemplary damages as well as attorney's fees considering**

**that the circumstances as laid down by law that would warrant such award are not present in the instant case.**

In advocacy of their position, petitioner LT300 argues (1) that the failure to provide the service vehicle was not a baseless allegation culled out of thin air as respondents' lack of parking space argument was unbelievable and should not have been given credence; (2) that the failure to pay the minimum wage, as allegedly proven during trial, was a substantial violation of the agreement; (3) that the award of temperate damages was not in order as the CA even found that the award of actual damages had no basis; (4) that no sufficient proof of bad faith was provided as to warrant the award of moral and exemplary damages; and (5) that ample opportunity to rectify was given to respondents, but they ignored the same.

Respondents counter that the alleged violation in the hiring of unqualified personnel could not be their fault because it was made at the behest and recommendation of Adriano under the instructions of the LT300 Board. As to the lack of an agreed service vehicle, respondents explain that the Ford Fiera's parking at a distance of about five (5) meters from Marina Subdivision was sufficient compliance already considering that no parking space was provided by LT300. Regarding the charge of non-payment of minimum wage, respondents aver that it was unsubstantiated as no document of complaint was presented. With regard to the award of damages, respondents echo the ruling of the CA.<sup>[6]</sup>

### **The Issues**

Thus, the following issues remain to be resolved by this Court:

**Whether the CA erred in holding the petitioners liable for illegal pre-termination of contract.**

**and**

**Whether the CA erred in awarding temperate damages, moral damages, exemplary damages, and attorney's fees to respondents.**

### **The Court's Ruling**

This Court finds no merit in the petition.

#### *No Violation of the Contract by Respondents*

In this case, the petition is primarily anchored on whether respondents breached the subject security services agreement. In the case of *Engr. Apolinario Dueñas v. Alice Guce-Africa*,<sup>[7]</sup> it was held that the determination of the existence of a breach of contract is a factual matter not usually reviewable in a petition filed under Rule 45. The philosophy behind this rule is that the Court is not a trier of facts. There are, however, well-established exceptions, as reiterated by this Court in *Development Bank of the Philippines v. Traders Royal Bank*,<sup>[8]</sup> to wit:

The jurisdiction of the Court in cases brought before it from the appellate court is limited to reviewing errors of law, and findings of fact of the