

SECOND DIVISION

[G.R. No. 190375, February 08, 2012]

**TAN SHUY, PETITIONER, VS. SPOUSES GUILLERMO MAULAWIN
AND PARING CARIÑO-MAULAWIN, RESPONDENTS.**

D E C I S I O N

SERENO, J.:

Before the Court is a Petition for Review on *Certiorari* filed under Rule 45 of the Rules of Court, assailing the 31 July 2009 Decision and 13 November 2009 Resolution of the Court of Appeals (CA).^[1]

Facts

Petitioner Tan Shuy is engaged in the business of buying copra and corn in the Fourth District of Quezon Province. According to Vicente Tan (Vicente), son of petitioner, whenever they would buy copra or corn from crop sellers, they would prepare and issue a *pesada* in their favor. A *pesada* is a document containing details of the transaction, including the date of sale, the weight of the crop delivered, the trucking cost, and the net price of the crop. He then explained that when a *pesada* contained the annotation "pd" on the total amount of the purchase price, it meant that the crop delivered had already been paid for by petitioner.^[2]

Guillermo Maulawin (Guillermo), respondent in this case, is a farmer-businessman engaged in the buying and selling of copra and corn. On 10 July 1997, Tan Shuy extended a loan to Guillermo in the amount of P420,000. In consideration thereof, Guillermo obligated himself to pay the loan and to sell *lucad* or copra to petitioner. Below is a reproduction of the contract:^[3]

Nº 2567	Lopez, Quezon July 10, 1997
<p>Tinanggap ko kay G. TAN SHUY ang halagang</p> <p>(P420,000.00) salaping Filipino. Inaako ko na isusulit sa kanya ang aking LUCAD at babayaran ko ang nasabing halaga. Kung hindi ako makasulit ng LUCAD o makabayad bago sumapit ang, 19 maaari niya akong ibigay sa may kapangyarihan. Kung ang pagsisingilan ay makakarating sa Juzgado ay sinasagutan ko ang lahat ng kaniyang gugol.</p> <p style="text-align: right;">[Sgd. by respondent]</p> <p>P.....</p> <p style="text-align: right;">Lagda</p>	

Most of the transactions involving Tan Shuy and Guillermo were coursed through Elena Tan, daughter of petitioner. She served as cashier in the business of Tan Shuy, who primarily prepared and issued the *pesada*. In case of her absence, Vicente would issue the *pesada*. He also helped his father in buying copra and granting loans to customers (copra sellers). According to Vicente, part of their agreement with Guillermo was that they would put the annotation "*sulong*" on the *pesada* when partial payment for the loan was made.

Petitioner alleged that despite repeated demands, Guillermo remitted only P23,000 in August 1998 and P5,500 in October 1998, or a total of P28,500.^[4] He claimed that respondent had an outstanding balance of P391,500. Thus, convinced that Guillermo no longer had the intention to pay the loan, petitioner brought the controversy to the *Lupon Tagapamayapa*. When no settlement was reached, petitioner filed a Complaint before the Regional Trial Court (RTC).

Respondent Guillermo countered that he had already paid the subject loan in full. According to him, he continuously delivered and sold copra to petitioner from April 1998 to April 1999. Respondent said they had an oral arrangement that the net proceeds thereof shall be applied as installment payments for the loan. He alleged that his deliveries amounted to P420,537.68 worth of copra. To bolster his claim, he presented copies of *pesadas* issued by Elena and Vicente. He pointed out that the *pesadas* did not contain the notation "pd," which meant that actual payment of the net proceeds from copra deliveries was not given to him, but was instead applied as loan payment. He averred that Tan Shuy filed a case against him, because petitioner got mad at him for selling copra to other copra buyers.

On 27 July 2007, the trial court issued a Decision, ruling that the net proceeds from Guillermo's copra deliveries - represented in the *pesadas*, which did not bear the notation "pd" - should be applied as installment payments for the loan. It gave weight and credence to the *pesadas*, as their due execution and authenticity was established by Elena and Vicente, children of petitioner.^[5] However, the court did not credit the net proceeds from 12 *pesadas*, as they were deliveries for corn and not copra. According to the RTC, Guillermo himself testified that it was the net proceeds from the copra deliveries that were to be applied as installment payments for the loan. Thus, it ruled that the total amount of P41,585.25, which corresponded to the net proceeds from corn deliveries, should be deducted from the amount of P420,537.68 claimed by Guillermo to be the total value of his copra deliveries. Accordingly, the trial court found that respondent had not made a full payment for the loan, as the total creditable copra deliveries merely amounted to P378,952.43, leaving a balance of P41,047.57 in his loan.^[6]

On 31 July 2009, the CA issued its assailed Decision, which affirmed the finding of the trial court. According to the appellate court, petitioner could have easily belied the existence of the *pesadas* and the purpose for which they were offered in evidence by presenting his daughter Elena as witness; however, he failed to do so. Thus, it gave credence to the testimony of respondent Guillermo in that the net proceeds from the copra deliveries were applied as installment payments for the loan.^[7] On 13 November 2009, the CA issued its assailed Resolution, which denied the Motion for Reconsideration of petitioner.

Petitioner now assails before this Court the aforementioned Decision and Resolution of the CA and presents the following issues:

Issues

1. Whether the *pesadas* require authentication before they can be admitted in evidence, and
2. Whether the delivery of copra amounted to installment payments for the loan obtained by respondents from petitioner.

Discussion

As regards the first issue, petitioner asserts that the *pesadas* should not have been admitted in evidence, since they were private documents that were not duly authenticated.^[8] He further contends that the *pesadas* were fabricated in order to show that the goods delivered were copra and not corn. Finally, he argues that five of the *pesadas* mentioned in the Formal Offer of Evidence of respondent were not actually offered.^[9]

With regard to the second issue, petitioner argues that respondent undertook two separate obligations - (1) to pay for the loan in cash and (2) to sell the latter's *lucad* or copra. Since their written agreement did not specifically provide for the application of the net proceeds from the deliveries of copra for the loan, petitioner contends that he cannot be compelled to accept copra as payment for the loan. He emphasizes that the *pesadas* did not specifically indicate that the net proceeds from the copra deliveries were to be used as installment payments for the loan. He also claims that respondent's copra deliveries were duly paid for in cash, and that the *pesadas* were in fact documentary receipts for those payments.

We reiterate our ruling in a line of cases that the jurisdiction of this Court, in cases brought before it from the CA, is limited to reviewing or revising errors of law.^[10] Factual findings of courts, when adopted and confirmed by the CA, are final and conclusive on this Court except if unsupported by the evidence on record.^[11] There is a question of fact when doubt arises as to the truth or falsehood of facts; or when there is a need to calibrate the whole evidence, considering mainly the credibility of the witnesses and the probative weight thereof, the existence and relevancy of specific surrounding circumstances, as well as their relation to one another and to the whole, and the probability of the situation.^[12]

Here, a finding of fact is required in the ascertainment of the due execution and authenticity of the *pesadas*, as well as the determination of the true intention behind the parties' oral agreement on the application of the net proceeds from the copra deliveries as installment payments for the loan.^[13] This function was already exercised by the trial court and affirmed by the CA. Below is a reproduction of the relevant portion of the trial court's Decision:

x x x The defendant further averred that if in the receipts or "pesadas" issued by the plaintiff to those who delivered copras to them there is a notation "pd" on the total amount of purchase price of the copras, it

means that said amount was actually paid or given by the plaintiff or his daughter Elena Tan Shuy to the seller of the copras. To prove his averments the defendant presented as evidence two (2) receipts or *pesadas* issued by the plaintiff to a certain "Cariño" (Exhibits "1" and "2" - defendant) showing the notation "pd" on the total amount of the purchase price for the copras. Such claim of the defendant was further bolstered by the testimony of Apolinario Cariño which affirmed that he also sell copras to the plaintiff Tan Shuy. He also added that he incurred indebtedness to the plaintiff and whenever he delivered copras the amount of the copras sold were applied as payments to his loan. The witness also pointed out that the plaintiff did not give any official receipts to those who transact business with him (plaintiff). **This Court gave weight and credence to the documents receipts (*pesadas*) (Exhibits "3" to "64") offered as evidence by the defendant which does not bear the notation "pd" or paid on the total amount of the purchase price of copras appearing therein. Although said "*pesadas*" were private instrument their execution and authenticity were established by the plaintiff's daughter Elena Tan and sometimes by plaintiff's son Vicente Tan.** x x x.^[14] (Emphasis supplied)

In affirming the finding of the RTC, the CA reasoned thus:

In his last assigned error, **plaintiff-appellant herein impugns the conclusion arrived at by the trial court, particularly with respect to the giving of evidentiary value to Exhs. "3" to "64"** by the latter in order to prove the claim of defendant-appellee *Guillermo* that he had fully paid the subject loan already.

The foregoing deserves scant consideration.

Here, **plaintiff-appellant could have easily belied the existence of Exhs. "3" to "64", the *pesadas* or *receipts*, and the purposes for which they were offered in evidence by simply presenting his daughter, *Elena Tan Shuy*, but no effort to do so was actually done by the former given that scenario.**^[15] (Emphasis supplied)

We found no clear showing that the trial court and the CA committed reversible errors of law in giving credence and according weight to the *pesadas* presented by respondents. According to Rule 132, Section 20 of the Rules of Court, there are two ways of proving the due execution and authenticity of a private document, to wit:

SEC. 20. *Proof of private document.* - Before any private document offered as authentic is received in evidence, its due execution and authenticity must be proved either:

- (a) By anyone who saw the document executed or written; or
- (b) By evidence of the genuineness of the signature or handwriting of the maker.