

SECOND DIVISION

[G.R. No. 138758, July 06, 2000]

WILLIAM P. CHAN, PETITIONER, VS. COURT OF APPEALS [FIFTH DIVISION] AND SPS. MARIO GERONIMO AND GREGORIA GERONIMO, RESPONDENTS.

D E C I S I O N

BELLOSILLO, J.:

This is a petition for *certiorari* under Rule 65 which seeks to annul the 23 December 1998 Decision of the Court of Appeals (Fifth Division) in CA-G.R. No. 47343 giving due course to the appeal filed by private respondents as well as its 20 April 1999 Resolution denying petitioner's motion to reconsider the decision.

On 16 August 1995, in a *Memorandum of Agreement* the spouses Mario and Gregoria Geronimo engaged the services of William P. Chan to act as their financial consultant in obtaining a loan with Banco Filipino in consideration of which they agreed to pay Chan a "success fee" equivalent to ten percent (10%) of the approved loan amount. True to that agreement, Chan assisted the spouses in preparing their loan application, reviewed the supporting documents, *e.g.*, Income Tax Returns, Transfer Certificate of Title used as collateral for the loan applied for, and obtained the necessary documents from the Sangguniang Bayan of Guiguinto, Bulacan, concerning the road right-of-way of the respondents' property, among others. Eventually, the application of the spouses was favorably acted upon and Banco Filipino granted them a loan in the amount of P20,600,000.00. However, despite repeated demands, they failed to pay Chan the stipulated "success fee" equivalent to 10% of the approved loan or the sum of P2,060,000.00.

Thus on 29 October 1996 Chan filed a complaint for collection of a sum of money against respondent spouses before the Regional Trial Court of Makati, which was raffled to Branch 145.^[1] On 11 December 1997 the trial court ruled in favor of Chan and ordered the Geronimos to jointly and severally pay him the sum of P2,060,000.00 with interest thereon at the legal rate of 6% per annum from 5 November 1996 when the complaint was filed until judgment becomes final, such legal rate to be increased thereafter to 12% per annum until the amount is fully paid, plus P50,000.00 as reasonable attorney's fees.

On 20 January 1998 respondent spouses filed a *Notice of Appeal* with the Regional Trial Court. However, they failed to pay the corresponding legal fees, prompting petitioner to file a *Manifestation* that the *Notice of Appeal* filed by them was not accompanied by "proof of payment of the appellate court docket and other lawful fees" as required by Sec. 4, Rule 41, of the *1997 Rules of Civil Procedure*. Thus the trial court issued an order denying the appeal for non-compliance with the requirement of paying appellate docket and other lawful fees to the Clerk of Court that rendered the judgment subject of the appeal within the period for taking an