

FIRST DIVISION

[G.R. No. 121559, June 18, 1998]

**XENTREX AUTOMOTIVE, INC., PETITIONER VS. COURT OF
APPEALS, MAC-ARTHUR M. SAMSON AND GERTRUDES C.
SAMSON, RESPONDENTS.**

RESOLUTION

QUISUMBING, J.:

This petition for review on certiorari seeks to reserve respondent appellate court's decision promulgated on July 31, 1995 affirming the judgment of the Regional Trial Court which ruled as follows:

"WHEREFORE, judgment is hereby rendered in favor of plaintiffs and against the defendant ordering the latter to pay the former, the following:

1. Moral Damages of P100,000.00 for besmirched reputation, wounded feelings, moral shock, social humiliation, and the like suffered by the plaintiffs;
2. Nominal damages of P50,000.00 in order that the rights of the plaintiffs which have been violated may be vindicated;
3. Exemplary or corrective damages of P50,000.00 by way of example or correction for public good;
4. Attorneys fees of P20,000.00 and litigation expenses of P6,00.00;

In addition, defendant is ordered to re-imburse (sic) plaintiffs the amount of P250,000.00 representing the advance payment of the car made by the plaintiffs to the defendant, and to pay cost.

SO ORDERED."^[1]

Petitioner is a dealer of motor vehicles. On October 25, 1991, private respondents went to petitioner to purchase a brand new car, a 1991 Nissan Sentra Super Saloon A/T model, valued at P494,000.00. Private respondents made an initial deposit of P50,000.00; petitioner issued the corresponding official receipt (O.R. No. 6504). The balance was to be paid thru bank financing. Pending the processing of their application for financing, private respondents paid an additional P200,000.00. to petitioner which was covered by another receipt (O.R. NO. 6547). Eventually, due to the slow pace in the processing of their application for financing, private respondents decided to pay the remaining balance on November 6, 1991 by tendering a check in the amount of P250,000.00. As it turned out however, to private respondent's shock and disappointment, the car had already been sold to another buyer without their knowledge, prompting them to send a demand letter to petitioner asking the latter to comply with its obligation to deliver the car. Their demand unheeded, private respondents (plaintiffs below) filed a suit for breach of contract and damages before the Regional Trial Court of Dagupan City, Branch 42. Denying any liability, petitioner (defendant below) alleged that the complaint stated

no cause of action. After trial, judgment was rendered by the trial court in private respondents' favor. On appeal by petitioner, the Court of Appeals affirmed the decision of the trial court.^[2]

It is petitioner's main contention that both the trial and the appellate courts erred in adjusting it liable for breach of contract and damages. Petitioner argues that there was no perfected contract of sale between the parties due to private respondents' failure to comply with their obligation to pay the purchase price of the car in full. Thus, petitioner asserts that it has no obligation to deliver the car to private respondents and therefore could not be held liable for breach of contract of sales as confirmed by the findings of the trial court and in turn affirmed by the court of Appeals; hence, petitioner should be held liable for breach of contract for failing to deliver the car to them

We find that the instant petition lacks merit. The issues raised by petitioner are essentially factual matters, the determination of which are best left to the court below. Well-settled is the rule that factual findings of the lower courts are entitled to great weight and respect on appeal, and in fact accorded finality when supported by substantial evidence on the record as in the case.^[3] Undoubtedly, there was a perfected contract of sale between the petitioner and private respondents as confirmed by the trial court when it found that "[b] y accepting a deposit of P50,000.00 and by pulling out a unit of Philippine Nissan 1.6 cc Sentra Automatic (Flamingo red), defendant obliged itself to sell to the plaintiffs a determinate thing of a price certain in money which was P494,000.00".^[4] Resultingly, petitioner committed a breach of contract when it allowed the unit in question to be sold to another buyer to the prejudice of private respondents. The Court of Appeals gave complete accord to the aforementioned findings and affirmed the same in its decision.^[5] In this regard it must be emphasized that the prevailing rule is that the findings of fact of the trial court, particularly when affirmed by the Court of Appeals, are binding upon this Court.^[6] We have scrutinized the record of this case and found no reason to deviate from the findings of the court a quo as they are consistent with the law and the evidence on record. Article 1475 of the New Civil Code is very explicit the "[t]he contract of sale is perfected at the moment there is a meeting of the minds upon the thing which is the object of the contract and upon the price. From that moment, the parties may reciprocally demand performance, subject to the provision of the law governing the form of contracts." Contrary, therefore, to petitioner's assertion, both the trial court and the Court of Appeals did not commit reversible error in declaring that there was indeed a perfected contract of sale and that petitioner breached the same when it failed to deliver the car to private respondents.

However, with respect to the damages awarded to private respondent, the Court cannot sustain the same in its entirety.

The award for exemplary damages in this case is unwarranted because there is no showing that petitioner acted in wanton, fraudulent, reckless, oppressive, or malevolent manner.^[7] In the same vein, the grant of nominal damages must also be deleted because the factual basis for such not has been established.

Nevertheless, We sustain the award of moral damages considering private respondent Macarthur Samson's testimony that he suffered from shock and embarrassment as a result of petitioner's failure to comply with its obligation.^[8]