

THIRTEENTH DIVISION

[CA-G.R. CV NO. 100495, April 16, 2014]

PETER M. ADLAON, DOING BUSINESS UNDER THE NAME AND STYLE OF PETROS SECURITY AND GENERAL SERVICES, PLAINTIFF-APPELLANT, VS. LA MALL, INC., ESTELA PAGUEL AND ANTHONY ARBOLEDA, DEFENDANTS-APPELLEES.

D E C I S I O N

DIMAAMPAO, J.:

This *Appeal* inveighs against three Orders dated 4 September 2012,^[1] 3 December 2012,^[2] and 10 December 2012^[3] of the Regional Trial Court of Manila, Branch 11, in Civil Case No. 03-108158. The first assailed Order dismissed plaintiff-appellant's *Complaint for Breach of Contract and Damages*. The second challenged Order denied the Motion for Reconsideration thereof while the third impugned Order granted damages in favor of defendant-appellee.

Stripped of unnecessary verbiage, the antecedents are simple.

Plaintiff-appellant Peter Adlaon (Adlaon) is the general Manager of Petros Security and General Services (Petros Security), an agency offering security and investigation services to its clientele. It executed a *Contract for Security Services*^[4] with defendant-appellee L.A. Mall, Inc.^[5] (LA Mall) whereby it agreed to provide security guards to protect the property of the latter against theft, robbery, pilferage and other unlawful acts. It was further stipulated that either party may pre-terminate the contract before the expiration of the agreed one-year period upon serving a written notice at least 30 days prior to such termination.^[6]

As it happened, LA Mall, through defendant-appellee Estela Paguel (Paguel), the Mall Manager, sent Adlaon a Letter^[7] dated 16 September 2003 terminating the security services of Petros Security due to incidents of theft and robbery at the mall premises, and upon complaints of mall tenants who were dissatisfied with the services of the security guards. The *Letter* stated that the *Contract* would be severed within 30 days upon receipt of the notice, or, on 16 October 2003.

Adlaon, through his counsel, informed Paguel that he received the aforesaid *Letter* only on 15 October 2003. He requested for a meeting to discuss the impending termination of *Contract*.

Paguel, however, refused to heed the request and allegedly informed the security guards of Petros Security to leave their respective posts on 16 October 2003.

Taking umbrage at such action, Adlaon lodged the aforesaid *Complaint* asserting that LA Mall violated the *Contract* which clearly provided for a 30-day notice before

termination of services. He theorized that he received^[8] the Letter only on 15 October 2003 so that Petros Security still had until 15 November 2003 before the security guards would be relieved of their posts. Paguel and defendant-appellee Anthony Arboleda (Arboleda), Mall Operations Supervisor, were impleaded in the suit.

For their part, LA Mall, Paguel and Arboleda insisted that the *Letter of Termination* may have been belatedly received by Adlaon, but it had long been received by one Kingson Ching (Ching), Officer-in-Charge of Petros Security, as early as 17 September 2003.^[9] They averred that the Contract was spurious as it was not the original contract they had signed. They further claimed that the signature of Paguel therein was a forgery.

LA Mall, Paguel and Arboleda implored the court *a quo* to refer the Contract to the appropriate government agency for handwriting analysis to settle the issue on forgery.^[10] In due course, the court *a quo* ordered that the questioned signature, along with Paguel's specimen signatures, be submitted to the National Bureau of Investigation (NBI) for examination. As it turned out, the NBI refused to conduct the analysis given that the documents submitted were mere photocopies.^[11]

Ploughing through the diverse postures of the parties, the court *a quo* rendered a Decision^[12] dated 28 November 2011 ruling in favor of Adlaon and ordering LA Mall, Paguel and Arboleda to pay damages, attorney's fees and costs of suit.

Upon a *Motion for Reconsideration* thereof, the court *a quo* made a *volte-face* of its previous stance and issued the first assailed Order, thusly:

"WHEREFORE, foregoing premises considered, this Court RECALLS its Decision dated November 28, 2011 and SETS ASIDE and DISMISSES this complaint for lack of merit. Defendants are not liable for damages.

SO ORDERED."^[13]

Adlaon prayed for reconsideration thereof but failed to attain favorable relief as the court *a quo* denied his *Motion* through the second challenged Order.^[14]

Thereupon, the court *a quo* issued the third impugned Order, disposing—

"WHEREFORE, foregoing premises considered, the Motion for Reconsideration is DENIED. While the dismissal of this case holds, the Court orders plaintiff to pay the following sums:

1. The amount of P1,000,000.00 by way of nominal or moral damages;
2. The amount of P1,000,000.00 by way of exemplary damages; and
3. The amount of P500,000.00 by way of attorney's fees.

Attorney's fee is justified in the compulsory counter-claim considering that they have to retain counsel to protect their rights and seek remedy in the instant case.

SO ORDERED.”^[15]

Adlaon (now, appellant) seeks relief before Us through this Appeal predicated on the following assigned errors:

I

THE HONORABLE REGIONAL TRIAL COURT GRAVELY ERRED IN RENDERING THE SEPTEMBER 4, 2012 ORDER WHEN IT GRANTED THE MOTION FOR RECONSIDERATION OF DEFENDANTS-APPELLEES AND REVERSED, RECALLED ITS NOVEMBER 28, 2011 DECISION AND DISMISSED THE PLAINTIFF-APPELLANT'S COMPLAINT FOR LACK OF MERIT AND RULED THAT DEFENDANTS-APPELLANTS ARE NOT LIABLE FOR DAMAGES.

II

THE HONORABLE REGIONAL TRIAL COURT GRAVELY ERRED IN DENYING THE PLAINTIFF-APPELLANT'S MOTION FOR RECONSIDERATION OF THE SEPTEMBER 4, 2012 IN ITS DECEMBER 3, 2012 ORDER AND IN NOT UPHOLDING/SUSTAINING THE NOVEMBER 28, 2011 DECISION.

III

THE HONORABLE REGIONAL TRIAL COURT GRAVELY ERRED IN ISSUING THE DECEMBER 10, 2012 ORDER, WHICH REITERATED THE DENIAL OF PLAINTIFF-APPELLANT'S MOTION FOR RECONSIDERATION AND AWARDED HUGE DAMAGES AND ATTORNEY'S FEES TO DEFENDANTS-APPELLEES ON ITS OWN ACCORD, ABSENT ANY FACTUAL FINDINGS OF FRAUD, MALICE OR BAD FAITH ON THE PART OF PLAINTIFF-APPELLANT AND LEGAL BASIS AND EVEN WITHOUT ANY PLEA/ PRAYER FROM THE DEFENDANTS-APPELLEES IN THEIR MOTION FOR RECONSIDERATION OF THE NOVEMBER 28, 2011 DECISION AND SUBSEQUENT PLEADINGS.

At the crux of this legal strife is the query on whether or not LA Mall, Paguel and Arboleda (now, appellees) violated a provision in the *Contract for Security Services* which mandates that—

“11. That this contract shall be for a period of one (1) year commencing on March 5, 2003 and expiring on March 4, 2004 renewable upon such terms and conditions acceptable to both parties. Either party may(,) however, terminate this Contract before the expiration of said te(r)m **upon a written notice to that effect giving at least (30) days period prior to such termination.**”^[16] (Emphasis supplied)

The evidence on record tellingly failed to establish appellant's assertion that appellees did not comply with the 30-day notice requirement prior to severance of the agreement. The Letter of Termination dated 16 September 2003 pulled the rug from appellant's feet as it reveals the signature of Ching, the Officer-In-Charge of Petros Security, who got hold of thereof as early as 17 September 2003, at exactly 9:30 in the morning.^[17] Albeit it appears that appellant personally received the