

SPECIAL NINETEENTH DIVISION

[CA-G.R. CV NO. 03739, June 30, 2014]

ALLAN L. GO, PLAINTIFF-APPELLANT, VS. PHILIPPINE NATIONAL RED CROSS, SOUTHERN LEYTE CHAPTER AND ERIC G. MACABUHAY, DEFENDANTS-APPELLEES.

D E C I S I O N

LAGURA-YAP, J.:

This appeal seeks to nullify the Order^[1] dated June 16, 2010, rendered by the Regional Trial Court (RTC), Branch 24, Maasin City, Southern Leyte, in Civil Case No. R-3486, the decretal portion of which reads:

“WHEREFORE IN VIEW OF THE FOREGOING, the Demurrer to Evidence is hereby GRANTED. The case filed against the Philippine National Red Cross (PNRC) – Southern Leyte Chapter and Eric G. Macabuhay is hereby DISMISSED.

“SO ORDERED.”

ANTECEDENTS

On September 20, 2006, plaintiff Allan^[2] L. Go (plaintiff) filed a Complaint^[3] before the RTC against defendants Philippine National Red Cross, Southern Leyte Chapter and Eric G. Macabuhay for Collection of Money in Civil Case No. R- 3486.

Plaintiff alleged in his Complaint that he is the proprietor of Advance Petron Service Station, a duly-licensed gasoline station with address at Bo. Mantahan, Maasin City, Southern Leyte while defendant Southern Leyte Chapter of the Philippine National Red Cross (PNRC) is a chartered corporation (with power to sue and be sued under Presidential Decree No. 1264 amending Republic Act No. 95 as amended by Republic Act No. 855 and 6373)^[4]. The office of defendant PNRC is in Abgao, Maasin City, Southern Leyte where the Officer-in-Charge is Mr. Edwin Pamonag.

During the period from February 2003 to November 2004, the defendant PNRC owed plaintiff, a total amount of Four Hundred Fifty-Five Thousand Seven Hundred Ninety-Five Pesos & 92/100 (P455,795.92) for fuel intake, lubricants, etc. From February 2005 to August 2006 plaintiff sent written demands to the defendant PNRC whose officer-in-charge then was Eric G. Macabuhay. The latter promised that the amount shall be paid on April 30, 2005 but no payment were made.

The Answer with Special and Affirmative Defenses and Counterclaim^[5], alleged that defendant is properly named as “The Philippine National Red Cross (PNRC)”; its Southern Leyte Chapter is not a separate entity but only a chapter among many formed and existing throughout the country. The defendant has its principal office at

Bonifacio Drive, Port Area, Manila.

Defendant PNRC specifically denied that it entered into transactions with plaintiff regarding the items mentioned in paragraph 3 of the complaint i.e., regarding the purchase of fuel intake, lubricants, etc., worth Four Hundred Fifty-five Thousand Seven Hundred Ninety-Five Pesos & 92/100 (P455,795.92). But defendant PNRC admitted the existence of the receipt of the Demand Letters (Annexes "A"^[6] and "B"^[7]). The demand letters were addressed to Mr. Edwin Pamonag/Mr. Eric Macabuhay. However, defendant PNRC denied any knowledge of the truth of Annex "C"^[8] regarding the promise to pay made by Mr. Eric G. Macabuhay.

By way of special and affirmative defenses, defendant asserted that plaintiff has no cause of action as there is no showing that defendant entered into a contract with plaintiff for the supply of the items stated in the Complaint. Defendant had not authorized any person to enter into any kind of contract with plaintiff since it is only the Secretary General of the Philippine National Red Cross who has authority to commit its funds and approve expenditures. The defendant said it was never in receipt of, nor was it ever benefited by the items or products the value of which Mr. Eric G. Macabuhay promised to pay.

As to plaintiff's counterclaim, defendant asserted that the filing of the action was intended to trick defendant into paying a non-existent debt, which is a clear violation of Article 19 of the Civil Code in relation to Article 20 and 21 thereof.

On December 21, 2006, plaintiff filed a Motion for Leave of Court to File Amended Complaint^[9] praying that he be allowed to to implead Eric G. Macabuhay, an indispensable party defendant.

On December 28, 2006, the court *a quo* issued an Order^[10] granting plaintiff's Motion for Leave of Court to File Amended Complaint.

Plaintiff then filed an Amended Complaint^[11] dated December 11, 2006 which was attached to the Motion for Leave, etc.

On February 14, 2007, defendant Eric G. Macabuhay (defendant Macabuhay) filed his Answer^[12] wherein he stated that he did not purchase on credit fuel, lubricant and other products from the plaintiff in his personal capacity but as officer-in-charge of the Southern Leyte Chapter of the Philippine National Red Cross. He acted with prior consent of the Board of Directors of the Chapter and upon the instructions of the late James Sian, Manager of the Disaster Management Services of the PNRC National Headquarters. Defendant Macabuhay admitted that he signed the Promise to Pay, which is Annex "C" of the Amended Complaint upon assurance of then Secretary Victor Liozo, Jr. and then Director for Finance, Ms. Eliza Iguiron that they will make available the funds for the settlement of the obligation. Up to his (Macabuhay) resignation from the PNRC, Liozo, Jr. and Iguiron failed to fulfill their promise. Lastly, Macabuhay asserted that it should be the PNRC National Headquarters which must be held liable to pay the obligation.

On May 12, 2008, the court *a quo* issued a Pre-trial Order^[13] wherein the issues to be resolved are:

1. Whether or not the chapter is a juridical person or entity authorized by law to be a party to a judicial action.
2. Whether or not the chapter has duly authorized co-defendant Eric Macabuhay to transact by credit with plaintiff as regards the latter's oil products from February 2003 to November 2004.
3. Whether or not plaintiff should be held liable in damages and attorney's fees to the Chapter as may be proven during the trial and in accordance with the prayer in its Answer.
4. Whether or not the charge accounts are legitimate expenses of the Philippine National Red Cross.

What follows is the long chronology of the incidents before the RTC that culminated to the issuance of the assailed order:

On July 2, 2009, defendant PNRC Southern Leyte Chapter filed a Motion to Dismiss^[14].

On July 6, 2009, the court *a quo* issued an Order^[15], directing the plaintiff to file a comment.

On July 13, 2009, plaintiff filed its Comment/Objection to Show Cause^[16] stating that defendant's allegation that plaintiff lacks interest is not true. On the same date, the court *a quo* issued an Order^[17], setting the parties for hearing on September 10, 2009.

On July 17, 2009, plaintiff filed a Second Amended Complaint^[18], stating that despite written demands since February 2005 up to August 2006, the account was not paid and that the failure of the defendant to pay has caused damage and financial reverses to plaintiff.

On July 22, 2009 defendant PNRC filed a Motion to Deny Admission of Second Amended Complaint.^[19]

On August 3, 2009, plaintiff filed an Objection to Defendant PNRC's Motion to Deny Admission of Second Amended Complaint.^[20]

Subsequently, defendant PNRC filed a Reply to Objection^[21] dated August 6, 2009.

On September 11, 2009, plaintiff filed a Motion to Admit Second Amended Complaint.^[22]

On the same date, defendant PNRC, filed a Comment on Motion to Admit Second Amended Complaint.^[23]

On October 16, 2009, the court *a quo* issued an Order^[24] which granted the Motion to Admit Second Amended Complaint.

On April 12, 2010, plaintiff filed a Motion for Extension of Time to File Formal Offer of Exhibits^[25] within a period of fifteen (15) days from the time of filing. Subsequently, the court *a quo* issued an Order^[26] granting the Motion for Extension filed by plaintiff.

On April 19, 2010, defendant PNRC filed a Motion to Consider Plaintiff to have Rested his Case.^[27]

On April 21, 2010, the court *a quo* issued an Order^[28] granting the defendant's Motion to Consider Plaintiff to have Rested his Case.

On April 26, 2010, defendant PNRC-Southern Leyte Chapter filed a Motion to Dismiss (Demurrer to Evidence)^[29], citing that the only evidence of plaintiff is his sole testimony. He did not formally offer the pre-marked exhibits during the preliminary conference. The exhibits are self-serving and hearsay because these all originated from plaintiff's files.

On May 12, 2010, plaintiff filed a Comment/Objection to Demurrer Evidence^[30]. Plaintiff argued that his testimony was very clear and categorical, that defendant PNRC entered into a credit transaction with him through its co-defendant Macabuhay, then Officer-in-charge, Eric G. Macabuhay, which amounted to P455,795.92.

On May 12, 2010, plaintiff filed a Motion for Reconsideration with the attached Formal Offer of Exhibits.^[31]

On June 9, 2010, the court *a quo* issued an Order^[32] granting the Motion for Reconsideration filed by plaintiff.

On June 16, 2010, the court *a quo* rendered the assailed Order^[33] granting defendant's demurrer to evidence and thus, dismissing the case against the defendants.

Aggrieved, plaintiff filed a Motion for Reconsideration^[34] but it was denied by the RTC in the Order^[35] dated October 7, 2010. Hence, this appeal anchored on the lone assignment of error:

I.

THE LOWER COURT ERRED IN GRANTING DEFENDANTS - APPELLEES' DEMURRER TO EVIDENCE CITING THAT IT DID NOT FIND THE CREDIT INVOICES AND STATEMENT OF ACCOUNTS PRESENTED AND IDENTIFIED BY PLAINTIFF-APPELLANT TO BE EVIDENCE OF INDEBTEDNESS OF DEFENDANTS-APPELLEES FOR FAILURE OF THE PLAINTIFF-APPELLANT TO IDENTIFY THE SIGNATURES AND THE PERSONS WHO SIGNED THE CREDIT INVOICES AND OBTAINED THE PRODUCTS ON CREDIT.

The Ruling of the Court

Did the lower court err in granting the demurrer to evidence due to insufficiency of