



Republic of the Philippines
Supreme Court
Manila

THIRD DIVISION

TOM TAN, ANNIE U. TAN
and NATHANIEL TAN,

Petitioners,

G.R. No. 163182

Present:

VELASCO, JR., *J.*, Chairperson,
LEONARDO-DE CASTRO,*
PERALTA,
ABAD, and
MENDOZA, *JJ.*

- versus -

HEIRS OF ANTONIO F. YAMSON,
Respondents.

Promulgated:

24 October 2012

Officer

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DECISION

MENDOZA, *J.*:

Before the Court is a Petition for Review on *Certiorari* under Rule 45 of the 1997 Revised Rules of Civil Procedure, assailing the December 3, 2003 Decision¹ and the March 15, 2004 Resolution² of the Court of Appeals (CA), in CA-G.R. CV No. 66892, entitled “*Antonio F. Yamson v. Tom U. Tan, Annie U. Tan and Nathaniel U. Tan.*”

* Designated acting member, per Special Order No. 1343, dated October 9, 2012.

¹ *Rollo*, pp. 26-37; penned by Associate Justice Andres B. Reyes, Jr. and concurred in by Associate Justice Buenaventura J. Guerrero and Associate Justice Regalado E. Maambong.

² *Id.* at 38.

The Facts

This case arose from the Complaint for Collection of Sum of Money and Damages filed by Antonio F. Yamson (*Yamson*) against petitioners Tom Tan, Annie Tan and Nathaniel Tan (*petitioners*) before the Regional Trial Court, Cebu City, Branch 58 (*RTC*).³

Petitioners were owners of seven parcels of land located in Mandaue City. In order to raise funds to meet their unpaid obligations to a certain Philip Lo, they decided to sell their properties.⁴ They issued the Authority to Look for Buyer/Buyers on May 19, 1998 in favor of Yamson to facilitate their search for prospective buyers, the terms of which are as follows:

I. Description of Lot:

<u>Lot #</u>	<u>Area</u>	<u>TCT #</u>	<u>T.D. #</u>
2309-B-2	287 sq.m.	31733	0751-A
2309-C-2-A	445 sq.m.	36022	1193
2309-C-1	2,841 sq.m.	114242	01461
2318-B	2,001 sq.m.	25974	0291
2309-C-2-B	1,292 sq.m.	25973	0290
2316	5,950 sq.m.	25975	0288
2309-B-1	300 sq.m.	25976	0289
Total Area =	13,116 sq.m.		

II. Price: Two Thousand Pesos (₱ 2,000.00) per sq.m.

III. Commission: Five Percent (5%)

IV. Expenses: All expenses inclusive of Capital Gains Tax, Documentary stamps, Estate Tax, Realty Tax, shall be borne by the seller except transfer tax, re-survey fee which will for (sic) the buyer's account. It is expressly understood that if the selling price (as stated above) is of (sic) the owner, overpricing by Mr. Antonio F. Yamson and Co. is allowed, provided Capital Gains Tax & other related fees of the said overprice shall be borne by Mr. Antonio F. Yamson and Co., Furthermore, in the event of an overprice, broker's commission is waived.

V. Terms of Payment: Spot Cash

VI. Nature of Authority: Non-exclusive

VII. Period of Authority: Good up to June 30, 1998

³ Id. at 26-27.

⁴ Id. at 47.

VIII. Protection Clause: After Agent reports the name of his buyer to the Seller in writing, he is entitled to his commission even after the expiration of his authority provided the sale is consumed (sic) between the same buyer and seller within a period of one year from date of submission of buyer's name to the seller.⁵

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On June 1, 1998, Yamson informed petitioners in writing that he had found an interested buyer. The letter, the text of which is quoted herein, was signed by petitioner Annie Tan to acknowledge the registration of Oscar Chua (*Chua*) as Yamson's buyer:

Dear Miss Annie Tan,

We are pleased to register our buyer – Simon Enterprises and or Mr. Simon Chuahe, Mr. Oscar Chuahe of your properties known as Lot nos. 2309-B-2, 2309-C-2-A, 2309-C-1, 2318-B, 2309-C-2-B, 2316, 2309-B-1, situated along Pakna-an St., Mandaue city.

The property has been inspected by the officials of the company and are (sic) interested to acquire for their corporate expansion in the near future.

Please acknowledge this registration.⁶

Subsequently, two lots were sold to Kimhee Realty Corporation, represented by Chua,⁷ and the relevant parties executed the Deed of Absolute Sale, dated June 22, 1998.⁸ The remaining five (5) lots became the subject of a Memorandum of Agreement between Lo and petitioners wherein the parties agreed to transfer the said properties to Lo as payment for petitioners' outstanding obligations.⁹

Yamson then demanded his commission from petitioners for the sale of the lots to his registered buyer. Petitioners, however, refused to pay him, arguing that he was not entitled to his commission because it was petitioners

⁵ Id. at 30-32.

⁶ Id. at 32.

⁷ The same Oscar Chuahe referred to by Yamson in his letter, id. at 32.

⁸ Id. at 33.

⁹ Id. at 49, 55-56 and 60.

themselves who introduced Yamson to Chua and that the agreement was for Yamson to sell all seven lots, which he failed to accomplish.¹⁰

On January 21, 2000, the RTC promulgated its Decision¹¹ in favor of Yamson, pointing out that the due execution of the Authority to Look for Buyer/Buyers by petitioners and the June 1, 1998 letter of Yamson registering Chua as his buyer were not contested by petitioners, and, as such, the said documents were valid and enforceable. The RTC did not give credence to petitioner's defense that they were the ones who introduced Yamson to Chua. It reasoned out that had petitioners truly known, as early as December 1997, that Chua was interested in purchasing their properties, then they would have had no reason to engage the services of a broker. Finally, the RTC noted that the allegation that Yamson was tasked specifically to convince Chua to purchase all seven lots was not put in writing. Neither did the Authority to Look for Buyer/Buyers reflect any such agreement.¹² The dispositive portion of the RTC decision¹³ reads:

WHEREFORE, premises considered, judgment is hereby rendered in favor of plaintiff and against defendants, ordering the latter to pay the plaintiff jointly and severally the following amounts:

- 1. ₱457, 182.50 plus interest at the legal rate to commence from the date of the filing of this complaint, October 14, 1998 until fully paid;**
- 2. ₱50,000.00 as moral damages;**
- 3. ₱50,000 as exemplary damages;**
- 4. ₱150,000.00 as attorney's fees; and**
- 5. ₱10,000.00 as litigation expenses.**

¹⁰ Id. at 28-29.

¹¹ Id. at 59-64.

¹² Id. at 63.

¹³ Id. at 64.

The counterclaim of the defendants is dismissed.

With costs against the defendant.

SO ORDERED.

Aggrieved, petitioners elevated the case to the CA. In its December 3, 2003 Decision, the CA affirmed the ruling of the RTC and added that nothing in the Authority to Look for Buyer/Buyers mandated Yamson to find a buyer for all seven parcels of land of petitioners. Neither was there a stipulation that Yamson would not be entitled to his 5% commission should he fail to find a buyer for all seven properties.¹⁴ The CA took note that the Authority to Look for Buyer/Buyers appeared to have been drafted by petitioners themselves. Consequently, following Article 1377 of the Civil Code,¹⁵ if there is any doubt as to the contents of the documents and whether they reflect the true intention of the parties, as insisted by petitioners, any obscurity should not be interpreted to favor the parties who caused the same.¹⁶ Moreover, petitioners' argument which was supported solely by the testimony of petitioner Annie Tan, was considered self-serving as no documentary evidence was presented to corroborate their claims.¹⁷

Hence, this petition.

On June 4, 2004, while the case was pending before this Court, Yamson died.¹⁸ He was substituted by his children, his legal heirs (*respondents*).¹⁹

¹⁴ Id. at 34.

¹⁵ Art. 1377. The interpretation of obscure words or stipulations in a contract shall not favor the party who caused the obscurity.

¹⁶ *Rollo*, pp. 34-35.

¹⁷ Id. at 36.

¹⁸ Id. at 165.

¹⁹ Id. at 182.

The Issues

- I. Whether or not the respondent was the efficient procuring cause that brought about the sale of the properties as would entitle him to claim a broker's commission.**
- II. Whether or not the petitioners should be held liable to the respondent for broker's commission despite the uncontroverted and undisputed evidence that he failed to comply with the terms of the letter of authority.**
- III. Whether or not the petitioners should be held liable for moral and exemplary damages.²⁰**

The issues can be reduced to a single pivotal question – whether Yamson was entitled to the payment by petitioners of his broker's commission.

Petitioners contend that, as early as December 1997, they were already aware that Chua wanted to acquire their properties but that negotiations failed because he wanted to purchase only two lots.²¹ Thus, they engaged the services of Yamson, informed him of Chua's interest and instructed him to convince Chua to purchase all seven lots.²² As it was petitioners who introduced Chua to Yamson as a potential buyer, they claim now that Yamson should not be given a commission because he was not the efficient procuring cause for the sale of the two lots.²³

Moreover, petitioners aver that the Authority to Look for Buyer/Buyers clearly shows that their agreement with Yamson was for the latter to search for buyers who were willing to purchase all seven lots for the

²⁰ Id. at 266.

²¹ Id. at 268-269.

²² Id. at 269-270.

²³ Id. at 272-273.

price of ₱2,000.00 per square meter.²⁴ Citing *Reyes v. Mosqueda*,²⁵ petitioners further argue that in order for a broker to earn his commission, it is not enough for him to simply find a prospective buyer, but he must also find the one who is willing to purchase the property on the terms imposed by the owner.²⁶

The Court's Ruling

The petition is without merit.

Well-established is the principle that in a petition for review on *certiorari*, the Court's power of judicial review is limited only to questions of law and that questions of fact cannot be entertained, except in certain instances.²⁷ The difference between questions of law and questions of fact has been extensively discussed in the case of *Velayo-Fong v. Spouses Velayo*.²⁸

A question of law arises when there is doubt as to what the law is on a certain state of facts, while there is a question of fact when the doubt arises as to the truth or falsity of the alleged facts. For a question to be one of law, the same must not involve an examination of the probative value of the evidence presented by the litigants or any of them. The resolution of the issue must rest solely on what the law provides on the given set of circumstances. Once it is clear that the issue invites a review of the evidence presented, the question posed is one of fact. Thus, the test of whether a question is one of law or of fact is not the appellation given to such question by the party raising the same; rather, it is whether the appellate court can determine the issue raised without reviewing or evaluating the evidence, in which case, it is a question of law; otherwise it is a question of fact.²⁹ (Emphasis supplied)

It is utterly obvious that the issues raised by petitioners in this case are factual in nature as they would require this Court to delve into the records of the case and review the evidence presented by the parties in order to

²⁴ Id. at 276.

²⁵ 99 Phil. 241 (1956).

²⁶ *Rollo*, p. 277.

²⁷ *Diokno v. Cacdac*, G.R. No. 168475, July 4, 2007, 526 SCRA 440, 460.

²⁸ 539 Phil. 377 (2006).

²⁹ Id. at 386-387.

properly resolve the dispute. Thus, the Court cannot exercise its power of judicial review, more so that none of the exceptions to the rule is present in this case. Petitioners did not even attempt to cite such exemptions to justify the review of facts by this Court.

It bears stressing that the evaluation of witnesses and other pieces of evidence by the RTC is “accorded great respect and finality in the absence of any indication that it overlooked certain facts or circumstances of weight and influence, which if reconsidered, would alter the result of the case.”³⁰ Emphasis should also be placed on the fact that both the RTC and the CA similarly evaluated the evidence presented during the trial and reached the same conclusion. As a rule, factual findings of the trial court, when adopted and confirmed by the appellate court, are binding and conclusive on this Court and will generally not be reviewed on appeal.³¹

Consequently, this petition must be denied as it only raises questions of fact. Nevertheless, even if this Court is willing to overlook this defect, the petition must still fail.

As the CA correctly discerned, a plain reading of the Authority to Look for Buyer/Buyers reveals that nowhere in the said document is it indicated that the sale of all seven lots was a prerequisite to the payment by petitioners of Yamson’s commission. If petitioners’ intention was for Yamson to locate a buyer for all their properties, then they should have had this condition reduced to writing and included in the Authority to Look for Buyer/Buyers that they executed. Since no such stipulation appears, then it would be fair to conclude that the petitioners had no such intention, following Section 9, Rule 130 of the Revised Rules on Evidence which provides:

³⁰ *Tan v. Gullas*, 441 Phil. 622, 632 (2002).

³¹ *Eterton Multi-Resources Corporation v. Filipino Pipe and Foundry Corporation*, G.R. No. 179812, July 6, 2010, 624 SCRA 148, 154.

Sec. 9. Evidence of written agreements. — When the terms of an agreement have been reduced to writing, it is considered as containing all the terms agreed upon and there can be, between the parties and their successors in interest, no evidence of such terms other than the contents of the written agreement.

A perusal of the cited case of *Reyes* relied on by petitioners reveals that the sale in the said case was consummated and the price and the terms agreed upon by the contracting parties without the intervention of the broker, who resorted to trickery in order to obtain from the seller an authority to look for a buyer. Furthermore, the seller therein presented the buyer of the property as a witness to refute the allegations of their broker who was seeking to claim her commission.

In contrast, petitioners purposely engaged Yamson as their broker and knowingly authorized him to look for a buyer for their properties. More importantly, petitioners offered no other testimony but their own to bolster their allegations. If, as they say, they already knew of Chua's interest in purchasing their property, then they should have presented Chua as their witness. Unfortunately, their sole witness was Annie Tan, whose testimony was uncorroborated by any other documentary or testimonial evidence and could only be assessed as self-serving.

On the basis of the foregoing, Yamson is entitled to his commission for the sale of the two lots. The other points raised in the petition need not be discussed as they are a mere repetition of the arguments which have been judiciously resolved by the courts *a quo*.

WHEREFORE, the petition is DENIED.

SO ORDERED.

JOSE CATRAL MENDOZA
Associate Justice

WE CONCUR:

PRESBITERO J. VELASCO, JR.

Associate Justice
Chairperson

Teresita Leonardo de Castro
TERESITA J. LEONARDO-DE CASTRO
Associate Justice

Diosdado M. Peralta
DIOSDADO M. PERALTA
Associate Justice

Roberto A. Abad
ROBERTO A. ABAD
Associate Justice

ATTESTATION

I attest that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.

PRESBITERO J. VELASCO, JR.
Associate Justice
Chairperson, Third Division

CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution and the Division Chairperson's Attestation, I certify that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.

Maria Lourdes P. A. Sereno
MARIA LOURDES P. A. SERENO
Chief Justice