

THIRD DIVISION

[G.R. No. 226587, November 21, 2018]

**DONABELLE V. GONZALES-SALDANA, PETITIONER, VS. SPOUSES
GORDON R. NIAMATALI AND AMY V. NIAMATALI,
RESPONDENTS.**

DECISION

J. REYES, JR., J.:

Assailed in this petition for review on *certiorari* are the March 31, 2016 Decision^[1] and August 10, 2016 Resolution^[2] of the Court of Appeals (CA) in CA-G.R. CV No. 05172, which reversed and set aside the March 11, 2014 Decision^[3] of the Regional Trial Court, Kalibo, Aklan, Branch 6 (RTC) in Civil Case No. 7720, a case for recovery of sum of money.

The Antecedents

Sometime in January 2002, respondent-spouses Gordon and Amy Niamatali (respondent-spouses), then residing in the United States of America, made known to petitioner Donabelle Gonzales-Saldana (petitioner) their intention to acquire real properties in Metro Manila. Petitioner, who was then working in the Department of Labor and Employment (DOLE), informed them that a certain parcel of land located in Las Piñas City would be sold in a public auction conducted by the DOLE Sheriff's Office.^[4]

Thereafter, respondent-spouses asked petitioner to participate in the public auction on their behalf. Consequently, on January 30, 2002, they remitted US\$60,000.00 or P3,000,000.00 to petitioner's bank account for the purchase of the Las Piñas property. In March 2002, however, respondent spouses received from petitioner photocopies of Transfer Certificates of Title (TCT) Nos. 105904 and 223102 covering properties located in Manila and Parañaque contrary to their agreement that petitioner would purchase the Las Piñas property. Petitioner explained to them that the auction sale of the Las Piñas property did not push through because of a third-party claim, but the judgment creditor agreed to sell to her the Parañaque and Manila properties which were also levied on execution. Upon their return to the Philippines in July 2002, petitioner brought respondent-spouses to the Las Piñas property but it was locked up and a signboard was posted, on which the words "Future Home of Lutheran School and Community Center" were written. Thus, respondent-spouses informed petitioner that they were no longer interested in acquiring the Las Piñas property and asked for the return of the P3,000,000.00, to which petitioner acceded. She even sent to respondent-spouses a letter wherein she acknowledged receipt of the P3,000,000.00 and promised to return said amount on or before September 14, 2002.^[5]

In her Answer, petitioner averred that the public bidding of the Las Piñas property was cancelled because of a third-party claim. The DOLE Sheriff's Office, however, informed her that other properties of the losing party would be put up in a public auction. Thus, petitioner asked respondent-spouses whether they were interested in buying the properties located in Manila and Parañaque, but the latter did not respond. In good faith, and thinking that it would be beneficial for respondent-spouses, petitioner requested her friend, Alninia L. Austria (Austria), to participate in the bidding of the Manila and Parañaque properties. In both auctions, Austria was declared the winning bidder. In July 2002, however, respondent-spouses told petitioner that they were no longer interested in buying the Las Piñas property. She then told them that she would return their money but she had to sell first the Manila and Parañaque properties.^[6]

Despite several demands from respondent-spouses, petitioner failed to return the P3,000,000.00. Thus, on March 6, 2006, respondent-spouses filed a case for collection of sum of money, moral damages and attorney's fees against petitioner.^[7]

The RTC Ruling

In a Decision dated March 11, 2014, the RTC ruled that respondent spouses' documentary evidence, with the exception of the printouts of the e-mail correspondence between the parties, failed to comply with the Best Evidence Rule. It declared that the uncertified photocopies of the bank transfer, showing the remittance of P3,000,000.00 to petitioner's account, were inadmissible as respondent-spouses failed to prove the loss of the original thereof. It noted that respondent Amy even testified that she could have secured the original copy from her bank, but she neglected to do so. As regards the acknowledgment receipt or promissory note allegedly executed by petitioner, the trial court adjudged that it was also inadmissible because it was a private document executed without the intervention of a notary public and no witness was presented to prove that petitioner signed the document. The *fallo* reads:

WHEREFORE, in view of the foregoing, for failure of plaintiffs to present preponderance of evidence to support the allegations in the Complaint, the instant case is ordered DISMISSED. The counterclaim is likewise dismissed.^[8]

Aggrieved, respondent-spouses filed an appeal before the CA.

The CA Ruling

In a Decision, dated March 31, 2016, the CA held that respondent spouses need not prove the fact that they sent money to petitioner because the latter's admission that the amount of P3,000,000.00 was transmitted to her, having been made in her Answer, could be treated as a judicial admission. It pronounced that petitioner's admission was sufficient to prove that she received money from the respondent-spouses even without the documents presented by the latter. The appellate court added that petitioner was legally bound to return the P3,000,000.00 which she received from respondent-spouses considering that the purchase of the Las Piñas property did not materialize. It disposed the case in this wise:

WHEREFORE, the appeal is GRANTED. The Decision of the Regional Trial Court, Branch 6 of Kalibo, Aklan in Civil Case No. 7720 is REVERSED and SET ASIDE. A new one is entered ordering defendant-appellee Donabelle Gonzales-Saldana to pay plaintiffs-appellants the amount of three million pesos (PhP 3,000,000.00) with interest at six percent (6%) per annum from default until the finality of this Decision. From finality until full satisfaction, the total amount due shall likewise earn interest at six percent (6%) per annum until fully paid.

SO ORDERED.^[9]

Petitioner moved for reconsideration, but the same was denied by the CA on August 10, 2016. Hence, this petition for review on certiorari wherein petitioner raises the following assignment of errors:

WHETHER OR NOT THE HONORABLE COURT OF APPEALS ERRED IN CONSIDERING THAT RESPONDENTS HAD ESTABLISHED THEIR CASE BY PREPONDERANCE OF EVIDENCE BASED ON INADMISSIBLE EVIDENCE;

WHETHER OR NOT THE HONORABLE COURT OF APPEALS ERRED IN APPLYING THE RULES ON JUDICIAL ADMISSION;

WHETHER OR NOT THE HONORABLE COURT OF APPEALS ERRED IN ADMITTING THE ISSUE OF UNJUST ENRICHMENT WHICH WAS RAISED FOR THE FIRST TIME ON APPEAL;

WHETHER OR NOT THE HONORABLE COURT OF APPEALS ERRED IN APPLYING THE PRINCIPLE OF UNJUST ENRICHMENT; [and]

WHETHER OR NOT THE HONORABLE COURT OF APPEALS ERRED IN RULING THAT INTEREST WAS DUE TO RESPONDENTS.^[10]

Simply put, the issues to be resolved are 1) Whether the statements in petitioner's Answer could be considered judicial admissions; 2) Whether petitioner should return the P3,000,000.00 she received from respondent spouses for the purchase of the Las Piñas property; and 3) Whether petitioner is liable for the payment of interest on the amount due.

Petitioner argues that the allegations in her Answer are not admissions, but are actually defenses to show that the complaint states no cause of action; that the alleged admission, with respect to her receipt of P3,000,000.00 from respondent-spouses, was taken out of context because it actually pertains to the fact that the money remitted was intended for the borrowed money from respondent-spouses; that the obligation to return the money is demandable only upon sale of the Manila and Parañaque properties, thus, the principle of unjust enrichment was not applicable; and that no interest was due because she did not enter into a contract of loan with respondent-spouses and there was no agreement for the payment of interest.^[11]

In their Comment,^[12] respondent-spouses counter that petitioner should return the amount of P3,000,000.00 considering that since 2002, she has not informed them of the status of the property in Las Piñas; that a complaint for recovery of money is

proper even if the contract between the parties is not a contract of loan; and that legal interest must be imposed on the amount due from petitioner because she already incurred in delay.

In her Reply,^[13] petitioner contends that she no longer informed respondent-spouses of the status of the Las Piñas property because the latter had already abandoned their claim thereto and opted for the return of their money; and that the award of interest is not proper because the transaction between the parties is not a contract of loan and payment of monetary interest is allowed only if there was an express stipulation for the payment of interest and the agreement for the payment of interest was reduced in writing.

The Court's Ruling

The petition lacks merit.

Statements in the Answer constitute judicial admissions which bind petitioner.

A judicial admission is an admission, verbal or written, made by a party in the course of the proceedings in the same case, which dispenses with the need for proof with respect to the matter or fact admitted. It may be contradicted only by showing that it was made through palpable mistake or that no such admission was made.^[14]

A party who judicially admits a fact cannot later challenge [the] fact as judicial admissions are a waiver of proof; production of evidence is dispensed with. A judicial admission also removes an admitted fact from the field of controversy. Consequently, an admission made in the pleadings cannot be controverted by the party making such admission and is cannot be controverted by the party making such admission and is conclusive as to such party, and all proofs to the contrary or inconsistent therewith should be ignored, whether objection is interposed by the party or not. The allegations, statements or admissions contained in a pleading are conclusive as against the pleader. A party cannot subsequently take a position contrary to or inconsistent with what was pleaded.^[15]

Petitioner argues that the allegations in her Answer are not admissions, but are actually defenses to show that the complaint states no cause of action; and that the alleged admission, with respect to her receipt of the P3,000,000.00 from respondent-spouses, was taken out of context because in that narration, she actually denied persuading respondent-spouses to remit money for the purchase of the Las Piñas property.

A perusal, however, of petitioner's Answer leads to the conclusion that her arguments are just a futile attempt to sow confusion in an otherwise indisputable case. In her Answer, petitioner made the following statements:

x x x x

4. Defendant denies the allegations contained in items 4, 5, 6, and 7, [of the] complaint, that defendant proposed and convinced the plaintiffs, the truth of the matter being that: