

THIRD DIVISION

[G.R. No. 163182, October 24, 2012]

**TOM TAN, ANNIE U. TAN AND NATHANIEL TAN, PETITIONERS,
VS. HEIRS OF ANTONIO F. YAMSON, RESPONDENTS.**

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 Decision^[1] and the March 15, 2004 Resolution^[2] 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.*"

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 (P 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

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 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 Decision^[11] 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 decision^[13] 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. P457, 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. P50,000.00 as moral damages;
3. P50,000 as exemplary damages;
4. P150,000.00 as attorney's fees; and
5. P10,000.00 as litigation expenses.

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]

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 price of P2,000.00 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