

SECOND DIVISION

[G.R. No. 122275, December 14, 2001]

MA. CONSOLACION LAZARO, PETITIONER, VS. HON. COURT OF APPEALS AND SPOUSES TERESITA AND JOSEFINO BORJA, RESPONDENTS.

RESOLUTION

QUISUMBING, J.:

This petition for review assails the decision^[1] dated May 31, 1995, of the Court of Appeals in CA-G.R. CV No. 36846 affirming *in toto* the decision^[2] dated December 27, 1991, of the Regional Trial Court of Valenzuela, Metro Manila, Branch 172, dismissing the complaint for sum of money and ordering plaintiff therein to pay defendants their counterclaim.

The facts, as found by both the trial court and the Court of Appeals, are as follows:

Private respondents spouses Teresita and Josefino Borja obtained a loan in the amount of Eight Hundred Ninety Two Thousand Five Hundred Pesos (P892,500) from petitioner's mother, as representative of Manuel Cruz and C. Hermoso Tannery, Inc.. Private respondents issued postdated checks to cover the loan. They also delivered to the lender pieces of jewelry as collateral. Private respondents defaulted in their payment.

Petitioner Ma. Consolacion Lazaro, alleging that she was the one who extended the loan to private respondents, demanded payment thereof, since the postdated checks issued by private respondents were dishonored. Private respondents ignored the demand on the grounds that they did not acquire the loan from petitioner and that the collateral they put up settled their obligation. Consequently, petitioner instituted an action for sum of money with the Regional Trial Court of Valenzuela, docketed as Civil Case No. 3468-V-90. It disposed the case on December 27, 1991 in this wise:

For having to defend themselves and forced to litigate rendered, dismissing the complaint. Plaintiff is hereby ordered to pay defendants their counterclaim as follows:

1. The sum of P100,000.00 as moral damages;
2. The sum of P20,000.00 as exemplary damages;
3. The sum of P20,000.00 as attorney's fees;
4. Costs of suit.

SO ORDERED.^[3]