

## THIRTEENTH DIVISION

[ CA-G.R. CV NO. 100812, June 26, 2014 ]

**SPOUSES LIMUEL GONZALVO AND DOLORES GONZALVO,  
PLAINTIFFS-APPELLEES, VS. SPOUSES ISIDRO PANGANIBAN  
AND MARILYN PANGANIBAN, DEFENDANTS-APPELLANTS.**

### D E C I S I O N

**DIMAAMPAO, J.:**

A bitter squabble among relatives ensued in this convoluted legal strife. Defendants-appellants remonstrate with the *Decision*<sup>[1]</sup> dated 29 October 2012 and *Order*<sup>[2]</sup> 18 April 2013 of the Regional Trial Court (RTC), Fourth Judicial Region, Roxas, Oriental Mindoro, Branch 43, affirming on *Appeal* the *Decision*<sup>[3]</sup> dated 14 February 2012 of the Municipal Trial Court (MTC) thereat which found merit in plaintiffs-appellees' *Complaint for Sum of Money*, and denying the *Motion for Reconsideration* thereof, respectively, in Civil Case No. C-564.

The antecedents are quite simple.

In 2006, plaintiff-appellee Limuel Gonzalvo (Limuel) worked as an overseas contract worker. With money on hand, he and co-plaintiff-appellee Dolores, his wife, agreed to lend P200,000.00 to defendant-appellant Marilyn Panganiban (Marilyn), their aunt, as additional capital to the latter's business. Marilyn received the money and promised to pay the principal as well as three percent (3%) monthly interest. The loan agreement was not reduced into writing.

At first, Marilyn regularly paid the monthly interest pegged at P6,000.00. Then, she handed to Dolores P75,000.00 as partial payment of the principal. However, by the time Limuel returned to the Philippines towards the end of 2006, Marilyn allegedly stopped paying her obligation.

Limuel sought the intercession of *barangay* officials who facilitated a compromise agreement between the parties. Marilyn signed the *Kasunduan*<sup>[4]</sup> dated 1 April 2009 whereby she agreed to pay in installment the balance of her loan amounting to P125,000.00. The first installment was due on 14 April 2009 in the sum of P12,000.00; the second on 30 April 2009 for P13,000.00; and the last on 30 September 2009 for P100,000.00.

Nonetheless, Marilyn reneged on the first two installments prompting Limuel and Dolores to file a *Complaint for Sum of Money* before the MTC against Marilyn and defendant-appellant Isidro, her husband.

In refutation, Marilyn insisted that Isidro should be dropped as party-defendant as he had no inkling that she procured a loan from Limuel. While Marilyn admitted that she borrowed money amounting to P200,000.00, she insisted that this obligation was already fully paid.<sup>[5]</sup> Limuel later decided not to collect interest upon their

agreement that he would obtain money from her anytime he needed until the obligation was paid in full.<sup>[6]</sup> Marilyn adduced the "ledger", a piece of paper containing in detail the amounts supposedly taken by Limuel on various dates.<sup>[7]</sup>

Following her own computation, Marilyn claimed that she paid Limuel the aggregate sum of P165,000.00. The balance of P35,000.00 was offset by Limuel's existing loan amounting to P60,000.00.<sup>[8]</sup>

Marilyn assailed the validity of the *Kasunduan* averring that she signed it out of fear due to the antagonistic and confrontational attitude of *barangay* officials who pandered only to Limuel's proposal. Marilyn theorized that if her obligation was still unpaid, the suit was premature as she had until September 2009 to pay the last installment. She clamored that the interest of 3% was exorbitant and unconscionable.<sup>[9]</sup>

In due course, the MTC rendered the *Decision* finding Marilyn and Isidro liable to pay the obligation, thusly:

"**WHEREFORE**, in view of the foregoing, judgment is hereby rendered in favor of the plaintiffs and against the defendants ordering the latter to pay the former of the following:

1. The remaining balance of P125,000.00 plus interest of 1% per month from the filing of the case until the full payment of the same;
2. The amount equivalent to 20% of the total claim as reasonable attorney's fees; and,
3. The costs of suit.

SO ORDERED."<sup>[10]</sup>

Marilyn and Isidro appealed before the RTC which rendered the impugned *Decision* affirming the foregoing judgment. The plea for reconsideration merited the same fate as it was denied in the disputed *Order*.

Unfazed by their defeats before the lower tribunals, Marilyn and Isidro (now, appellants) turn to Us for relief ascribing the following errors upon the RTC:

## **I**

**THE TRIAL COURT ERRED IN NOT CONSIDERING THE LEDGER AS EVIDENCE.**

## **II**

**THE TRIAL COURT ERRED IN HOLDING THAT A KASUNDUAN IS SUFFICIENT TO FORECLOSE WITH FINALITY THE ISSUE OF WHETHER OR NOT RESPONDENT-APPELLANT MARILYN IS STILL INDEBTED.**

## **III**

**THE LOWER COURT ERRED IN DISREGARDING THE TESTIMONIES OF APPELLANTS.**