

FOURTH DIVISION

[CA-G.R. SP No. 115654, November 19, 2014]

**TERESA DEVNANI & F. I. FREEMAN INDUSTRIES, PETITIONERS,
VS. REGINA M. RODRIGUEZ AND HUSBAND ROMEO RODRIGUEZ,
RESPONDENTS.**

DECISION

SORONGON, J.:

Before Us is a petition for review pursuant to Rule 42 of the Rules of Court which seeks to annul and set aside the Decision^[1] dated July 12, 2010 of the Regional Trial Court (RTC) of Guagua, Pampanga, Branch 49, in Civil Case No. G-09-592. The assailed decision affirmed *in toto* the judgment ^[2] of the Municipal Trial Court (MTC) of Guagua, Pampanga, Branch 1 holding petitioner Teresa Devnani liable to respondents spouses Regina and Romeo Rodriguez for sum of money.

The records yield the following facts:

In their complaint^[3], respondents (plaintiffs therein) alleged the following: **(i)** they are husband and wife from Guagua, Pampanga, while defendant Teresa Devnani (Devnani) is from Angeles City and doing business under the trade name and style "*F.I. Freeman Industries*," which is being impleaded because it is the named owner of the account from which the subject checks were drawn; **(ii)** that on or about August 26 and 30, 2002, Devnani issued in favor of respondents two post dated checks with a value of Php60,000.00 each, to wit: PCI Equitable Bank (Angeles City Branch) Check Nos. 0000221049 and 0000221050 dated September 26 and 30, 2002, respectively; **(iii)** the checks were issued in exchange for cash with the agreement that petitioners will pay respondents interest in the amount of 5% per month from the checks' respective maturity dates until fully paid; **(iv)** that petitioners assured respondents that the checks shall be fully funded upon presentment for payment but when the same were presented for encashment, the drawee bank dishonored the checks for the reason "Stopped Payment"; **(v)** respondents demanded from petitioners to remit the amount covered by the subject checks plus corresponding interest but petitioners failed to do so; thus, a collection suit was filed by respondents against petitioners before the MTC of Guagua, Pampanga.

In their answer^[4], petitioners herein denied the material allegations of the respondents and prayed that the complaint be dismissed. They also asked actual, moral and exemplary damages by way of compulsory counterclaim. Devnani admitted that she issued the subject checks but made the "stop payment order" when the same got lost after having been issued to their supplier in Manila.

Trial ensued after efforts towards an amicable settlement proved futile. Thereafter,

the MTC disposed of the case *a quo* as follows:

"WHEREFORE, premises considered, judgment is hereby rendered, ordering defendant Teresa Devnani, to pay plaintiffs, Regina M. Rodriguez and husband Romero Rodriguez the following:

1. Php120,000.00 with interest thereon at the legal rate of 6% per annum from date of the filing of the case up to the time that the full amount has been settled;
2. attorney's fees equivalent to P20,000.00.;
- 4.(sic) The costs of suit.

SO ORDERED."^[5]

Displaced with the way the case was disposed, petitioners went to RTC on appeal. By a decision dated July 12, 2010, the RTC denied the appeal in this fashion:

"WHEREFORE, premises considered, the judgment appealed from is hereby affirmed in toto.

SO ORDERED."^[6]

In brief, the RTC said that the MTC correctly found respondent Regina M. Rodriguez (Rodriguez for brevity) to be a holder in due course pursuant to Section 52 of the Negotiable Instruments Law, ^[7] *i.e.* "Every holder of a negotiable instrument is deemed prima facie a holder in due course."^[8] The RTC held that Rodriguez enjoys this presumption which Devnani failed to disprove.^[9]

Via the present recourse, petitioners made the following ascription of errors on the RTC, *viz*:

- 1. IT ERRED IN FINDING THAT SUPERIOR EVIDENCE WAS PRESENTED BY THE RESPONDENTS ON THEIR CLAIM THAT THE SUBJECT TWO (2) CHECKS WERE REDISCOUNTED BY THE PETITIONER DEVNANI AS AGAINST HER EVIDENCE THAT THE SAME WERE HER LOST CHECKS; and**
- 2. IT ERRED IN FINDING THAT THE PETITIONERS FAILED TO DISPROVE THAT RESPONDENT REGINA RODRIGUEZ WAS A HOLDER IN DUE COURSE.**

This petition is devoid of merit.

In a civil case, the party having the burden of proof must establish his case by a