

SEVENTH DIVISION

[CA-G.R. SP No. 130335, November 19, 2014]

**REMA BUENAFLORE AND RODOLFO ROMENA, PETITIONERS, VS.
ATHENA CREDIT, INC., RESPONDENT.**

DECISION

LOPEZ, J.:

The liability of a co-maker and the admissibility of a private document are the main issues in this appeal assailing the August 23, 2012 Decision of the Regional Trial Court.

The antecedents follow.

On May 7, 2010, Athena Credit, Inc. (ACI) filed an action for recovery of sum of money^[1] against Remia Buenaflor and Rodolfo Romena before the Metropolitan Trial Court docketed as Civil Case No. 100523. The complainant sought to recover the unpaid amount of P49,123.44^[2] plus accrued interests and penalties based on the following promissory note^[3] which has not been notarized:

For value received, I/We jointly/severally pay Athena Credit, Inc., the sum of Fifty Eight Thousand Nine Hundred Forty Eight only (P58,948.00) with interest thereon at the rate of _____ per month/annum, payable in 48 installments PESOS: One Thousand Two Hundred Twenty Eight & 07/100 (P1,228.07). It is understood that should default be made in the payment of any installment/s as when the same become/s due and payable as herein provided, then, at the option of the lender, the whole sum remaining unpaid shall forthwith become due and payable.

An additional interest of 5% per month or twice the prevailing interest rate per month, whichever is higher, of the amount due shall be collected as penalty for delayed payment and an additional sum for legal action in case of non-payment.

(Sgd.) Remia A. Buenaflor
Applicant

(Sgd.) Rodolfo P. Romena
Co-maker

The defendants submitted separate answers. Remia admitted that she borrowed money from ACI but questioned the imposition of penalty as excessive and unconscionable.^[4] On the other hand, Rodolfo disclaimed any liability on the instrument as he allegedly did not sign the loan document or receive the amount stated. He added that the promissory note was a contract of adhesion wherein the

creditor imposes a ready-made form of agreement depriving the debtor of an opportunity to bargain in equal footing.^[5]

In a Decision dated August 31, 2011, the MeTC upheld the validity of the promissory note but equitably reduced the interest rate and removed the penalty charges.^[6] It held Remia and Rodolfo solidarily liable for the amount of P49,123.44 with interest of 1% per month from date of maturity or August 15, 2006 until fully paid, plus attorney's fees of P5,000.00. On appeal, the Regional Trial Court affirmed^[7] the findings of the MeTC. Unsuccessful^[8] at a reconsideration,^[9] Rodolfo filed this petition for review questioning the basis of both the RTC and the MeTC rulings in fact and in law.^[10]

At the outset, We stress that ACI and Remia did not appeal the judgment of the RTC and it is settled that non-appellants cannot obtain from the appellate court any affirmative relief other than the ones granted in the ruling of the court below.^[11] Moreover, they are precluded from impugning the correctness of the decision or from assigning errors designed to modify the judgment, except counter-assignment of errors or argument on issues raised at the trial.^[12] Corollarily, this Court will only review whether Rodolfo is solidarily liable with Remia for the amount of P49,123.44 which the RTC adjudged against them.

The Rules of Court explicitly provides that when an action is anchored on a document, the *genuineness and due execution of the instrument shall be deemed admitted* unless the defendant, under oath, specifically denies them, and sets forth what he claims to be the facts.^[13] Here, ACI's cause of action is founded upon the promissory note which was annexed to and made the basis for the complaint. Nonetheless, Rodolfo failed to verify his answer which rendered his specific denials ineffective.^[14] Consequently, he is deemed to have admitted the loan document and acknowledged his unpaid obligation.^[15] More importantly, although the promissory note lacks notarization and is considered a private document, it was not necessary for ACI to present further evidence to establish that the parties voluntarily signed the instrument. Suffice it to say that the implied admission of Rodolfo eliminated any defense relating to the authenticity and due execution of the document, e.g., that it was spurious, counterfeit, or of different import as the one executed by the parties; or that the signatures appearing thereon were forgeries; or that the signatures were unauthorized.^[16]

Even assuming that the promissory note is a contract of adhesion, it is not invalid *per se* and may be struck down only if it was executed without essential equality between the parties. In this case, Rodolfo, being a company supervisor, is not unlettered or unfamiliar with business affairs and legal transactions. As such, it is presumed that he acted with due care and have signed the document with full knowledge of its import and effects.^[17] Also, the note was written in plain English and consisted of only two short paragraphs. There was no fine print to conceal hidden meanings. In these circumstances, it cannot be said that ACI left Rodolfo without any choice as to be completely deprived of an opportunity to bargain effectively.^[18]

Lastly, Rodolfo's obligation is solidary in nature as shown by the tenor of the