



REPUBLIC OF THE PHILIPPINES  
SUPREME COURT  
Manila

SECOND DIVISION

**NOTICE**

Sirs/Mesdames:

*Please take notice that the Court, Second Division, issued a Resolution dated **23 November 2020** which reads as follows:*

**“G.R. No. 253214 (*Christine A. Terrado-Garcia and Cindy A. Terrado v. Spouses Ernesto and Ma. Connie M. Guevarra*)** - After a review of the records, this Court resolves to **DENY** the petition for failure to sufficiently show the Court of Appeals (*CA*) committed any reversible error in its October 24, 2019 Amended Decision<sup>1</sup> and August 28, 2020 Resolution<sup>2</sup> in CA-G.R. CV No. 108914.

It is a hornbook doctrine that only questions of law are entertained in appeals by *certiorari* under Rule 45 of the Rules of Court. The trial court’s findings of fact, which the *CA* affirmed, are generally conclusive and binding upon this Court.<sup>3</sup> In this case, the Regional Trial Court (*RTC*) found that there is valid cause for the rescission of the Memorandum of Agreement (*MOA*). Although the *CA* initially ruled that the provision on rescission under the Civil Code is not applicable to the *MOA* because it is a Contract to Sell, the *CA* arrived at the conclusion that the *MOA* should be “deemed cancelled” due to petitioners’ failure to pay the full contract price. Subsequently, the *CA*, in its October 24, 2019 Amended Decision, ruled that the *MOA* is a contract of sale, after it found that there was no express reservation of ownership on the part of respondents, and as such, the *MOA* could be rescinded since there is cause for its rescission. Therefore, absent any circumstance which would warrant a review of the lower courts’ factual findings, this Court is not inclined to entertain factual issues.

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<sup>1</sup> *Reilo*, pp. 52-59; penned by Associate Justice Ronaldo Roberto B. Martin, with Associate Justices Ramon M. Bato, Jr. and Ramon A. Cruz, concurring.

<sup>2</sup> *Id.* at 62-64.

<sup>3</sup> *Pascual v. Burgos*, 776 Phil. 167 (2016).

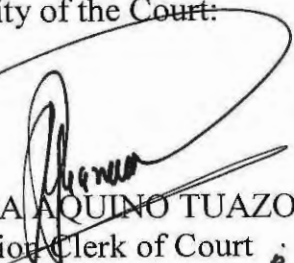
In any event, the CA correctly upheld the findings and ruling of the RTC. As a contractual remedy, rescission is available when one of the parties substantially fails to do what he has obligated himself to perform. It aims to address the breach of faith and the violation of reciprocity between two parties in a contract.<sup>4</sup> Under Article 1191 of the Civil Code, the right of rescission is inherent in reciprocal obligations, as in the MOA between the parties in this case. In contravention to the provisions of the MOA, petitioners stopped payment of their monthly amortizations despite demands from respondents. Accordingly, such breach defeated the very object of the parties in entering into the MOA and entitled respondents to exercise their right to rescission.

All told, the CA committed no reversible error in its October 24, 2019 Amended Decision. However, in accordance with prevailing jurisprudence, there is a need to apply the interest of 6% *per annum* to the monetary awards from the time this Resolution becomes final and executory until full payment thereof.<sup>5</sup>

**WHEREFORE**, premises considered, the petition is **DENIED**. The October 24, 2019 Amended Decision and August 28, 2020 Resolution of the Court of Appeals in CA-G.R. CV No. 108914 are **AFFIRMED with MODIFICATION** that interest at the rate of 6% *per annum* shall be imposed upon all monetary awards in favor of respondents to be computed from the finality of this Resolution until full satisfaction.

**SO ORDERED.** (Rosario, J., designated additional member per Special Order No. 2797 dated November 5, 2020)”

By authority of the Court:

  
TERESITA AQUINO TUAZON  
Division Clerk of Court  
08 JAN 2021 P 113

<sup>4</sup> *Fong v. Dueñas*, 759 Phil. 373, 384 (2015).

<sup>5</sup> *Nacar v. Gallery Frames*, 716 Phil. 267 (2013).

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HON. PRESIDING JUDGE (reg)  
Regional Trial Court, Branch 81  
Quezon City  
(Civil Case No. Q-10-67969-CV)

JUDGMENT DIVISION (x)  
Supreme Court, Manila

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Ma. Orosa Street  
Ermita, 1000 Manila  
CA-G.R. CV No. 10894

\*with copies of Amended Decision dated 24 October 2019  
and Resolution dated 28 August 2020

*Please notify the Court of any change in your address.*  
GR253214. 11/23/2020(114)URES

*llc*