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THIRD DIVISION

[G.R. No. 221771. September 18, 2019]

TERP CONSTRUCTION CORPORATION, *petitioner, vs.* **BANCO FILIPINO SAVINGS AND MORTGAGE BANK,** *respondent.*

SYLLABUS

1. REMEDIAL LAW; CIVIL PROCEDURE; APPEALS; FACTUAL FINDINGS OF THE LOWER COURTS WILL NOT BE DISTURBED BY THE COURT IF THEY ARE SUPPORTED BY SUBSTANTIAL EVIDENCE; EXCEPTIONS. — As a general rule, only questions of law may be brought in a petition for review on *certiorari* under Rule 45 of the Rules of Court. This Court will not disturb the factual findings of the lower courts if they are supported by substantial evidence. There are, of course, recognized exceptions to this rule, which are provided in *Medina v. Mayor Asistio, Jr.*: (1) When the conclusion is a finding grounded entirely on speculation, surmises or conjectures; (2) When the inference made is manifestly mistaken, absurd or impossible; (3) Where there is a grave abuse of discretion; (4) When the judgment is based on a misapprehension of facts; (5) When the findings of fact are conflicting; (6) When the Court of Appeals, in making its findings, went beyond the issues of the case and the same is contrary to the admissions of both appellant and appellee; (7) The findings of the Court of Appeals are contrary to those of the trial court; (8) When the findings of fact are conclusions without citation of specific evidence on which they are based; (9) when the facts set forth in the petition as well as in the petitioners' main and reply briefs are not disputed by the respondents; and (10) the finding of fact of the Court of Appeals is premised on the supposed absence of evidence and is contradicted by the evidence on record.

2. ID.; ID.; ID.; MERE DISAGREEMENT BETWEEN THE COURT OF APPEALS AND THE TRIAL COURT AS TO THE FACTS OF A CASE DOES NOT OF ITSELF WARRANT THE COURT'S REVIEW OF THE SAME, AS THE COURT OF APPEALS FACTUAL FINDINGS, EVEN

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IF CONTRADICTORY TO THOSE OF THE TRIAL COURT, MAY BE BINDING ON THE COURT WHEN THEY ARE SUPPORTED BY SUBSTANTIAL EVIDENCE. — [A] party cannot merely claim that its case falls under any of the exceptions to the general rule. In *Pascual v. Burgos*, this Court explained that the party claiming the exception "must demonstrate and prove" that a review of the factual findings is necessary. Here, petitioner claims that its case falls under the exceptions since the factual findings of the trial court are in conflict with the factual findings of the Court of Appeals. The Court of Appeals' reversal of the trial court's factual findings, however, is not sufficient reason to warrant this Court's review. In *Uniland Resources v. Development Bank of the Philippines*: It bears emphasizing that mere disagreement between the Court of Appeals and the trial court as to the facts of a case does not of itself warrant this Court's review of the same. It has been held that the doctrine that the findings of fact made by the Court of Appeals, being conclusive in nature, are binding on this Court, applies even if the Court of Appeals was in disagreement with the lower court as to the weight of evidence with a consequent reversal of its findings of fact, so long as the findings of the Court of Appeals are borne out by the record or based on substantial evidence. While the foregoing doctrine is not absolute, petitioner has not sufficiently proved that his case falls under the known exceptions. The Court of Appeals is a trier of facts. Its factual findings, even if contradictory to those of the trial court, may be binding on this Court when they are supported by substantial evidence. x x x. In any case, there was no error in the factual findings of the Court of Appeals.

3. **COMMERCIAL LAW; CORPORATIONS; CORPORATE POWERS; EXPRESS ACTUAL AUTHORITY AND EXPRESS IMPLIED AUTHORITY, DISTINGUISHED; CORPORATE OFFICER'S ALLEGEDLY UNAUTHORIZED ACT OF CONTRACTING UNAUTHORIZED OBLIGATION DEEMED RATIFIED WHERE THE CORPORATION REPEATEDLY MADE PAYMENT THEREOF. —** A corporation exercises its corporate powers through its board of directors. This power may be validly delegated to its officers, committees, or agencies. "The authority of such individuals to bind the corporation is generally derived from law, corporate by laws or authorization from the board, either expressly or

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impliedly by habit, custom or acquiescence in the general course of business[.]" The authority of the board of directors to delegate its corporate powers may either be: (1) actual; or (2) apparent. Actual authority may be express or implied. Express actual authority refers to the corporate powers expressly delegated by the board of directors. Implied actual authority, on the other hand, "can be measured by his or her prior acts which have been ratified by the corporation or whose benefits have been accepted by the corporation." Petitioner's subsequent act of twice paying the additional interest Escalona committed to during the term of the Margarita Bonds is considered a ratification of Escalona's acts. Petitioner's only defense that they were "erroneous payment[s]" since it never obligated itself from the start cannot stand. Corporations are bound by errors of their own making.

4. ID.; ID.; ID.; ALTHOUGH AN OFFICER OR AGENT ACTS WITHOUT, OR IN EXCESS OF HIS ACTUAL AUTHORITY, IF HE ACTS WITHIN THE SCOPE OF AN APPARENT AUTHORITY WITH WHICH THE CORPORATION HAS CLOTHED HIM BY HOLDING HIM OUT OR PERMITTING HIM TO APPEAR AS HAVING SUCH AUTHORITY, THE CORPORATION IS BOUND THEREBY IN FAVOR OF A PERSON WHO DEALS WITH HIM IN GOOD FAITH IN RELIANCE ON SUCH APPARENT AUTHORITY; CORPORATE OFFICER'S APPARENT AUTHORITY TO TRANSACT ON BEHALF OF THE CORPORATION, HOW ASCERTAINED. — Escalona likewise had apparent authority to transact on behalf of petitioner. In *Yao Ka Sin Trading v. Court of Appeals*: The rule is of course settled that "[a]lthough an officer or agent acts without, or in excess of, his actual authority if he acts within the scope of an apparent authority with which the corporation has clothed him by holding him out or permitting him to appear as having such authority, the corporation is bound thereby in favor of a person who deals with him in good faith in reliance on such apparent authority, as where an officer is allowed to exercise a particular authority with respect to the business, or a particular branch of its continuously and publicly, for a considerable time." Apparent authority is ascertained through: (1) the general manner by which the corporation holds out an officer or agent as having power

to act or, in other words, the apparent authority with which it clothes him to act in general, or (2) the acquiescence in his acts of a particular nature, with actual or constructive knowledge thereof, whether within or without the scope of his ordinary powers. Here, respondent relied on Escalona's apparent authority to promise interest payments over and above the guaranteed 8.5%, considering that Escalona was petitioner's then senior vice president. His apparent authority was further demonstrated by petitioner paying respondent what Escalona promised during the Margarita Bonds' term. It should likewise be noted that at the time this Petition was filed, Escalona signed the Verification and Certification as the president of the corporation, signifying that petitioner did not consider his alleged unauthorized acts as fatal to his continued involvement in corporate affairs.

APPEARANCES OF COUNSEL

Manalo & Perez Law Offices for petitioner.
Michael Allan Andres for respondent.

D E C I S I O N

LEONEN, *J.*:

A corporation's repeated payment of an allegedly unauthorized obligation contracted by one (1) of its officers effectively ratifies that corporate officer's allegedly unauthorized act.

This Court resolves a Petition for Review on *Certiorari*[1] assailing the Decision[2] and Resolution[3] of the Court of Appeals,

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[1] *Rollo,* pp. 3-22.

[2] *Id*. at 27-41. The Decision dated October 16, 2014 was penned by Associate Justice Nina G. Antonio-Valenzuela and concurred in by Associate Justices Vicente S.E. Veloso and Jane Aurora C. Lantion of the Tenth Division, Court of Appeals, Manila.

[3] *Id*. at 24-25. The Resolution dated December 9, 2015 was penned by Associate Justice Nina G. Antonio-Valenzuela and concurred in by Associate Justices Jane Aurora C. Lantion and Amy C. Lazaro-Javier (now a member of this Court) of the Special Tenth Division, Court of Appeals, Manila.

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which reversed and set aside the Regional Trial Court Decision and ordered Terp Construction Corporation (Terp Construction) to pay Banco Filipino Savings and Mortgage Bank (Banco Filipino) interest differentials of ₱18,104,431.33.

Sometime in 1995, Terp Construction planned to develop a housing project called the Margarita Eastville and a condominium called Margarita Plaza. To finance the projects, Terp Construction, Home Insurance Guaranty Corporation, and Planters Development Bank (Planters Bank) agreed to raise funds through the issuance of bonds worth ₱400 million called the Margarita Project Participation Certificates (Margarita Bonds).[4]

The three (3) companies entered into a Contract of Guaranty in which they agreed that Terp Construction would sell the Margarita Bonds and convey the funds generated into an asset pool named the Margarita Asset Pool Formation and Trust Agreement. Planters Bank, as trustee, would be the custodian of the assets in the asset pool with the corresponding obligation to pay the interests and redeem the bonds at maturity. Home Insurance Guaranty Corporation, as guarantor, would pay investors the value of the bond at maturity plus 8.5% interest per year.[5]

Banco Filipino purchased Margarita Bonds for ₱100 million. It asked for additional interest other than the guaranteed 8.5% per annum, based on the letters dated February 3, 1997 and April 8, 1997 written by Terp Construction Senior Vice President Alberto Escalona (Escalona).[6]

Terp Construction began constructing Margarita Eastville and Margarita Plaza. After the economic crisis in 1997, however, it suffered unrealized income and could not proceed with the construction.[7]

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[4] *Id*. at 28.

[5] *Id*.

[6] *Id*. at 28 and 34.

[7] *Id*. at 28-29.

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When the Margarita Bonds matured, the funds in the asset pool were insufficient to pay the bond holders. Pursuant to the Contract of Guaranty, Planters Bank conveyed the asset pool funds to Home Insurance Guaranty Corporation, which then paid Banco Filipino interest earnings of 8.5% per year. Banco Filipino, however, sent Terp Construction a demand letter dated January 31, 2001, alleging that it was entitled to a 15.5% interest on its investment and that as of July 1, 2001, it was entitled to a seven percent (7%) remaining unpaid interest of ₱18,104,431.33.[8] Terp Construction refused to pay the demanded interest.[9]

Terp Construction filed a Complaint for declaration of nullity of interest, damages, and attorney's fees against Banco Filipino. It alleged that it only agreed to pay the seven percent (7%) additional interest on the condition that all the asset pool funds would be released to Terp Construction for it to pay the additional interest. However, it could not have paid the additional interest since the funds of the asset pool were never released to it.[10]

Banco Filipino, on the other hand, alleged that it was induced into buying the Margarita Bonds after Terp Construction, through its senior vice president's letters, committed to pay 15.5% interest on a ₱50 million bond that Banco Filipino held for a client and 16.5% interest on a ₱50 million bond it held for another client. It alleged that Terp Construction paid the additional interest twice during the Margarita Bonds' holding period.[11]

Banco Filipino claimed that in September 1998, after no payment of interest on the bonds had been made, Planters Bank called on the guaranty of Home Insurance Guaranty Corporation, which only paid 8.5% interest instead of the 15.5% and 16.5% interests that Terp Construction had committed to pay. Thus, it demanded the interest differentials, but to no avail.[12]

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[8] *Id*.

[9] *Id*. at 30.

[10] *Id*. at 28-29.

[11] *Id*. at 30-34.

[12] *Id*. at 31.

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Banco Filipino further alleged that it investigated the cause of default and found that it was because Terp Construction was unable to finish the Margarita projects. It also found that despite raising ₱400 million from the bonds, only ₱39 million was actually used for the projects. It alleged that as of November 30, 2001, the unpaid interest differentials already amounted to ₱29,932,827.71.[13]

On May 29, 2010, the Regional Trial Court issued a Decision in favor of Terp Construction. It found that there was no evidence to show that Terp Construction was obligated to pay the interest differentials, and that the act of Escalona, the senior vice president, were not binding on the corporation since they were not ratified.[14]

Banco Filipino appealed before the Court of Appeals, arguing, among others, that the two (2) letters sent by Escalona were sufficient evidence to prove that Terp Construction committed to pay the interest differentials.[15]

On October 16, 2014, the Court of Appeals rendered a Decision[16] setting aside the Regional Trial Court Decision and ordering Terp Construction to pay Banco Filipino interest differentials of ₱18,104,431.33.[17]

According to the Court of Appeals, both parties agreed that Terp Construction would pay Banco Filipino additional interest other than the guaranteed 8.5%. The only issue was Terp Construction's allegation that the payment of this additional interest was subject to a condition that the asset pool funds would be released to Terp Construction.[18]

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[13] *Id*.

[14] *Id*. at 33.

[15] *Id*. at 34.

[16] *Id*. at 27-41.

[17] *Id*. at 40.

[18] *Id*. at 36.

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The Court of Appeals, however, found that from the February 3, 1997 and April 8, 1997 letters of Terp Construction to Banco Filipino, the obligation to pay 16.5% and 15.5% interest was a pure obligation since the condition alleged was never mentioned.[19]

The Court of Appeals also found unmeritorious Terp Construction's defense that the letters were unauthorized acts of Escalona, its then senior vice president, since his acts were ratified when Terp Construction paid interest differentials twice to Banco Filipino during the Margarita Bonds' holding period.[20]

Terp Construction filed a Motion for Reconsideration, but this was denied in a December 9, 2015 Resolution.[21] Hence, this Petition[22] was filed.

Petitioner submits that while a petition under Rule 45 of the Rules of Court is generally limited to questions of law, its case falls under one (1) of the recognized exceptions since the factual findings of the trial court and the Court of Appeals are conflicting.[23]

Petitioner also argues that it was not liable for the payment of interest differentials since there was no written contract between the parties on any additional payment beyond the stipulated 8.5%.[24] It asserts that Escalona's acts as then senior vice president cannot bind the corporation since he was not authorized to make such commitments.[25] It also points out that

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[19] *Id*. at 36-37.

[20] *Id*. at 37-40.

[21] *Id*. at 24-25.

[22] *Id*. at 3-22. The Comment (*rollo*, pp. 76-87) was filed on May 2, 2016, while the Reply (*rollo*, pp. 95-106) was filed on August 16, 2017. The Philippine Deposit Insurance Corporation, as Banco Filipino's liquidator, filed the Comment on Banco Filipino's behalf.

[23] *Id*. at 7-8, Petition.

[24] *Id*. at 9-10.

[25] *Id*. at 14-15.

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its erroneous payment of additional interest over the agreed interest of 8.5% cannot be interpreted as a ratification of its senior vice president's acts because it was never obligated itself to pay in the first place.[26]

Respondent, on the other hand, counters that conflicting findings of fact between the trial court and the Court of Appeals do not automatically grant petitioner an exception to the general rule in Rule 45 of the Rules of Court.[27] It contends that there was overwhelming evidence that petitioner agreed to pay respondent interest differentials in view of the two (2) letters from Escalona.[28] It maintains that Escalona's acts as then senior vice president were subsequently ratified by the Board of Directors when petitioner paid respondent additional interests during the Margarita Bonds' term.[29]

In rebuttal, petitioner insists that no agreement existed from the very beginning to pay these interest differentials since the two (2) letters of its then senior vice president were merely offers made in a contract's negotiation stage that was not perfected.[30] It maintains that respondent, as a bank accorded with a higher standard of diligence, cannot merely rely on the legal precept of apparent authority to prove the existence of a monetary obligation.[31]

This Court is asked to resolve the issue of whether or not the Court of Appeals erred in ruling that petitioner Terp Construction Corporation expressly agreed to be bound to respondent Banco Filipino Savings Mortgage Bank for additional interest in the bonds it purchased.

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[26] *Id*. at 15-16.

[27] *Id*. at 82-84, Comment.

[28] *Id*. at 79-80.

[29] *Id*. at 80-81.

[30] *Id*. at 96, Reply.

[31] *Id*. at 100.

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Before resolving this issue, however, this Court must first pass upon the procedural issue of whether or not factual questions are proper in this case in view of the conflicting factual findings of the Regional Trial Court and the Court of Appeals.

The Petition is denied.

As a general rule, only questions of law may be brought in a petition for review on *certiorari* under Rule 45 of the Rules of Court.[32] This Court will not disturb the factual findings of the lower courts if they are supported by substantial evidence.[33] There are, of course, recognized exceptions to this rule, which are provided in *Medina v. Mayor Asistio, Jr.*:[34]

> (1) When the conclusion is a finding grounded entirely on speculation, surmises or conjectures; (2) When the inference made is manifestly mistaken, absurd or impossible; (3) Where there is a grave abuse of discretion; (4) When the judgment is based on a misapprehension of facts; (5) When the findings of fact are conflicting; (6) When the Court of Appeals, in making its findings, went beyond the issues of the case and the same is contrary to the admissions of both appellant and appellee; (7) The findings of the Court of Appeals are contrary to those of the trial court; (8) When the findings of fact are conclusions without citation of specific evidence on which they are based; (9) When the facts set forth in the petition as well as in the petitioners' main and reply briefs are not disputed by the respondents; and (10) The finding of fact of the Court of Appeals is premised on the supposed absence of evidence and is contradicted by the evidence on record.[35] (Citations omitted)

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[32] See RULES OF COURT, Rule 45, Sec. 1.

[33] See *Pascual v. Burgos*, 776 Phil. 167 (2016) [Per J. Leonen, Second Division] citing *Commissioner of Internal Revenue v. Embroidery and Garments Industries (Phil.), Inc.*, 364 Phil. 541, 546 (1999) [Per J. Pardo, First Division]; *Siasat v. Court of Appeals*, 425 Phil. 139, 145 (2002) [Per J. Pardo, First Division]; *Tabaco v. Court of Appeals*, 239 Phil. 485, 490 (1994) [Per J . Bellosillo, First Division]; *Padilla v. Court of Appeals*, 241 Phil. 776, 781 (1988) [Per J. Paras, Second Division]; and *Bank of the Philippine Islands v. Leobrera*, 461 Phil. 461, 469 (2003) [Per J. Ynares-Santiago, Special First Division].

[34] 269 Phil. 225 (1990) [Per J. Bidin, Third Division].

[35] *Id.* at 232.

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However, a party cannot merely claim that its case falls under any of the exceptions to the general rule. In *Pascual v. Burgos*,[36] this Court explained that the party claiming the exception "must demonstrate and prove"[37] that a review of the factual findings is necessary.

Here, petitioner claims that its case falls under the exceptions since the factual findings of the trial court are in conflict with the factual findings of the Court of Appeals.[38] The Court of Appeals' reversal of the trial court's factual findings, however, is not sufficient reason to warrant this Court's review. In *Uniland Resources v. Development Bank of the Philippines*:[39]

> It bears emphasizing that mere disagreement between the Court of Appeals and the trial court as to the facts of a case does not of itself warrant this Court's review of the same. It has been held that the doctrine that the findings of fact made by the Court of Appeals, being conclusive in nature, are binding on this Court, applies even if the Court of Appeals was in disagreement with the lower court as to the weight of evidence with a consequent reversal of its findings of fact, so long as the findings of the Court of Appeals are borne out by the record or based on substantial evidence. While the foregoing doctrine is not absolute, petitioner has not sufficiently proved that his case falls under the known exceptions.[40]

The Court of Appeals is a trier of facts. Its factual findings, even if contradictory to those of the trial court, may be binding on this Court when they are supported by substantial evidence. *Pascual* explains:

> The Court of Appeals, acting as an appellate court, is still a trier of facts. Parties can raise questions of fact before the Court of Appeals

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[36] 776 Phil. 167 (2016) [Per *J.* Leonen, Second Division].

[37] *Id.* at 184.

[38] *Rollo*, pp. 7-8, Petition.

[39] 277 Phil. 839 (1991) [Per *J.* Gancayco, First Division].

[40] *Id.* at 844 citing *Alsua-Betts v. Court of Appeals*, 180 Phil. 737 (1979) [Per *J.* Guerrero, *En Banc*] and *Sacay v. Sandiganbayan*, 226 Phil. 496 (1991) [Per *J.* Feria, *En Banc*].

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and it will have jurisdiction to rule on these matters. Otherwise, if only questions of law are raised, the appeal should be filed directly before this court.[41]

In any case, there was no error in the factual findings of the Court of Appeals. Petitioner categorically committed itself to pay respondent over and above the guaranteed interest of 8.5% per annum.

Relevant portions of the letters sent by its then Senior Vice President Escalona to respondent, as reproduced in the Court of Appeals Decision read:

> [February 3, 1997 letter]:
>
> . . . We hereby commit a guaranteed floor rate of 16.5% as project proponent. This would commit us to pay the differential interest earnings to be paid by Planters Development Bank as Trustee every 182 days from purchase date of period of three (3) years until maturity date....
>
> [April 8, 1997 letter]:
>
> Terp Construction commit (*sic*) that the yield to you for this investment is 15.5%. The difference between the yield approved by the Project Governing Board will be paid for by, Terp Construction Corp.[42]

Petitioner disavows this obligation and contends that it was merely an unauthorized offer made by one (1) of its officers during the negotiation stage of a contract. Petitioner, however, does not deny that it paid respondent the additional interest during the Margarita Bonds' holding period, not just once, but twice.

A corporation exercises its corporate powers through its board of directors.[43] This power may be validly delegated to its officers,

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[41] *Pascual v. Burgos* , 776 Phil. 167, 187 (2016) [Per *J.* Leonen, Second Division].

[42] *Rollo*, p. 37.

[43] See CORP. CODE, Sec. 23 provides:

SECTION 23. *The board of directors or trustees*.— Unless otherwise provided in this Code, the corporate powers of all corporations formed under

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committees, or agencies. "The authority of such individuals to bind the corporation is generally derived from law, corporate bylaws or authorization from the board, either expressly or impliedly by habit, custom or acquiescence in the general course of business[.]"[44]

The authority of the board of directors to delegate its corporate powers may either be: (1) actual; or (2) apparent.[45]

Actual authority may be express or implied. Express actual authority refers to the corporate powers expressly delegated by the board of directors. Implied actual authority, on the other hand, "can be measured by his or her prior acts which have been ratified by the corporation or whose benefits have been accepted by the corporation."[46]

Petitioner's subsequent act of twice paying the additional interest Escalona committed to during the term of the Margarita Bonds is considered a ratification of Escalona's acts. Petitioner's only defense that they were "erroneous payment[s]"[47] since it never obligated itself from the start cannot stand. Corporations are bound by errors of their own making.

Escalona likewise had apparent authority to transact on behalf of petitioner. In *Yao Ka Sin Trading v. Court of Appeals*:[48]

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this Code shall be exercised, all business conducted and all property of such corporations controlled and held by the board of directors or trustees to be elected from among the holders of stocks, or where there is no stock, from among the members of the corporation, who shall hold office for one (1) year until their successors are elected and qualified. [This provision has since been amended by Section 22 of Republic Act No. 11232 (2019), or the Revised Corporation Code of the Philippines.]

[44] *People's Aircargo and Warehousing Company, Inc. v. Court of Appeals*, 357 Phil. 850, 863 (1998) [Per J. Panganiban, First Division].

[45] *Calubad v. Ricarcen Development Corporation*, G.R. No. 202364, August 30, 2017, 838 SCRA 303, 321 [Per J. Leonen, Third Division].

[46] *Id*.

[47] *Rollo*, p. 15.

[48] 285 Phil. 345 (1992) [Per J. Davide, Jr., Third Division].

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The rule is of course settled that "[a]lthough an officer or agent acts without, or in excess of, his actual authority if he acts within the scope of an apparent authority with which the corporation has clothed him by holding him out or permitting him to appear as having such authority, the corporation is bound thereby in favor of a person who deals with him in good faith in reliance on such apparent authority, as where an officer is allowed to exercise a particular authority with respect to the business, or a particular branch of its continuously and publicly, for a considerable time."[49]

Apparent authority is ascertained through:

(1) the general manner by which the corporation holds out an officer or agent as having power to act or, in other words, the apparent authority with which it clothes him to act in general, or (2) the acquiescence in his acts of a particular nature, with actual or constructive knowledge thereof, whether within or without the scope of his ordinary powers.[50] (Citation omitted)

Here, respondent relied on Escalona's apparent authority to promise interest payments over and above the guaranteed 8.5%, considering that Escalona was petitioner's then senior vice president. His apparent authority was further demonstrated by petitioner paying respondent what Escalona promised during the Margarita Bonds' term.

It should likewise be noted that at the time this Petition was filed, Escalona signed the Verification and Certification[51] as the president of the corporation, signifying that petitioner did not consider his alleged unauthorized acts as fatal to his continued involvement in corporate affairs.

WHEREFORE, the Petition is **DENIED**. Petitioner Terp Construction Corporation is ordered to pay respondent Banco Filipino Savings and Mortgage Bank the amount of Eighteen Million One Hundred Four Thousand and Four Hundred Thirty-

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[49] *Id*. at 367 citing 19 C.J.S. 458.

[50] *Id*. citing FLETCHER, *CYCLOPEDIA OF THE LAW OF PRIVATE CORPORATIONS*, Vol. 2 (Perm. Ed.), 1969 Revised Volume, 354.

[51] *Rollo*, p. 18.

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One Pesos and Thirty-Three Centavos (₱18,104,431.33) with legal interest of twelve percent (12%) to be computed from January 31, 2001 until June 30, 2013 and six percent (6%) from July 1, 2013 until its full satisfaction. The total amount payable shall likewise earn interest at the rate of six percent (6%) per annum from the finality of this Decision until its full satisfaction.[52]

SO ORDERED.

Peralta (Chairperson), Reyes, A. Jr., and *Inting, JJ.*, concur.

Hernando, J., on leave.

SECOND DIVISION

[G.R. No. 222455. September 18, 2019]

GERRY S. MOJICA, *petitioner, vs.* **GENERALI PILIPINAS LIFE ASSURANCE COMPANY, INC.,** *respondent.*

SYLLABUS

1. LABOR AND SOCIAL LEGISLATION; LABOR STANDARDS; EMPLOYMENT; PETITIONER IS AN INDEPENDENT CONTRACTOR, NOT EMPLOYEE OF THE RESPONDENT, AS HE EARNED THROUGH COMMISSIONS AND WAS NOT PAID A FIXED SALARY OR WAGE. — We affirm the ruling of the trial and appellate courts that petitioner is an independent contractor and not an employee of respondent, as clearly stipulated in the contractual agreements entered into between petitioner and respondent. x x x. As an independent contractor, petitioner earned through commissions and was not paid a fixed salary or wage. Petitioner's

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[52] The legal interest originally imposed is modified in view of *Nacar v. Gallery Frames*, 716 Phil. 26 (2013) [Per J. Peralta, *En Banc*].