

### Title:

Heirs of Corazon Afile Salud vs. Rural Bank of Salinas, Inc.

### Facts:

Corazon Afile Salud owned a parcel of land with a building in Rosario, Cavite, covered by TCT No. RT-19394. She passed away on May 30, 1998, leaving two adopted children: Deogracias A. Salud and Carmencita Salud Condol. In 2000, Deogracias and his family discovered that Carmencita had obtained a P2 million loan from the Rural Bank of Salinas, Inc. (RBSI) using the property as collateral, backed by a Special Power of Attorney (SPA) allegedly signed by Corazon on August 20, 1996.

Deogracias and his family filed a complaint on January 8, 2004, seeking the nullification of the deeds of mortgage, the SPA, the foreclosure sale, and other related documents, alleging forgery and bad faith. They presented an NBI handwriting report concluding that Corazon's signature on the August 20 SPA was forged. The RTC initially dismissed the complaint but reconsidered its decision based on an NBI report, declaring the August 20 SPA as forged and nullifying subsequent transactions.

RBSI appealed the reconsideration, and the Court of Appeals reversed the RTC's order, reinstating the initial dismissal of the complaint. The appellate court emphasized that the opinions of handwriting experts were not binding and held that the evidence presented by RBSI (including direct testimonies from Teodoro and Atty. Trias) outweighed the forgery allegations.

### Issues:

1. Whether the Court of Appeals erred in disregarding the pre-trial agreement to be bound by the NBI findings.
2. Whether the petitioners presented preponderant evidence to prove that Corazon's signature on the SPA was forged.

### Court's Decision:

The Supreme Court denied the petition and affirmed the Court of Appeals' decision.

1. **\*\*Pre-trial Agreement on NBI Findings\*\***:

- The Court emphasized that while pre-trial agreements should generally be respected, courts are not bound to rely solely on handwriting experts' findings. Courts must examine all evidence in totality, and the testimonies of witnesses present during the document execution (Teodoro and Atty. Trias) were found more credible.

2. **Evidence of Forgery**:

- The Court found the petitioners' evidence insufficient to overcome the presumption of regularity attached to notarized documents. The testimonies from Teodoro and Atty. Trias, indicating Corazon had signed the SPA in their presence, were given more weight.
- The NBI report's inconclusive nature, especially with Dominguez's admission that one of the sample signatures might match the contested signature, detracted from its reliability.
- The Court also noted procedural and logical issues with the petitioners' case, including the unnecessary nature of forgery given Corazon's presence at the crucial time and the inherent bias and vested interest stemming from familial relations.

**Doctrine:**

- **Presumption of Regularity**: Notarized documents enjoy the presumption of regularity and genuineness, which cannot be lightly disregarded. Testimonies of witnesses with personal knowledge of the document's execution are significant.
- **Expert Testimonies**: Opinions of handwriting experts are not conclusive and do not bind the courts, which must evaluate such testimonies alongside all other presented evidence.

**Class Notes:**

- **Forgery**: Must be proved by clear, positive, and convincing evidence.
- **Notarized Documents**: Carry presumptive regularity and veracity unless convincingly rebutted.
- **Evidence Hierarchy**: Direct evidence of personal knowledge can outweigh expert opinions in document authenticity cases.
- **Judicial Admissions**: Pre-trial stipulations can guide but do not necessarily constrain judicial findings, particularly regarding evidentiary weights.

**Relevant Legal Provisions**:

- **Rule 132, Section 22 of the Rules of Court**: Describes means of proving handwriting authenticity or forgery.

**Historical Background:**

The case illustrates evolving judicial attitudes towards document forgery claims, especially in the context of familial disputes involving substantial property and financial interests. It highlights the complex interplay between notarization presumptions, expert testimony, and direct evidence, underscoring the judiciary's cautious approach to allegations undermining officially recognized transactions.