

**SPOUSES PERCIVAL F. CRUZ AND LILIAN MATIC CRUZ,
PLAINTIFFS-APPELLANTS, VS. PHILIPPINE COMMERCIAL
INTERNATIONAL BANK (NOW KNOWN AS EQUITABLE PCI BANK)
AND ENGRACIO M. ESCASINAS, ...**

Ponente: CRUZ, J.

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CRUZ, J.:

THE CASE

This is an ordinary appeal under Rule 41 of the Rules of Court which seeks to reverse and set aside the June 27, 2011 Decision[1] of the Regional Trial Court of Makati City, Branch 139 (RTC), in Civil Case No. 03-208, the dispositive portion of which reads:

WHEREFORE, premises considered, the instant Complaint as well as the Compulsory Counterclaims pleaded in the defendant's Answer with Counterclaims dated 02 July 2004 are hereby both dismissed for lack of merit.

xxx xxx xxx

SO ORDERED.[2]

THE ANTECEDENTS

On February 21, 2003, Spouses Percival F. Cruz and Lilian Matic Cruz (Spouses Cruz), as plaintiffs, filed a Complaint[3] for Annulment of Auction Sale and Damages against Philippine Commercial International Bank (now known as Equitable PCI Bank) and Engracio M. Escasinas, Jr., in his official capacity as Clerk of Court VII and Ex-Officio Sheriff of Makati City, with the Regional Trial Court of Makati City, docketed as Civil Case No. 03-208, which was raffled to Branch 139 of the said court.

The plaintiffs averred that they are the registered owners of a condominium property embraced by Condominium Certificate of Title No. 14077 issued by the Registry of Deeds for Makati City.[4]

On September 14, 1994, as security for their loan in the principal amount of one million pesos (P1,000,000.00), which the plaintiffs obtained from Defendant Philippine Commercial International Bank (PCI Bank), Spouses Cruz executed a Real Estate Mortgage in favor of the defendant bank covering the condominium property mentioned above. For alleged failure on the part of the plaintiffs to pay their mortgage indebtedness, purportedly in the aggregate amount of two million, six hundred fifty-two thousand, seven hundred fifteen pesos and 20/100 (P2,652,715.20) as of July 2002, PCI Bank, supposedly without the knowledge of the plaintiffs, filed a Petition for Extrajudicial Foreclosure of Real Estate Mortgage (Under Act No. 3135 as amended) before the Regional Trial Court of Makati City on July 9, 2002.[5]

Atty. Engracio M. Escasinas, in his capacity as Clerk of Court VII and Ex-Officio Sheriff of Makati City, caused the preparation and sending of the Notice of Sheriff's Sale and the Certificate of Posting, and the publication of the Notice of Sheriff's Sale with Tagalog Chronicle. The Notice of Sheriff's Sale indicated that the auction sale of the property was on August 9, 2002 at 10:00 o'clock in the morning. The plaintiffs alleged that the Notice was

improper, and the ensuing sale illegal, because the copy of the Notice was received by Spouses Cruz only on August 21, 2002, or thirteen (13) days after the auction was held and conducted by Sheriff Escasinas.[6]

Spouses Cruz also argued that the newspaper Tagalog Chronicle was not qualified to publish the Notice of Sheriff's Sale for failure to comply with certain provisions of the Guidelines in the Accreditation of Newspapers and Periodicals and in the Distribution of Legal Notices and Advertisements for Publication issued by the Supreme Court. It is likewise the contention of the plaintiffs that the auction sale violated the Supreme Court-sanctioned Procedure in Extrajudicial Foreclosure of Mortgage. The plaintiffs pointed out the following alleged irregularities in the auction sale: (1) there was no valid and legal levy of the real estate mortgage filed by Ex-Officio Sheriff Escasinas with the Registry of Deeds of Makati City; (2) the bidding conducted was rigged because the bid submitted was not sealed and there was only one bidder, PCI Bank, which submitted an open letter of bid; (3) the verification/certification in the petition for foreclosure filed by PCI Bank was not in accordance with law; and (4) there was lack of notice to the plaintiffs of the entire proceedings. Spouses Cruz asserted that the Certificate of Sale under Foreclosure No. S-02-076 awarded to PCI Bank was a nullity for having been issued as a result of a patently illegal auction sale.[7]

In addition, the plaintiffs emphasized that at the time of the foreclosure proceedings, they had already paid the defendant bank not less than one million, four hundred fifteen thousand, seven hundred thirty-three pesos and 14/100 (P1,415,733.14) for the principal loan obligation of P1,000,000.00 only. They repeatedly requested an accounting of the payments they have made to PCI Bank, but the latter did not accommodate their request.[8]

Spouses Cruz prayed that the RTC: (1) declare the auction sale, including the Certificate of Sale, and all proceedings conducted by Sheriff Escasinas, null and void, and (2) order the defendants to pay damages, attorney's fees, litigation expenses and the costs of the suit.[9]

In his Answer,[10] Defendant Engracio M. Escasinas, Jr. (Sheriff Escasinas) stated that contrary to the plaintiffs' allegation, the Notice of Sheriff's Sale was sent through registered mail on July 23, 2002 or fifteen (15) days prior to the scheduled auction sale to two given addresses of the plaintiffs. The Notice was sent to No. B4 Embassy Garden Homes, West Triangle, Quezon City. However, the plaintiffs were not found in this address as they had already moved out. The Notice was also sent to Rm. 205, 3rd Floor, 119 Rada St., Legaspi Village, Makati City. Sheriff Escasinas stressed that there was negligence on the part of the plaintiffs when they ignored the prior notice, and that it was incorrect for the plaintiffs to claim that they were not notified of the proceedings.[11]

Sheriff Escasinas also refuted the plaintiffs' allegation that the newspaper Tagalog Chronicle was not qualified to publish the Notice of Sheriff's Sale. According to Sheriff Escasinas, Tagalog Chronicle was a newspaper of general circulation in the Metro Manila areas, and was duly accredited by the Executive Judge of the Regional Trial Court of Makati City to participate in the raffle for the publication of legal and judicial notices.[12]

It was also the position of Sheriff Escasinas that legal levy of the property was not required because levy of real property applied only in execution sales and not in extrajudicial foreclosures. Sheriff Escasinas added that the posting of notices of the scheduled auction sale in three (3) public/conspicuous places served as invitation for interested parties to submit bids. Sheriff Escasinas insisted that the posting in these three (3) places also served as proper notice upon the plaintiffs as regards the scheduled auction sale. In support of this argument, Sheriff Escasinas cited Section 3 of Act No. 3135, as amended by Act No. 4118, which requires only the posting of the notice of sale in three public places and the publication of that notice in a newspaper of general circulation. Based on this same provision, Sheriff Escasinas posited that personal notice to the mortgagor is not necessary in extrajudicial foreclosure proceedings.[13]

Sheriff Escasinas maintained that the conduct of the auction sale complied with all the formalities required by

law. Hence, the auction, along with the corresponding Certificate of Sale issued thereafter, was perfectly valid.[14]

The defendant bank filed an Answer with Counterclaims.[15] At that point, the bank was known as Equitable PCI Bank, Inc. (Equitable PCI). Equitable PCI declared that all its acts were perfectly legal and done in good faith.[16]

Specifically, Equitable PCI stated that it was implausible that the plaintiffs were not aware, or at least were not expecting, the foreclosure of the mortgaged property. Because they were not able to pay the mortgage indebtedness, they ought to have expected the foreclosure, as the Real Estate Mortgage signed by the parties explicitly provided that the bank had the option of foreclosing the mortgage extrajudicially. The plaintiffs could not legally evade their responsibility on the flimsy ground that they were allegedly not aware of the filing of the petition for extrajudicial foreclosure. Equitable PCI also narrated that a demand letter was sent to the plaintiffs in the months preceding the filing of the petition for foreclosure.[17]

With respect to the plaintiffs' allegation that they received a copy of the notice of sale only after the auction had already taken place, Equitable PCI argued that even if this were assumed to be true, it was immaterial to the validity of the notice. The defendant bank echoed the sheriff's contention that notice to the mortgagor was not necessary in extrajudicial foreclosure sales governed by Act No. 3135, as amended. The publication of the notice, according to Equitable PCI, operated as constructive notice to all of the scheduled foreclosure sale.[18]

Equitable PCI posited that there was neither a requirement that there be a prior levy of the mortgaged property before it could be foreclosed nor one that stated that the bids submitted must be in sealed envelopes.[19]

The defendant bank called attention to the vagueness of the plaintiffs' allegation that the verification/certification of the petition for foreclosure was not in accordance with law. The bank underscored that the plaintiffs did not clearly set out the alleged deviation from the rules.[20]

Equitable PCI reiterated Sheriff Escasinas' assertion that Tagalog Chronicle was a newspaper of general circulation qualified and accredited to publish the notice of sale.[21]

Finally, addressing the claim of payments made by the plaintiffs, Equitable PCI argued that the fact that the plaintiffs had made payments on the loan did not necessarily mean that their obligation under the mortgage had been extinguished. It explained that the payments were applied mainly to accrued interests and other charges, leaving a balance which remained due and demandable. At the time of the foreclosure of the real estate mortgage, the plaintiffs were in default in paying their loan.[22]

Equitable PCI prayed that the plaintiffs' Complaint be dismissed and that they be ordered to pay damages, attorney's fees and the costs of the suit.[23]

The case was set for mediation proceedings. However, no settlement was reached by the parties. Pre-trial was conducted where the RTC inquired into the possibility of settlement considering that there was an offer to settle from the plaintiffs. The defendants declined the offer. Trial on the merits ensued. After the presentation of evidence by both parties and the submission of their respective Memoranda, the case was submitted for decision on March 3, 2011.

The RTC rendered the assailed Decision on June 27, 2011. The plaintiffs' Complaint as well as the Compulsory Counterclaims pleaded in the defendant bank's Answer with Counterclaims were both dismissed for lack of merit.

The RTC held that the plaintiffs' contention that the belated notice to them of the auction sale was an irregularity which should invalidate the auction was devoid of merit.[24] Citing *Philippine National Bank vs Rabat*,[25] which referred to Section 3 of Act No. 3135, the RTC ruled that personal notice was not necessary in this case.

The RTC's disquisition is quoted below:

The Act, therefore, requires (1) the posting of notices of sale in three public places, and (2) the publication of the same in a newspaper of general circulation. Personal notice, as stated, is not necessary. Thus, the belated receipt of the Notice of Sheriff's Sale does not invalidate the auction sale as personal notice to the plaintiffs, in fact, is not required under the law.[26]

Addressing the plaintiffs' allegation that Tagalog Chronicle was not a newspaper of general circulation, the RTC held that Spouses Cruz did not present any evidence to prove their allegation. In the absence of contrary evidence, the RTC gave credence to the Sworn Statement/Affidavit of Publication executed by the Manager/Publisher of said newspaper that Tagalog Chronicle was a newspaper of general circulation in the City of Makati. On the basis of the ruling in *China Banking Corporation vs Spouses Martir*,^[27] the RTC considered the affidavit of publication as prima facie proof that the newspaper was generally circulated in the place where the property was located.^[28]

The RTC also did not find any merit in the plaintiff's argument that the auction sale was rigged because there was only one bidder and the bid submitted was not sealed. Prescinding from the case of *Spouses Certeza vs Philippine Savings Bank*,^[29] the RTC explicated:

Thus, the two-bidder rule is no longer required in extrajudicial foreclosure sale and the subject auction sale cannot be invalidated on the basis of such ground.^[30]

Then, the RTC, passing upon the question of whether or not the bid submitted was sealed, continued:

Moreover, contrary to plaintiffs' allegation that there was an open bid, Sheriff Norberto Magsajo testified that the bid was accepted in their office sealed and that it was only opened by the records officer at 4:00 o'clock during the closing time of the said auction sale. Such statement, in the absence of contrary evidence, must be given due credence particularly in the light of the presumption of regularity accorded to official acts.^[31] (Citation omitted)

As to the alleged defect in the verification and certification against forum shopping, the RTC held that the Account Officer and Head of the Collection Department-Consumer Finance Division of the defendant bank had the authority to sign the verification and certification even without the submission of a written authority from the board.^[32] Invoking the pronouncement in *Cebu Metro Pharmacy, Inc. vs Euro-med Laboratories Philippines, Inc.*,^[33] the RTC observed that the signatory to the verification and certification, as Head of the Collection Department, was in a position to verify the truthfulness and correctness of the allegations in the petition. The RTC also noted that the Board of Directors of the defendant bank ratified the signatory's authority.^[34]

The RTC concluded that,

xxx there [was] no reason to nullify the auction sale of the subject property, the same having been conducted in accordance with law. Consequently, this Court finds no reason to sustain the claim for damages sought by the plaintiffs.^[35]

Aggrieved by the Decision of the RTC, the plaintiffs filed a Notice of Appeal on July 21, 2011, which was given due course by the RTC in an Order dated July 28, 2011.

THE ASSIGNED ERRORS

This appeal was interposed by the plaintiffs, Our appellants, with the following assignment of errors:

A. THE HONORABLE COURT A QUO GRAVELY ERRED IN FINDING THAT THE FORECLOSURE PROCEEDINGS IN QUESTION IS VALID AND IN ACCORDANCE WITH LAW;

B. THE HONORABLE COURT A QUO GRAVELY ERRED IN DISMISSING THE INSTANT CASE FILED BY HEREIN PLAINTIFFS-APPELLANTS AGAINST DEFENDANTS-APPELLEES.[36]

The plaintiffs-appellants, Spouses Cruz, argue that the extrajudicial foreclosure and sale of the property is null and void for non-compliance with the requirements of the law.[37] Spouses Cruz direct our attention to the alleged irregularities in the foreclosure and subsequent auction, to wit: (1) they did not receive the notice of sheriff's sale before the scheduled auction sale which deprived them of their right to due process of law;[38] (2) the notice of sheriff's sale was published in Tagalog Chronicle which is not a newspaper of general circulation in Makati City;[39] (3) the auction sale was rigged as the bid submitted was not sealed and as there was only one bidder;[40] and (4) the verification/certification in the Petition for Extrajudicial Foreclosure was fatally defective for having been signed by someone who did not have the authority of the defendant-appellee bank.[41] In view of these irregularities, the plaintiffs-appellants submit that the nullification of the auction sale and of the corresponding Certificate of Sale in favor of the defendant-appellee bank is warranted.[42]

Moreover, Spouses Cruz refute the allegation of the defendant-appellee bank that the couple failed to fulfill their obligation under the mortgage agreement. Spouses Cruz narrate that they repeatedly requested an accounting of their payments but they were rebuffed by the defendant-appellee bank. They claim that they have already paid a substantial amount to the defendant-appellee bank at the time of the foreclosure, specifically one million, four hundred fifteen thousand, seven hundred thirty-three pesos and 14/100 (P1,415,733.14) for the principal loan obligation of P1,000,000.00 only. The Spouses contend that these efforts indicate that they did not renege on their duty to pay their mortgage indebtedness.[43]

Spouses Cruz are of the view that the RTC committed a reversible error when it dismissed the Complaint and ruled that the plaintiffs-appellants were not entitled to damages. They entreat Us to set aside the Decision of the RTC and grant the appeal to vindicate their rights as mortgagors which have been violated by the defendants-appellees.[44]

OUR RULING

We dismiss the appeal and affirm the finding of the RTC that the auction sale was conducted in accordance with law. The mortgage was validly foreclosed and the issuance of the Certificate of Sale to the defendant-appellee bank (now known, per its Appellee's Brief, as BDO Unibank, Inc.) is in order.

The plaintiffs-appellants' case is anchored on their allegation that there were irregularities in the foreclosure proceedings including the auction sale.

The first alleged irregularity—they did not receive the notice of sheriff's sale before the scheduled auction sale which deprived them of their right to due process of law. We reiterate with approval the holding of the RTC that the belated receipt of the Notice of Sheriff's Sale does not invalidate the auction sale as personal notice to the plaintiffs, in fact, is not required under the law. The law spoken of is Act No. 3135, Section 3, which states,

SECTION 3. Notice shall be given by posting notices of the sale for not less than twenty days in at least three public places of the municipality or city where the property is situated, and if such property is worth more than four hundred pesos, such notice shall also be published once a week for at least three consecutive weeks in a newspaper of general circulation in the municipality or city.

The RTC correctly delineated what the law, as quoted above, requires: (1) posting notices of the sale for at least twenty days in three public places in the city where the property is situated, and (2) if the property is worth more than four hundred pesos, which applies to this case, the notice shall also be published once a week for at least three consecutive weeks in a newspaper of general circulation in the city. It has been consistently held that in extrajudicial foreclosure sales, the law does not require personal notice to the mortgagor.[45] This is the general

rule. The case of Metropolitan Bank and Trust Company vs Wong^[46] lays down the exception to the general rule that in addition to Section 3 of Act No. 3135, the parties may stipulate that personal notice of foreclosure proceedings may be required. Act No. 3135 remains the controlling law, but the parties may agree, in addition to posting and publication, to include personal notice to the mortgagor, the non-observance of which renders the foreclosure proceedings null and void.^[47] The exception does not obtain in this case. When the RTC carefully perused the Real Estate Mortgage executed between the parties, it did not find, and neither did We, a stipulation requiring personal notice to the mortgagor prior to the foreclosure sale. Therefore, the general rule applies. Posting and publication, which were both complied with in this case, will suffice.

The second alleged irregularity—the notice of sheriff's sale was published in Tagalog Chronicle which is not a newspaper of general circulation in Makati City. Guided by the case of China Banking Corporation vs Spouses Martir,^[48] where it was held that for the purpose of extrajudicial foreclosure of mortgage, the party alleging non-compliance with the requisite publication has the burden of proving the same, the RTC declared that,

In the case at bar, plaintiffs did not present any evidence to prove that Tagalog Chronicle is not a newspaper of general circulation. In the absence of contrary evidence, this Court has to give credence to the Sworn Statement/Affidavit of Publication executed by Fe Y. Tuason. In relation to the evidentiary weight of the said sworn statement/affidavit of publication, the [Supreme] Court ruled in China Banking Corporation vs Spouses Martir that the affidavit of publication executed by the account executive of the newspaper is prima facie proof that the newspaper is generally circulated in the place where the properties are located.^[49]

The plaintiffs-appellants argue that it was error for the RTC to have given considerable value to the Sworn Statement/Affidavit of Publication. They submit that the RTC should have instead followed the later case of Philippine Savings Bank vs Spouses Geronimo.^[50] The plaintiffs-appellants' reliance on PS Bank vs Spouses Geronimo is misplaced, as said case is not on all fours with the one before Us. As correctly pointed out by the defendant-appellee bank, Spouses Cruz omitted to mention that in PS Bank vs Spouses Geronimo, the Affidavit of Publication was not admitted in evidence. In that case, it was held that had the Affidavit of Publication been admitted in evidence, it would have been competent evidence that the newspaper is one of general circulation, viz:

xxx petitioner could have easily produced the affidavit of publication and other competent evidence (such as the published notices) to refute respondents' claim of lack of publication of the notice of sale. xxx

In relation to the evidentiary weight of the affidavit of publication, the Court ruled in China Banking Corporation v. Spouses Martir that the affidavit of publication executed by the account executive of the newspaper is prima facie proof that the newspaper is generally circulated in the place where the properties are located.^[51]

The plaintiffs-appellants' citation of PS Bank vs Spouses Geronimo hurts their cause. That case recognizes the evidentiary weight of an affidavit of publication in proving that a newspaper is of general circulation and even echoes the ruling in China Banking Corporation vs Spouses Martir, the same case that the RTC used as basis for its acceptance of the Affidavit of Publication/Sworn Statement as prima facie proof that Tagalog Chronicle is generally circulated in Makati City. We sustain the RTC on this point. We are likewise not persuaded by the additional argument of the plaintiffs-appellants that Tagalog Chronicle is generally disseminated and circulated only in Manila. The Affidavit of Publication/Sworn Statement^[52] clearly indicates that the said newspaper is of general circulation also in the City of Makati.

The third alleged irregularity—the auction sale was rigged as the bid submitted was not sealed and as there was only one bidder. The disposition of the RTC on this issue was two-fold. First, it held that the two-bidder rule is no longer required in extrajudicial foreclosure sale^[53] pursuant to the ruling in Spouses Certeza et al. vs Philippine Savings Bank.^[54] Second, it received with approval the testimony of Sheriff Norberto Magsajo that the bid was

accepted in their office sealed and that it was only opened by the Records Officer at 4:00 p.m. during the closing time of the auction sale. According to the RTC, such statement, in the absence of contrary evidence, must be given due credence particularly in the light of the presumption of regularity accorded to official acts.[55]

However, Spouses Cruz assail both pronouncements of the RTC. They submit that A.M. No. 99-10-05-0,[56] as amended, which was the basis of the ruling in *Spouses Certeza et al. vs PS Bank*, was not yet the rule applicable at the time the extrajudicial foreclosure and sale took place on August 9, 2002. They argue that the rule applicable then was Section 5(a) of Circular No. 07-2002[57] dated January 22, 2002.[58] The plaintiffs-appellants are using Circular No. 07-2002 out of context. They failed to consider the history of Circular No. 07-2002. This Circular integrates the revisions made to the Procedure in Extrajudicial Foreclosure of Mortgage (A.M. No. 99-10-05-0), including those embodied in the Resolution of the Supreme Court dated January 30, 2001. A salient point of the changes introduced to the Procedure in Extrajudicial Foreclosure of Mortgage, through the January 30, 2001 Resolution, is the elimination of the requirement of at least two bidders. The origin of this modification and the policy behind it are outlined in *Spouses Certeza et al. vs PS Bank*,[59] to wit:

The requirement for at least two participating bidders provided in the original version of paragraph 5 of A.M. No. 99-10-05-0 is not found in Act No. 3135. Hence, in the Resolution of the Supreme Court en banc dated January 30, 2001, we made the following pronouncements:

It is contended that this requirement is now found in Act No. 3135 and that it is impractical and burdensome, considering that not all auction sales are commercially attractive to prospective bidders.

The observation is well taken. Neither Act No. 3135 nor the previous circulars issued by the Court governing extrajudicial foreclosures provide for a similar requirement. The two-bidder rule is provided under P.D. No. 1594 and its implementing rules with respect to contracts for government infrastructure projects because of the public interest involved. Although there is a public interest in the regularity of extrajudicial foreclosure of mortgages, the private interest is predominant. The reason, therefore, for the requirement that there must be at least two bidders is not as exigent as in the case of contracts for government infrastructure projects.

On the other hand, the new requirement will necessitate republication of the notice of auction sale in case only one bidder appears at the scheduled auction sale. This is not only costly but, more importantly, it would render naught the binding effect of the publication of the originally scheduled sale. x x x[60]

In other words, as early as January 30, 2001, the Supreme Court found the requirement for at least two participating bidders unnecessary and extremely exacting. The January 30, 2001 Resolution amended paragraph 5 of A.M. No. 99-10-05-0 to read:

- The name/s of the bidder/s shall be reported by the sheriff or the notary public who conducted the sale to the Clerk of Court before the issuance of the certificate of sale.[61]

Subsequently, pursuant to A.M. No. 99-10-05-0, as amended by the Resolution of January 30, 2001, Circular No. 7-2002 dated January 22, 2002 was issued which became effective on April 22, 2002.[62] Section 5(a) of the said Circular states:

Sec. 5. Conduct of the extra-judicial foreclosure sale -

a. The bidding shall be made through sealed bids which must be submitted to the Sheriff who shall conduct the sale between the hours of 9 a.m. and 4 p.m. of the date of the auction (Act 3135, Sec. 4). The property mortgaged shall be awarded to the party submitting the highest bid and in case of a tie, an open bidding shall be conducted between the highest bidders. Payment of the winning bid shall be made either in cash or in managers check, in Philippine currency, within five (5) days from notice.

It has been held that the use of the word "bids" (in plural form) in Circular No. 7-2002 does not make it a mandatory requirement to have more than one bidder for an auction sale to be valid. A.M. No. 99-10-05-0, as amended by the January 30, 2001 Resolution, no longer prescribes the requirement of at least two bidders for a valid auction sale.[63] Spouses Cruz cannot take refuge in Circular No. 7-2002 because these Guidelines were issued merely to implement the amendments made to A.M. No. 99-10-05-0, including the one on January 30, 2001, striking out the requirement for a minimum of two bidders.

We, therefore, affirm the ruling of the RTC that the two-bidder rule is not required in extrajudicial foreclosure and the sale cannot be invalidated on the basis of such ground.[64] We likewise affirm the finding of the RTC that the bid submitted was sealed in full compliance with the rules. This finding is amply supported by the evidence on record.[65]

The fourth alleged irregularity—the verification/certification in the Petition for Extrajudicial Foreclosure was fatally defective for having been signed by someone who did not have the authority of the defendant-appellee bank. *Cebu Metro Pharmacy, Inc. vs Euro-med Laboratories Philippines, Inc.*,[66] as quoted by the RTC, is apropos in determining who among corporate officers are authorized to sign the verification and certification against forum shopping:

In a slew of cases, however, we have recognized the authority of some corporate officers to sign the verification and certification against forum shopping. In *Mactan-Cebu International Airport Authority v. CA*, we recognized the authority of a general manager or acting general manager to sign the verification and certificate against forum shopping; in *Pfizer v. Galan*, we upheld the validity of a verification signed by an "employment specialist" who had not even presented any proof of her authority to represent the company; in *Novelty Philippines Inc., v. CA*, we ruled that a personnel officer who signed the petition but did not attach the authority from the company is authorized to sign the verification and non-forum shopping certificate; and in *Lepanto Consolidated Mining Company v. WMC Resources International Pty. Ltd. (Lepanto)*, we ruled that the Chairperson of the Board and President of the Company can sign the verification and certificate against non-forum shopping even without the submission of the board's authorization.

In sum, we have held that the following officials or employees of the company can sign the verification and certification without need of a board resolution: (1) the Chairperson of the Board of Directors, (2) the President of a corporation, (3) the General Manager or Acting General Manager, (4) Personnel Officer, and (5) an Employment Specialist in a labor case.

While the above cases do not provide a complete listing of authorized signatories to the verification and certification required by the rules, the determination of the sufficiency of the authority was done on a case to case basis. The rationale applied in the foregoing cases is to justify the authority of corporate officers or representatives of the corporation to sign the verification or certificate against forum shopping, being 'in a position to verify the truthfulness and correctness of the allegations in the petition.'[67]

The list of company officials or employees presented above is not exclusive. The last paragraph cited provides the criterion for who among the officers or representatives of the corporation has the authority to sign the verification or certificate against forum shopping: s/he must be in a position to verify the truthfulness and correctness of the allegations in the petition.

The RTC found that the signatory of the Petition for Extrajudicial Foreclosure, namely the Head of the defendant-appellee bank's Collection Department-Consumer Finance Division, satisfied the criterion. We agree. As Head of the Collection Department, the signatory was in a position to verify the truthfulness and correctness of the allegations in the petition such as the existence of the loan agreement and the real estate mortgage, the details of the plaintiffs-appellants' indebtedness and the debtors' default, among others. We hold that the Verification and

Certification Against Forum Shopping were validly signed.

In view of the foregoing, the extrajudicial foreclosure sale in this case was conducted in accordance with law. Consequently, the issuance of the Certificate of Sale to the defendant-appellee bank is also regular and valid. Hence, it is no longer necessary for Us to rule on the other issues presented by the plaintiffs-appellants, which are also grounded on the supposed irregularity in the auction.

WHEREFORE, premises considered, the appeal is DISMISSED and the Decision dated June 27, 2011 of the Regional Trial Court of Makati City, Branch 139, in Civil Case No. 03-208, is AFFIRMED.

SO ORDERED.

Abdulwahid, (Chairperson), and Barza, JJ., concur.

[1] Records, Vol. 2, 510-520.

[2] Ibid. at 520.

[3] Records, Vol. 1, 1-11.

[4] Ibid. at 3.

[5] Ibid. at 2-4.

[6] Ibid. at 4-5.

[7] Ibid. at 5-6.

[8] Ibid. at 7.

[9] Ibid. at 9.

[10] Records, Vol. 1, 35-38.

[11] Ibid. at 36.

[12] Ibid. at 36-37.

[13] Ibid. at 37.

[14] Id.

[15] Records, Vol. 1, 116-124.

[16] Ibid. at 118.

[17] Ibid. at 118-120.

[18] Ibid. at 120.

[19] Ibid. at 121.

[20] Ibid. at 122.

[21] Id.

[22] Id.

- [23] Records, Vol. 1, 123.
- [24] Decision of the RTC, Records, Vol. 2, 515.
- [25] G.R. No. 134406, November 15, 2000.
- [26] Supra note 24 at 515-516.
- [27] G.R. No. 184252, September 11, 2009.
- [28] Supra note 24 at 516.
- [29] G.R. No. 190078, March 5, 2010.
- [30] Supra note 24 at 517.
- [31] Id.
- [32] Supra note 24, at 518.
- [33] G.R. No. 164757, October 18, 2010.
- [34] Supra note 24 at 518.
- [35] Id.
- [36] Brief for the Plaintiffs-Appellants, Rollo, 49.
- [37] Id.
- [38] Ibid. at 50.
- [39] Ibid. at 52-59.
- [40] Ibid. at 60-63.
- [41] Ibid. at 63-67.
- [42] Ibid. at 67.
- [43] Ibid. at 67-68.
- [44] Ibid. at 69.
- [45] Philippine National Bank vs Spouses Rabat, G.R. No. 134406, November 15, 2000, citing Olizon vs Court of Appeals, 236 SCRA 148 (1994); Gravina vs CA, 220 SCRA 178 (1993); Cortes vs IAC, 175 SCRA 545 (1989).
- [46] G.R. No. 120859, June 26, 2001.
- [47] Global Holiday Ownership Corporation vs Metropolitan Bank & Trust Company, G.R. No. 184081, June 19, 2009, citing Metropolitan Bank and Trust Company vs Wong, supra note 46.
- [48] G.R. No. 184252, September 11, 2009.
- [49] Supra note 24 at 516.
- [50] G.R. No. 170241, April 19, 2010.
- [51] Id.

[52] Exhibit “2” for the Defendant Bank, Records, Vol. 2, 332.

[53] Supra note 24 at 517.

[54] G.R. No. 190078, March 5, 2010.

[55] Supra note 24 at 517.

[56] Procedure in Extrajudicial Foreclosure of Mortgage.

[57] Guidelines for the Enforcement of Supreme Court Resolution of December 14, 1999 in Administrative Matter No. 99-10-05-0 (Re: Procedure in Extra-judicial Foreclosure of Mortgage), as amended by the Resolutions dated January 30, 2001 and August 7, 2001.

[58] Supra note 36 at 62.

[59] Supra note 54.

[60] Id.

[61] A.M. No. 99-10-05-0, as amended on January 30, 2001.

[62] Spouses Certeza et al. vs Philippine Savings Bank, supra note 54.

[63] Id.

[64] Supra note 24 at 517.

[65] TSN dated March 17, 2008, 28.

[66] Supra note 33.

[67] Id.

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