

**SPOUSES MARCELINO V. ROSARIO AND ELEUTERIA T. ROSARIO,
PLAINTIFFS-APPELLANTS, VS. OFELIA H. MOREDO, EQUITABLE
SAVINGS BANK AND THE REGISTER OF DEEDS OF MAKATI CITY.
DEFENDANTS-A...**

Ponente: PERALTA, JR., E. B., J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/1980ae0e0b4a/>

PERALTA, JR., E. B., J.:

Before Us is an Appeal[1] filed by appellants-spouses Marcelino and Eleuteria Rosario which impugned the July 7, 2010 Decision of the Regional Trial Court (RTC), Branch 148 of Makati City in Civil Case No. 07-123, the dispositive portion of which reads:[2]

“WHEREFORE, premises considered,

- The Deed of Sale dated September 18, 2006 be declared null and void for being simulated and thus have no legal force and effect but only as between the plaintiffs and defendant Moredo;

- Since it was shown that defendant Moredo defrauded herein plaintiffs and where (sic) able to run off with the proceeds of the loan, said defendant is hereby ordered to reconvey the subject property by paying her obligation with defendant bank in order to redeem the same or in case of failure to do so, to pay the plaintiffs actual damages in the amount of P975,000.00 based on the assessed value of the plaintiff's property and P100,000.00 as moral damages and attorneys (sic) fees in the sum of P50,000.00 plus P2,500 per appearance of counsel

- With respect however to defendant bank, the simulated sale would not affect its right under the Mortgage, thus the mortgage contract between defendant bank and defendant Moredo stands as binding and valid and the bank will have the right to foreclose the property if defendant Moredo will not be able to pay her loan obligation.

The complaint against herein defendant Bank by the plaintiffs is hereby DISMISSED for lack of merit.

- As to the counterclaim filed by defendant against plaintiffs, since the latter was not an actual party to the loan obligation and mortgage contract executed by defendant Moredo with defendant Bank, the Court is of the view that the counterclaim be dismissed considering that the Court already acknowledged the lien of herein defendant bank with the subject property and the possible losses (sic) of the plaintiffs of their property as a result of the mortgage is already enough penalty for their fault of entering into a simulated contract with defendant Moredo.

- As to the cross claim (sic) filed by defendant bank against defendant Moredo the same is hereby granted, thus defendant Moredo is obligated to pay the loan it borrowed from defendant bank with the interest of 12% per annum till the payment of the whole obligation; also to pay the amount of P300,000.00 for litigation expenses incurred by defendant bank in the instant case and Two Hundred Thousand Pesos (P200,000.00) as exemplary damages in order to serve as an example for others to refrain from doing similar acts as what defendant Moredo did in the future;

- Defendant Register of Deeds who approved the transfer of the Title on the other hand for its neglect to exercise due diligence required of it in the performance of its Official functions, is hereby reprimanded for such neglect without prejudice for the filing of an administrative case against the Register of Deeds in the proper forum by the plaintiffs if the latter deem appropriate;

- Defendant Moredo to pay herein plaintiffs the costs of litigation.

SO ORDERED”

THE FACTS:

Defendant-appellee Ofelia H. Moredo (Moredo) was the boarder of Spouses Marcelino and Eleuteria Rosarios’ (Spouses Rosario).[3] Apparently, Moredo convinced Eleuteria to invest in a purported socialized program of a Governor of Laguna to help with Spouses Rosario's finances.[4] Since the Spouses Rosario had no money for capital, Moredo suggested to obtain a loan from the bank, with Rosario's property as collateral to be transferred to Moredo.[5]

It appeared, too, that Spouses Rosario entered into a simulated Deed of Sale on their property with Moredo on September 18, 2006. It was made to appear on the Deed of Sale that the spouses sold the property to Moredo in the amount of Two Hundred Thousand Pesos (P200,000.00).[6]

The spouses later ascertained that their property was mortgaged with defendant-appellee Equitable Savings Bank, their title was cancelled and a new transfer certificate of title was issued in the name of Moredo after the simulated Deed of Sale was registered and the title was used as security for Moredo’s loan with defendant-bank.[7]

As such, the corresponding suit was filed by the spouses against Moredo, the bank, and the Register of Deeds.[8]

Defendant Equitable Savings Bank filed its Answer with Counter and Cross Claims on April 10, 2007. As Special and Affirmative Defenses, Equitable Savings Bank alleged that: (1) it is a mortgagee in good faith as it did not merely rely on the mortgagor's title; (2) not all simulated contracts are void. “Relatively Simulated” contracts are valid, and do not affect the rights of parties who relied on good faith; (4) plaintiff spouses have no cause of action against Equitable Savings Bank for damages in the absence of contractual relations; and (5) as between two innocent parties, the loss falls upon him who empowered a third party to perpetuate a wrong.[9] By way of Counterclaim, defendant Bank prayed that plaintiffs be ordered to pay the amount of Three Hundred Thousand Pesos (P300,000.00) as attorney's fees and Two Hundred Thousand Pesos (P200,00.00) as exemplary damages.[10] Under its Cross Claim, Equitable Savings Bank prayed that in the event that the Real Estate Mortgage is impaired or eventually annulled, by holding co-defendant Moredo liable for:[11]

(a) The entire outstanding loan balance as may be proven under the Loan Agreement with Equitable Savings Bank, and

(b) The amount of damages it (Equitable Savings Bank) may be held liable in favor of plaintiff spouses, and other forms of consequential damages including costs of litigation.

Co-defendant Moredo’s Answer averred that she bought the property subject of the litigation in the amount of P900,00.00; she gave the full amount to the plaintiffs when they surrendered the title to her; they executed the deed of sale in their belief that if they put a lesser amount in it the corresponding tax consequences would be minimal; the transfer of the certificate of title in her name was with the full knowledge of the plaintiffs; plaintiffs were present when she mortgaged the subject property with defendant bank and when the bank conducted its

background investigation.[12]

Following conclusion of pre-trial conference,[13] trial on the merits ensued.

Evidence for the spouses unfolded through Marcelino Rosario (Rosario), one of the plaintiffs; Leizel Dino (Dino), an employee of defendant bank; and Roy Garcia (Garcia), an appraiser for defendant bank, as testimonial sponsors.

Mr. Rosario presented and identified the Deed of Sale,[14] the Tax Declaration of the taxes paid by Ms. Moredo with the Bureau of Internal Revenue (BIR) and the Capital Gains Tax she paid for the transfer of the property.[15] He also presented a Certification/Barangay Clearance Certificate that he is a bonafide resident of Lot 2, Block 251 Target Range Blvd., Zone 13, Pembo St., Makati City and a Certification signed by several individuals attesting to his residence and ownership of the property.[16]

He testified, among other matters, that the fair market value of their property based on the BIR zonal valuation is more or less nine hundred seventy five thousand while the selling price in the subject Deed of Sale was only two hundred thousand pesos.[17]

Ms. Dino presented the Title Verification Report, Appraisal Report and Title (TCT No. 22975) of the subject property.[18] The Title Verification Report showed that TCT No. 22975 was in the name of defendant Moredo and that the actual land area of the property is One Hundred Thirty square meters.[19] The Appraisal Report pegged the value of the property with the improvements thereon at P3,737,400.00.[20] It also declared that the property was solely occupied by defendant Moredo.[21] The Title of the property showed that it was transferred in the name of defendant Moredo on October 26, 2006.[22] On cross, she identified defendant Moredo as one of the persons in the attached pictures on the appraisal report.[23]

Anent Mr. Garcia, he fortified Ms. Dino's statements insofar as the Appraisal Report, which he, as former Appraiser of Equitable PCIBank, prepared and submitted to the bank.[24] On cross, he testified that he did not see the spouses Rosario during the inspection of the subject property on November 9, 2006[25] and that the title of the subject property when presented to the Bank was in the name of defendant Moredo.[26]

Defendant bank introduced three witnesses namely: Liezel Dino, Raymund Basilio and Edcel Ditona.

Ms. Dino testified that: she is an Account Officer of Equitable Savings Bank; she was assigned to solicit and process loan applications;[27] she met defendant Moredo in the first week of November 2006 when the latter applied for a loan in the amount of 2.5 million pesos;[28] Ms. Moredo submitted pre-approval requirements consisting of information on her personal data, income and the collateral;[29] the bank, through its investigator, Mr. Ramon Basilio, conducted the credit investigation for the residence and business of defendant Moredo;[30] the bank also conducted title verification and appraisal of the property being mortgaged as collateral; Mr. Roy Garcia, the bank's appraiser, appraised the property;[31] after the credit investigation and appraisal, she endorsed the account to Mr. George Madera, a credit evaluator and one of the account officers of the bank; the loan application of defendant Moredo was then approved in the amount of 2.2 million pesos.[32]

Ms. Dino also identified pieces of documents concerning what transpired between the principal parties,[33] particularly the loan agreement, promissory notes and the real estate mortgage signed by defendant Moredo.[34]

Mr. Basilio's and Ms. Ditona's role revolved on ocular inspection of the subject property and additional credit investigation.[35]

For her part, defendant Ofelia H. Moredo and her counsel failed to appear and present evidence despite notice. Thus, co-defendant Moredo was deemed to have waived the right to present her evidence.[36]

Subsequently, the trial court rendered its assailed July 7, 2010 Decision.[37] Hence, the instant appeal was elevated to Us based on the following ascriptions:[38]

- A) ...IN HOLDING THAT THE PLAINTIFFS- ARE ALSO AT FAULT FOR AGREEING OR VOLUNTARILY ENTERING INTO A SIMULATED SALE TO DEFRAUD THIRD PERSONS;
- B) ...IN HOLDING THAT THE DEFENDANT BANK EXERCISED THE DUE DILIGENCE REQUIRED OF IT AND IS A MORTGAGEE IN GOOD FAITH;
- C) ...IN HOLDING THAT WHILE INDEED THE SUBJECT DEED OF SALE IS INDEED SIMULATED AND SHOULD BE ANNULLED SUCH WOULD NOT BE THE CASE IN SO FAR AS THIRD PARTIES IS CONCERNED LIKE THE DEFENDANT BANK;
- D) ...IN HOLDING THAT EVEN IF THE TRANSFER OF THE TITLE TO THE NAME OF DEFENDANT MOREDO IS FRAUDULENT, THE SAME WILL NOT AFFECT THE RIGHT OF A MORTGAGEE IN GOOD FAITH.

THIS COURT'S RULING

The issues raised in the instant Appeal can be condensed into two matters: (1) the genuineness of the subject Deed of Sale and; (2) the determination of whether or not defendant bank was a mortgagee in good faith.

Was the subject Deed of Sale genuine or simulated?

There were several circumstances in the instant case which indicated a simulated Deed of Sale. As observed by the trial court, and to which We concur since it was sufficiently supported by the evidence on record:[39]

First, the consideration or price for the sale[40] was simulated and largely inadequate or small compared to the assessed value of the property which amounts to Nine Hundred Seventy Five Thousand pesos based on the valuation made by the bank.[41] Although inadequacy of price does not invalidate a contract or affect the validity of the contract, the fact that it was a simulated sale and there was no proof of the intention to pay the stipulated price in the subject Deed of Sale is tantamount to a contract that lacks valid consideration. Second, it is interesting to note that what was written in the lower portion of the sale was a jurat instead of an acknowledgment which is what is required by law in a deed of sale.[42] A simple look of the aforesaid deed of sale would give us the presumption that it was merely simulated aside from the fact that the same was admitted by the plaintiffs themselves.

Moreover, no proof was submitted by defendant Moredo as to the payment she allegedly made on the subject property in the amount of nine hundred thousand pesos. The court cannot just rely on her bare allegations without any cogent proof or evidence submitted to support the same.

In the case of *Spouses Buenaventura et al., vs. Court of Appeals et al.*, G.R. No. 126376, November 20, 2003, the Supreme Court held that:

If there is no meeting of minds of the parties as to the price, because the price stipulated in the contract is simulated, then the contract is void. Article 1471 of the Civil Code states that if the price in a contract of sale is simulated, the sale is void.

Clearly then since no proof was presented to convince the Court that the price stipulated in the Deed of Sale was the real price or agreement of the parties and that defendant Moredo did really pay such amount the presumption is such price is merely stipulated, this, the subject Deed is void for being simulated.

As held in the case of *spouses Zulueta vs. Jose Wong et. al.*, G.R No. 1533514, June 08, 2005, the Supreme Court ruled that:

“Where the deed of sale states that the purchase price has been paid but in fact has never been paid, the deed of sale is null and void ab initio for lack of consideration.” (Emphasis Ours)

xxx

Apart from the foregoing circumstances, plaintiff Marcelino Rosario himself acknowledged the existence of a simulated sale arrangement with defendant Moredo during his cross-examination:[43]

ATTY POLISTICO:

So PNB denied your loan actually because you didn't have a job and you didn't have means to pay it, correct?

A

Yes, I have already answered it three times, Your Honor

Q

Since PNB denied your loan application so here comes Moredo she told you that she will help you again to apply for a loan using your property, right?

A

Yes

Q

Now, you entered into that agreement with Moredo, was it your agreement that she will just post as your dummy?

A

When we have an agreement with Moredo, she will help us alleviate (sic) in our financial situation using the title of our property.

Q

So it would appear that Moredo would only be your dummy. She will apply for a loan using your property?

A

Yes

Q

Now, Moredo being your dummy you entered into a simulated contract of Deed of Sale in order to make it appear that Moredo has a property to (sic) collateral in the loan application?

A

Yes.

xxx

ATTY POLISTICO

In the process of getting a loan from a bank with Moredo as your dummy, you voluntary surrender (sic) your own owner's duplicate to Moredo. Am I correct?

A

Based on the simulated (sic) that we have signed, we surrendered to her our title

Q

Yes, yes. In order that Moredo-so that it would appear that Moredo had a property so that her application will be more or less be granted?

A

We did not expect that Moredo will do that because she promised just to keep the title

Q

Because of the simulated Deed of Sale which you voluntary (sic) entered with defendant Moredo, and likewise, you surrendered your owner's duplicate title, the title to your property was transferred in the name of defendant Moredo, am I correct?

A

Yes, sir.

Concerning plaintiff Marcelino Rosario's version, while the Answer of co-defendant Moredo suggested regularity

in the transaction for the sale of the property, she did not bother to present evidence to refute what the plaintiff spouses declared insofar as the angle of the simulated sale. As such, We were constrained to apply the net effect of an effective discharge of onus probandi from the proponent of the issue, to the peril of the adverse party.[44]

As it had been well-established that the Deed of Sale was simulated and, therefore void, it produced no legal effects and did not alter the juridical situation of the parties. *Ocejo v. Flores*, ruled that “a contract of purchase and sale is null and void and produces no effect whatsoever where it appears that [the] same is without cause or consideration which should have been the motive thereof, or the purchase price which appears thereon as paid but which in fact has never been paid by the purchaser to the vendor.”[45]

But what about the effect of the scheme insofar as the bank is concerned when juxtaposed with the concept of a mortgagee in good faith?

In *Cavite Devt. Bank v. Spouses Lim*, the Court explained the doctrine of mortgagee in good faith, thusly:[46]

There is, however, a situation where, despite the fact that the mortgagor is not the owner of the mortgaged property, his title being fraudulent, the mortgage contract and any foreclosure sale arising there from are given effect by reason of public policy. This is the doctrine of “the mortgagee in good faith” based on the rule that all persons dealing with property covered by the Torrens Certificates of Title, as buyers or mortgagees, are not required to go beyond what appears on the face of the title. The public interest in upholding the indefeasibility of a certificate of title, as evidence of lawful ownership of the land or of any encumbrance thereon, protects a buyer or mortgagee who, in good faith, relied upon what appears on the face of the certificate of title.

Appellee Equitable Savings Bank, however, was not an ordinary mortgagee; it was the mortgagee-bank. As such, unlike private individuals, it was expected to exercise greater care and prudence in its dealings, including those involving registered lands. A banking institution is expected to exercise due diligence before entering into a mortgage contract. The ascertainment of the status or condition of a property offered to it as security for a loan must be a standard and indispensable part of its operations.[47] In *Rural Bank of Compostela v. Court of Appeals, et al.*,[48] the Supreme Court declared in no uncertain terms that:

Banks, indeed, should exercise more care and prudence in dealing even with registered lands, than private individuals, for their business is one affected with public interest, keeping in trust money belonging to their depositors, which they should guard against loss by not committing any act of negligence which amounts to lack of good faith by which they would be denied the protective mantle of the land registration statute, Act [No.] 496, extended only to purchasers for value and in good faith, as well as to mortgagees of the same character and description.

Was defendant Equitable a mortgagee in good faith?

As previously underscored, Marcelino Rosario himself confirmed that he voluntarily surrendered the owner's duplicate certificate of title covering the subject realty in favor defendant Moredo,[49] who, later obtained a Transfer Certificate of Title to her name,[50] which was, in turn, relied upon by the defendant bank at the time of the mortgage.[51] It has been repeatedly ruled that where the real property involved is covered by a Torrens title, the buyer, mortgagee, or, for that matter, any person dealing with said realty need not go beyond what appears on the face of the title.[52]

In any case, appellee-bank did not solely rely on the title covering the subject property mortgaged to it. Instead, it likewise conducted title verification and sent its appraiser and field credit investigator to inspect and confirm that co-appellee and Moredo was the registered owner of the subject property and was in actual possession thereof. Equitable Savings Bank's appraiser, Roy Garcia confirmed such facts:[53]

ATTY. POLISTICO

Now in relation to my present question, you mentioned that there was a title verification over this property. Now, I'm showing you a copy of a title verification signed by one Roy Garcia. Can you please go over the same and confirm that, that is a copy of title verification?

ROY GARCIA

Yes, sir.

Q

Now it appears here in the title verification- now, as per your title verification, as per Register of Deeds of Makati City, can you please tell us who was the registered owner of that property?

A

According to the title given to us and the file of the Register of Deeds, they were both registered in the name of Ofelia Moredo, sir.[54]

xxx xxx xxx

ATTY. POLISTICO

And the Appraisal Report states here that there is a date of inspection stating therein that the date is November 9, 2006. Now, my question is do you confirm having physically examined the property on November 9, 2006?

ROY GARCIA

Yes, sir.

Q

Now, in particular, can you tell us what time was it when you arrived at the property for you to inspect the same?

A

I arrived there, sir, about 11 in the morning.

Q

Now, there are pictures here, there are scanned pictures here and we would like to show them to you for you to identify the same. Can you please tell us what is the relation of those pictures in connection with the inspection that you conducted.

A

These are the pictures of the property that I inspected, sir.

xxx

Q

Now, at the front page of the property, there is a gate, Mr. Witness. Now, can you please tell us did the defendant in this case, Ofelia Moredo, meet you at the gate at the time when you conducted your property investigation?

A

Yes, sir.

Q

Thank you. And likewise, did Ofelia Moredo in this case usher you inside after you met her at the gate?

A

Yes, sir.

Q

Now, at the ground floor of the property, can you please tell us who accompanied you while you were taking pictures at the ground floor?

A

Yes, sir, it was Ofelia Moredo who assisted me.

ATTY POLISTICO

Now, Mr witness, there are pictures appearing here, which states that it's the second floor of the property. Now, I would like to know, was it Ofelia Moredo who guided you around the second floor for you to inspect and take pictures over the property?

A

Yes, sir.

Q

Thank you. Now, likewise, at the roof deck of the property, was it likewise Ofelia Moredo who guided you at the roof deck for you to inspect the same and take pictures?

A

Yes, sir.

Q

Now, in all these floors, from ground floor to the roof deck, was there anybody who opposed your presence in inspecting and taking pictures of the property?

A

None, sir.

Q

Now, I'd like you to go over Exhibit "7-F", that is the same picture wherein you identified Ofelia Moredo. Now, there is a woman sitting down also included in the picture, now, were you able to ask what was that woman's relation to Ofelia Moredo who was also present?

A

Yes sir.

Q

And can you please tell us what was the relation?

A

What she told me, sir, was that (sic) her relative

Q

And did you ask that question at the presence and at the hearing distance of this woman who appears to be sitting down?

A

Yes, sir.

Q

Now, during the process of appraisal, was there anything suspicious suggesting that Ofelia Moredo was not the real owner and possessor of the property sought to inspected.

A

No suspicion, sir.[55]

Credit investigator Raymund Basilio also testified that he conducted an inspection of the subject realty:[56]

ATTY BARCELONA

And what did you do next, if any after the account was assigned to you on November 21, 2006?

RAYMOND BASILIO

Sir, the following day I made an unannounced or surprised visit to the subject residence

xxx xxx xxx

Q

And what in particular did you do upon arriving at the place?

A

Sir, at the gate of the house, I entered at the vicinity and I introduced myself as a Credit Investigator, of the bank.

Q

Upon arriving at the place, what (sic) happened?

A

Upon arrival at said place, a woman came out from said house and introduced herself as Ofelia Moredo.

Q

When you have met Ofelia Moredo, what happened, next, if any?

A

I was made to enter the house and we talked inside the house.

Q

When you were already inside the house, were there other persons inside the house?

A

There are two women observing and just looking at us while we were talking.

Q

How far were these two women from you and from Ofelia Moredo?

A

About three (3) or four (4) meters away from hearing distance and they know me as an employee of Equitable PCI

Q

Why do you say that they know you as an employee of Equitable PCI Bank?

A

Sir, I was wearing my company ID and I also introduced myself to Ofelia Moredo

Q

What did you discuss with Ms. Moredo?

A

Sir, I gathered personal details with the client

Q

What specific information did you gather?

A

Sir, I confirm her residency and personal details including her business interest.

Q

What was the result of your investigation with defendant Moredo, what did you establish?

A

I was about to confirm that she is the owner of the property.

xxx

Having sufficiently established that it exercised due diligence in ascertaining the validity of co-defendant Moredo's title over the subject property, We are convinced that the court a quo did not err in holding that defendant bank was a mortgagee in good faith.

WHEREFORE, premises considered, the assailed July 7, 2010 Decision of the Regional Trial Court (RTC), Branch 148 of Makati City, in Civil Case No. 07-123 is hereby **AFFIRMED** in toto.

SO ORDERED.

Reyes, Jr., J. C, Chairperson, and Acosta, F. P., JJ., concur.

[1] See Notice of Appeal dated August 5, 2010, Rollo, page 44; See Order dated August 5, 2010, Rollo, page 46.

[2] See Decision dated July 7, 2010, Rollo, pp. 42-43.

[3] TSN, January 14, 2008, page 9.

[4] Id., pp. 10-11.

[5] Id., page 11.

- [6] Id., pp. 12-14; See also Appellants' Brief, Rollo, page 65.
- [7] TSN, January 14, 2008, pp. 19-21; also TSN March 26, 2008, pp. 12-14. See Appellants' Brief, Rollo, page 65.
- [8] Record, page 1.
- [9] Id., pp. 42-50.
- [10] Id., pp. 50-52.
- [11] Id., pp. 51-52.
- [12] Record, pp. 106-108.
- [13] See Pre-trial Order dated November 12, 2007, Record, pp. 130-132; See Order dated December 19, 2007, Record, page 170.
- [14] TSN, January 14, 2008, page 13.
- [15] Id., pp. 21-24.
- [16] Id., pp. 30-34.
- [17] TSN, January 14, 2008, pp. 27-28.
- [18] TSN, November 17, 2008, page 12,
- [19] Id., pp. 12-14.
- [20] Id., pp. 14-15.
- [21] Id., page 17.
- [22] TSN, November 17, 2008, page 16.
- [23] TSN, December 17, 2008, page 6.
- [24] TSN, February 9, 2009. pp. 4-6.
- [25] Id., pp. 15, 21-22.
- [26] Id., page 21.
- [27] TSN July 20, 2009, page 5.
- [28] Id., page 7.
- [29] Id., page 8.
- [30] Id., pp. 21-22.
- [31] Id., pp. 24-26.
- [32] Id., pp. 26-28.
- [33] Id., pp 9-20.
- [34] Id., pp. 28-32.

- [35] TSN, December 16, 2009, page 10; TSN, February 17, 2010, pp. 3-10; TSN, February 17, 2010, pp 10-11
- [36] See Decision, Rollo, page 33.
- [37] See Decision dated July 7, 2010, Rollo pp. 42-43.
- [38] See Defendants-Appellants' Brief, Rollo, pp. 65-67.
- [39] See Order dated July 7, 2010, pp. 34-35.
- [40] See Deed of Sale, Exhibit "6", Record, page 624.
- [41] See Certificate Authorizing Registration, page 459.
- [42] See Deed of Sale Exhibit "6", Record, page 624.
- [43] TSN, February 20, 2008, pp. 13-17.
- [44] Peralta, Jr., Perspectives of Evidence, 2005 edition, page 535.
- [45] Cruz et al. v. Bancom Finance Corp, G.R. No. 147788, March 19, 2002 citing Ocejo v. Flores 40 Phil 921, March 16, 1920.
- [46] Bank of Commerce v. Sps. San Pablo, G.R. No. 167848, April 27, 2007 citing Cavite Devt. Bank v. Sps. Lim, 381 Phil. 355, 368 (2000) as cited in Ereña v. Querrer-Kauffman, G.R. No. 165853, 22 June 2006, 492 SCRA 298, 319.
- [47] Bank of Commerce v. Sps. San Pablo, G.R. No. 167848, April 27, 2007, citing Cruz v. Bancom Finance Corp. 429 Phil. 225, 239 (2002).
- [48] G.R. No. 122801, April 8, 1997.
- [49] TSN, February 20, 2008, page 17.
- [50] See transfer Certificate of Title No 222975 in the name of Ofelia Moredo, Record, page 616.
- [51] See Real Estate Mortgage dated December 14, 2006, Exhibit "12", Record, page 642.
- [52] Clemente et al. v. Razo et al., G.R. No. 151245, March 04, 2005.
- [53] TSN, February 9, 2009, pp 20-21; See also Title Verification by Roy Garcia, Exhibit "8", Record, page 629.
- [54] TSN, February 9, 2009, pp. 20-21.
- [55] TSN, February 9, 2009, pp. 15-20; See also Exhibits 7 to 7-C, 7-D, 7-E, 7-F-7-F-1. 7-G, 7-H and 7-I, 7-J, 7-K, 7-L, 7-M, Record, pp. 625-628.
- [56] TSN, December 16, 2009, pp. 5-8; See also Credit Investigation Report dated November 22, 2006, Exhibits "29", "29-A" to "29-C", "29-D-1 to 29-D-4", Record, pp. 706-709.

ABOUT BATAS.ORG

Study smarter at BATAS.org

The Philippine bar review and law-school companion built around how your brain actually remembers.

The complete Philippine law library - free for everyone.

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

Audio case-brief lectures.

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

Bar review built on the science of memory.

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

The full law-school curriculum.

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

Mock exams that tell you where you stand.

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

A study planner that keeps you on pace.

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

Start free at <https://batas.org>

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.