

**DENNIS L. BALAJADIA, FOR HIMSELF AND AS THE
ATTORNEY-IN-FACT OF MELODY B. BUGARIN, APPELLANT, V.
LOVEGRAM LENDING INVESTORS, INC., MUNICIPAL TRIAL COURT
IN CITIES, BRANCH 2, CAB...**

Ponente: TOLENTINO, A.G., J.

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TOLENTINO, A.G., J.:

This is an appeal under Rule 41 of the Revised Rules of Court seeking to annul and set aside the decision[1] dated August 15, 2013 of the Regional Trial Court (RTC) of Cabanatuan City, Branch 86.

The antecedents of this case are as follows:

Spouses Sinforoso Esguerra and Carmencita Pacheco together with Benita Peralta obtained a loan from the appellee Lovegram Lending Investors, Inc. in the amount of Fifty Seven Thousand Five Hundred Pesos (P57,500.00). For failure to pay the said loan despite repeated demands, the appellee filed an action[2] for collection of sum of money with a prayer for the issuance of a writ of preliminary attachment against the said spouses and Peralta with the Municipal Trial Court in Cities (MTCC) of Cabanatuan City, Branch 2 which ruled in favor of the appellee in a decision[3] dated March 10, 2004. A writ of preliminary attachment was issued. The parcel of land covered by Transfer Certificate of Title (TCT) No. NT-216249[4] registered in the name of spouses Sinforoso Esguerra and Carmencita Pacheco was attached and a notice of attachment was registered with the Registry of Deeds and the same was annotated on the said title.[5] A writ of execution was subsequently issued by the MTCC of Cabanatuan City, Branch 2.

Meanwhile, despite the annotation of the notice of attachment on the title, TCT No. NT-216249 in the name of spouses Sinforoso Esguerra and Carmencita Pacheco was cancelled and a new title (TCT No. NT-294929[6]) in the name of the appellant Melody Bugarin was issued by reason of sale. However, the said notice was still annotated in TCT No. NT-294929. Since the said property is subject to the writ of preliminary attachment, it was sold at public auction to satisfy the writ of execution issued by the MTCC of Cabanatuan City. Since the appellee was the highest bidder, a certificate of sale[7] dated March 30, 2005 was issued in its favor. Consequently, TCT No. NT-294929 in the name of appellant Melody Bugarin was cancelled and a new title (TCT No. NT-319769[8]) was issued by the Registry of Deeds of Nueva Ecija in the name of appellee Lovegram Lending Investors, Inc.

On May 18, 2010, a petition for annulment of judgment was filed by the appellant against the appellee with the Regional Trial Court (RTC) of Cabanatuan City, Branch 86 which rendered a judgment in favor of the appellee in a decision[9] dated August 15, 2013. The dispositive portion of the decision reads:

“WHEREFORE, in the light of the foregoing, the instant petition is hereby DISMISSED.

SO ORDERED.”[10]

Hence, this appeal.

The issue in this case is whether or not the RTC committed serious error in not holding that the decision of the MTCC of Cabanatuan City, Branch 2 is null and void for lack of jurisdiction over the person of the appellee for failure to submit any board resolution authorizing Jeffrey de Guzman to file an action for collection of sum of money with a prayer for the issuance of a writ of preliminary attachment against the spouses Sinforoso Esguerra and Carmencita Pacheco and Benita Peralta.

THE APPEAL IS BEREFT OF MERIT.

The appellant contended that there is no showing of any board resolution authorizing Jeffrey de Guzman to file an action for collection of sum of money with a prayer for the issuance of a writ of preliminary attachment with the MTCC of Cabanatuan City, Branch 2. Since there was no authority attached to the said complaint, MTCC acquires no jurisdiction over the person of the appellee. Thus, the decision and any other orders arising therefrom which were rendered by the MTCC of Cabanatuan City are void for lack of jurisdiction.

On the other hand, the appellee maintained that Jeffrey De Guzman is its duly authorized representative. Since there was no answer in the complaint for collection of sum of money, all allegations in the complaint are deemed admitted whereby the MTCC of Cabanatuan City based its judgment which became final and executory.

A corporation, being a juridical person, exercises its powers through its board of directors and/or its duly authorized officers and agents.[11] Its physical acts, like the signing of documents, can be performed only by natural persons duly authorized for the purpose by corporate by-laws or by a specific act of the board of directors. Thus, its power to sue and be sued in any court is lodged with the board of directors that exercises its corporate powers.[12]

In this case, the records show that when the complaint for collection of sum of money was filed by the appellee, there was no board resolution attached in the complaint authorizing Jeffrey De Guzman to represent the appellee. While the authority of Jeffrey De Guzman in filing the said complaint was not supported by any board resolution, however, in filing its answer in the petition for annulment filed by the appellant, the appellee was able to submit a secretary's certificate showing the authority of Jeffrey De Guzman as its duly authorized representative in this case.

It is not the first time when this Court relaxed the prescribed procedural requirements in filing a pleading. There were several instances jurisprudence gave due course to the petition even if there were non-compliance of the requirements so long as the case is meritorious. When jurisprudence excused the non-compliance with the requirements, it is with more reason in the case at bar because the appellee did submit although belated, a secretary's certificate to show proof that the signatory was authorized to do so.[13] It has been held in a long line of cases that the subsequent submission of proof of authority to act on behalf of the appellee justifies the relaxation of the rules.[14]

There was even a case when this Court dismissed a petition for failure to attach any board resolution or certification by the corporate secretary showing that the person who had signed the certification of non-forum shopping was duly authorized to represent the corporation in the case. However, in the motion for reconsideration, the corporation attached a board resolution stating that the signatory of the certification had been duly authorized to do so. The Supreme Court upheld the ruling of the Court of Appeals that there was indeed a substantial compliance of the requirements when a board resolution was submitted when a motion for reconsideration was filed.[15]

In the instant case, there is no showing that there was an attempt on the part of the appellee to ignore the prescribed procedural requirement except that the complaint was not accompanied by a board resolution or a

secretary's certificate showing that Jeffrey De Guzman who signed the certification in the complaint, was duly authorized by the appellee to represent it in the case. Since the decision of the MTCC was rendered in favor of the appellee and without questioning the authority of Jefferey De Guzman as an authorized representative of the appellee, and the said decision became final and executory, the submission by the appellee of the secretary's certificate at the time when the petition for annulment of judgment was filed, constituted substantial compliance with the prescribed procedural requirements. In filing an answer to the petition for annulment of judgment, the appellee maintained Jeffrey De Guzman as its authorized representative. This merely shows that indeed Jeffrey De Guzman was its authorized representative in filing the complaint for collection of sum of money with the MTCC. Rules of procedure are but tools designed to facilitate, not obstruct, the attainment of justice.[16]

It is undisputed that the writ of attachment was annotated at the back of TCT No. NT-216249 in the name of spouses Sinforoso Esguerra and Carmencita Pacheco and the said writ was still annotated at the back of TCT No. NT-294929 in the name of the appellant Melody Bugarin. This merely shows that the appellant was aware of the said annotation, and the said property was sold at public auction without intervening the proceedings until the title of the same was transferred in the name of the appellee. The appellant suffered the consequences of her inaction while the attachment proceedings were still in MTCC of Cabanatuan City.

All told, the RTC did not err in finding for the appellee and in upholding the decision of the MTCC of Cabanatuan City.

WHEREFORE, premises considered, the appeal is DISMISSED for utter lack of merit. The decision dated August 15, 2013 of the Regional Trial Court (RTC) of Cabanatuan City, Branch 86 is AFFIRMED.

SO ORDERED.

Sorongon[*] and Corales,**] JJ., concur.

[*] Vice Justice Ricardo R. Rosario, per Raffle conducted on May 20, 2014.

**] Vice Justice Leoncia R. Dimagiba, per Raffle conducted on May 20, 2014.

[1] Rollo, pp. 10-15.

[2] Rollo, pp. 54-59.

[3] *ibid.*, p. 68.

[4] *ibid.*, pp. 95-98.

[5] *ibid.*, p. 96.

[6] *ibid.*, pp. 99-102.

[7] *ibid.*, p. 75.

[8] *ibid.*, pp. 103-104.

[9] Rollo, pp. 10-15.

[10] *ibid.*, p. 15.

[11] LDP Marketing Inc. vs. Monter, G.R. No. 159653, January 25, 2006.

[12] Pascual and Santos, Inc. vs. Members of Tramo Wakas Neighborhood Assn., Inc., G.R. No. 144880,

November 17, 2004.

[13] Vicar International Construction, Inc. vs. FEB Leasing and Finance Corporation, G.R. No. 157195, April 22, 2005.

[14] *ibid.*

[15] General Milling Corporation v. NLRC, 394 SCRA 207, December 17, 2002

[16] Vicar International Construction, Inc. vs. FEB Leasing and Finance Corporation, G.R. No. 157195, April 22, 2005.

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