

BINARY SYSTEMS HOLDINGS, INC., PLAINTIFF-APPELLANT, VS. KEPPEL BANK PHILIPPINES, INC., THE REGISTER OF DEEDS OF MAKATI, ROWENA WILWAYCO, EARL M. REYNOLDS, GAUTTIER T. DUPAYA, CR...

Ponente: GARCIA-FERNANDEZ, J.

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GARCIA-FERNANDEZ, J.:

This is an appeal by plaintiff-appellant from the decision of the Regional Trial Court of Makati City, Br. 143[1] on August 20, 2010 which dismissed the complaint in Civil Case no. 01-1428.

The facts based on the record are as follows:

On March 31, 1999, Portal, Inc., represented by Benedicto A. Litonjua and Patrick A. Litonjua, entered into a loan agreement[2] with defendant-appellee Keppel Bank Philippines, Inc. (Keppel), as evidenced by a promissory note[3]. The principal loan was Twelve Million Pesos (Php12,000,000.00), due on March 31, 2006 and payable by installment. The loan was secured by a real estate mortgage[4] between Binary Systems Holdings, Inc., represented by Patrick A. Litonjua and/or David C. Bernabe as mortgagors and Keppel as mortgagee covering two condominium units registered under Condominium Certificates of Title Nos. 34327[5] and 51890[6].

Portal, Inc. failed to pay the installment due despite demand[7]; thus Keppel foreclosed the subject properties extrajudicially, with Keppel emerging as the winning bidder during the public auction on November 15, 2000, as evidenced by a certificate of sale[8]. Neither plaintiff-appellant nor Portal, Inc. were able to redeem the properties, hence Keppel consolidated[9] the titles in its name. Subsequently, the titles registered under plaintiff-appellant's name were cancelled and CCT Nos. 77331[10] and 77332[11] were issued under Keppel's name.

On March 9, 2001, Keppel filed a petition (re: issuance of writ of possession)[12] docketed as LRC Case No. M-4139 with the Regional Trial Court of Makati, Br. 134 (RTC). Said court granted the petition and ordered the issuance of a writ of possession in Keppel's favor in the resolution dated May 8, 2001[13]. Plaintiff-appellant moved[14] to reconsider its resolution, but the motion for reconsideration was denied by the RTC in the order dated August 30, 2001[15].

On September 24, 2001 plaintiff-appellant filed a complaint for annulment of extrajudicial sale plus damages with prayer for issuance of temporary restraining order and preliminary injunction against pending sale of property[16] against Keppel and the Register of Deeds of Makati, alleging that: Keppel foreclosed the properties without demand; that publication of the notice of sale was not complied with because the newspaper used, "The Aficionado," is not a newspaper of general circulation; that no notice of sale was sent to plaintiff-appellant's principal office at Mandaluyong City; that Keppel consolidated its title over the properties notwithstanding its agreement with Portal that the redemption period will be until November 27, 2001; and that the General Banking Act is unconstitutional since said law shortens the right of redemption given to juridical persons from one year to three months, thus impairing its right under the real estate mortgage. In its amended complaint[17], plaintiff-appellants alleged that Attys. Gauttier Dupaya and Rowena Wilwayco were in bad faith for conducting

the foreclosure of the mortgage and consolidation of the titles in Keppel's name.

The RTC issued a temporary restraining order in favor of plaintiff-appellant and set the hearing for the issuance a writ of preliminary injunction[18]. After hearing and on November 5, 2001, the RTC denied plaintiff-appellant's prayer for the issuance of a writ of preliminary injunction[19].

Keppel moved to dismiss the complaint[20] and filed a manifestation and supplemental motion to dismiss[21] and with motion to cite plaintiff's president, Antonio K. Litonjua and his counsel, Salvador T. Reyes, in contempt of court. The motions were denied by the RTC in an order dated February 8, 2002[22] for lack of merit.

In their answer[23], defendants-appellees claim that Keppel complied with the procedural and substantive requirements for foreclosure of the real estate mortgage; that there is no need to issue a demand letter considering that the promissory note and real estate mortgage provides that "(p)resentment, demand, notice of dishonor, protest or notice of any kind are hereby waived" and the promissory note includes an acceleration clause that would make the entire debt due and demandable without need of demand should Portal, Inc. default in its payment; that Keppel complied with the publication requirements under Act No. 3135 because "Aficionado" is a newspaper of general circulation, as evidenced by a certification[24] from the Office of the Clerk of Court and Ex-officio Sheriff who certified that "Aficionado" is a newspaper of general circulation and has been accredited by the Executive Judge to participate in the raffle of legal and judicial notices every Friday of the week. Defendants-appellees contend that Keppel acted in good faith in dealing with the plaintiff-appellant considering that it has agreed to postpone the public auction several times in view of plaintiff-appellant's proposal to settle the loan[25]; that Keppel has the right to consolidate its ownership over the properties because plaintiff-appellant failed to redeem with the period provided under the General Banking Act of 2000, as certified by the Office of the Clerk of Court and Ex-officio Sheriff[26]; and that plaintiff-appellant cannot question the constitutionality of the General Banking Act of 2000 because the Supreme Court itself has already recognized the validity and constitutionality of said law.

On August 20, 2010, the RTC rendered the decision[27] in favor of defendants-appellees holding that:

"After a careful study of the parties' opposing contentions, the Court rules that plaintiff failed to discharge its burden of establishing its case by preponderance of evidence.

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The plaintiff's evidence shows that defendants' demand letter for the payment of the subject obligation was not sent to its address as stated in the Mortgage Agreement which is at No. 370 Aglipay Street, Mandaluyong City. Despite this, however, plaintiff cannot validly disclaim want of notice prior to the foreclosure proceedings due to the following observations:

Plaintiff as can be readily seen from the Mortgage Agreement was assisted and represented during the taking of the loan by its President Patrick Litonjua, who was then a resident of No. 222 of Atrium Building of Makati City. This address, incidentally, also appears as the same address where one of the mortgaged properties, a condominium unit under Certificate of Title No. 34327 was situated. The demand letter dated 20 July 1999 was likewise addressed and appears to have been received by Benedict Litonjua, the President of Portal, Inc., the sister company of plaintiff, which held office at 222 The Atrium of Makati Building, Makati Avenue, Makati City. Also, the same Patrick Litonjua who appears to have signed for Portal, Inc. in his capacity as an officer of the same corporation occupying then the position of "VP Finance." Thus, considering this appearance of interlocking set of officers between plaintiff and its sister corporation Portal, Inc., there is enough factual basis for the conclusion that plaintiff actually received the notice intended for it and its subsequent protestations of having been deprived of due process were merely feigned to avoid the effects of its clear default.

In any event, even if the Court is to indulge plaintiff's submission on the alleged lack of notice to it prior to the foreclosure of the subject properties, the effect of this deficiency is overridden If not negated by the express agreement of the parties as appearing in the Promissory Note, particularly paragraphs 6 and 10 thereof which reads, viz:

"6. In the event that this Note or any instalment or interest payable under this Note is not paid when due or when this Note is declared in default of the cases enumerated in paragraph hereof, the undersigned, without need of demand, shall pay the CREDITOR penalty equivalent to three percent per month of the amount due and unpaid or the whole sum remaining unpaid and declared due and demandable computed from the due date or date fully paid, in addition to interests and other charges.

10. Presentment, demand, notice of dishonor, protest or notice of any kind are hereby waived. In case of judicial execution of this Note, the undersigned xxx their rights under Rule 39, Section 13 of the Rules of Court."

Also, it was stipulation of the parties as appearing in the Mortgage Agreement that:

"12. FORECLOSURE. Upon default of the MORTGAGOR/BORROWER as provided under paragraph 2 of this Agreement, the CREDITOR may immediately foreclose the mortgaged property either judicially under Rules of Court or extrajudicially under Act No. 3135, as amended, or under any applicable law, as the case may be. The MORTGAGOR/BORROWER shall, upon demand by the CREDITOR, turn over possession of the mortgaged property to the CREDITOR.

For the purpose of extrajudicial foreclosure, the MORTGAGOR/BORROWER hereby appoints the CREDITOR as its attorney-in-fact, with full power of substitution, to sell the mortgaged property or any portion thereof, in accordance with Act No. 3135, as amended, or under any applicable law as the case may be, to itself or other persons and other such terms or conditions the CREDITOR may deem fit and to sign all documents and perform any act requisite or necessary to accomplish said purpose.

In case of judicial foreclosure, the CREDITOR shall be entitled as of right, and the MORTGAGOR hereby consent, to the appointment of the CREDITOR, or any of its officers, or assigns, as receivers, without bond, to take charge of the mortgaged property and to hold possession of the same and of the reserves, earnings, rents, profits and other income thereof, with such powers as the court(s) making such appointment shall confer and to purchase the mortgaged property or any part thereof.

In addition to the remedies herein stipulated, the CREDITOR is hereby appointed attorney-in-fact of the MORTGAGOR/BORROWER, full owner of substitution to enter into and take actual possession of the mortgaged property without the necessity of an order of any court or any authority other than that herein granted; to lease the same for such rent as it may consider satisfactory; to collect rents; to eject tenants; to make repairs thereon for the MORTGAGOR'S account; to execute such contract of lease, sale or other agreements that may deemed convenient for the proper administration of the mortgaged property. The power herein granted shall not be reckoned during the effectivity of this Agreement and all acts that may be executed by the CREDITOR by virtue of said power are hereby deemed ratified."

Thus, from the foregoing, the sending of a notice of foreclosure to the plaintiff would be a surplusage. Plaintiff cannot now justifiable complain that it was deprived of its right to due process by simply claiming that the notice was not sent to its address in Aglipay Street, Mandaluyong City. For aside the clear fact that there was no necessity in doing so, it can be reasonably deduced that plaintiff, based on the communications sent by defendant Keppel to the responsible officers of the former, was in fact aware of the impending foreclosure. Most significantly, personal notice to the debtor-mortgagor in case of extrajudicial foreclosure of real estate mortgage is not required by Act No. 3135 being merely the enforcement of the agreement of the parties to a contract.

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Plaintiff likewise asserts rather strongly that the publication of the auction sale was likewise irregular. To this it

submits that the newspaper *Aficionado* could not be considered as a newspaper of general circulation thus running afoul with the legal provisions on notice prior to a public sale. This, too, unfortunately, is unmeritorious. No less than plaintiff's witness, Perla Soriano who is the Manager of the said publication testified that *Aficionado* was accredited by the Executive Judge of the Makati Regional Trial Court as a newspaper of general circulation which could officially carry notices for publication. Moreover, a careful perusal of the defendant's documentary evidence, particularly Exhibits "9" and "11" debunk plaintiff's claim on this point. The said documents establish clearly the regularity of the foreclosure proceedings and the fact that the notice prior to the auction was carried out in a newspaper of general circulation.

The Court now tackles the perceived unconstitutionality of the application of Section 47 of the General Banking Act of 2000. Plaintiff posits that the passage of the questioned law which prescribes a shorter period for redeeming an encumbered property impairs its vested rights and that there is no justification for defendant bank to apply the same retroactively. This again is devoid of merit.

The attack against the said law is flawed both in substance and procedure. Firstly, it is basic that the presumption is always in favour of validity or constitutionality in the event that a particular law is assailed. That being the case, plaintiff has to clearly demonstrate why the law that it attacks suffers from the vice of invalidity. But aside from merely submitting in the main that its (plaintiff's) vested rights have been impaired by the subject law, it altogether glosses over the fact that the same was enacted largely as a measure to protect the banking industry; the same being unquestionably imbued with public interest. Needless to state, the paramount interest and inconvenience. It is true that statutes are prospective and not retroactive in their operation, they being the formulation of rules for the future and not the past. Hence, the legal maxim *lex de futuro, judex de praeterito* – the law provides for the future, the judge for the past, which is articulated in Article 4 of the Civil Code: "Laws shall have no retroactive effect, unless the contrary is provided." The reason for the rule is the tendency of retroactive legislation to be unjust and oppressive on account of its liability to unsettle vested rights or disturb the legal effects of prior transactions.

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But the General Banking Act of 2000 is a rule that governs the enforcement of existing obligations. Hence, as a procedural device, it may be given retroactive application. Plaintiff's assertion that such retroactivity impairs his vested right as he is allowed a shorter period for the redemption of his property does not persuade. This Court holds that the right to redeem within the one (1) year period as provided for under Act 3135 for juridical persons does not create a contractual right between a mortgagor such as the plaintiff herein and the foreclosing bank. Such right to redeem while could be characterized as a proprietary right should be considered as a mere privilege which can be shortened by the State, as it does under the General Banking Act of 2000, whenever public interest so requires. The operations of the banking industry certainly is imbued with public interests and hence subject to the state's police power. Banks are subject to regulation and control for the public good and in the interest of general welfare. Hence, whatever proprietary right plaintiff may have acquired must necessarily give way to a valid exercise of police power.

Lastly, the alleged personal liability of the individual defendants, Attys. Gauttier Dupaya and Rowena Wilwayco is likewise bereft of factual and legal bases.

A cursory perusal of the documentary bases for the possible liability of the aforesaid lawyers readily show that the latter could not be held liable for damages. It is a horn-book principle that the bedrock of a successful claim for damages is bad faith. The Court for one could not see rhyme or reason in the complaint against defendant Atty. Dupaya. The said defendant, from all indications from the testimonial and documentary evidence submitted by plaintiff, merely performed what was expected of him as counsel for the bank. The complained acts do not at all

constitute abuse or violation of the plaintiff's right. Defendant Atty. Wilwayco for her part likewise does not appear to have been motivated by bad faith in the execution of her questioned Affidavit. The confusion as to the date of redemption if there was any, was sufficiently explained. This much could be seen from the latter's subsequent affidavit detailing the background of what she explains as a typographical error. The Court rues the observation that on the contrary, what comes across is plaintiff's intense efforts to capitalize on what appears to be a clear mistake which has been duly rectified."

Hence this appeal. Plaintiff-appellant assigns to the RTC the following errors:

1. THE TRIAL COURT COMMITTED GRAVE AND REVERSIBLE ERROR IN RENDERING THE ASSAILED DECISION, FINDING THAT THERE WAS A VALID DEMAND FOR PAYMENT OF THE OBLIGATION AND THAT APPELLANTS WERE IN DEFAULT.
2. THE TRIAL COURT COMMITTED GRAVE AND REVERSIBLE ERROR IN RENDERING THE ASSAILED DECISION, FINDING THAT THERE WAS NOTICE OF THE FORECLOSURE SALE AS REQUIRED BY LAW.
3. THE TRIAL COURT COMMITTED GRAVE AND REVERSIBLE ERROR IN RENDERING THE ASSAILED DECISION, CONCLUDING THAT THE GENERAL BANKING LAW WAS PROPERLY APPLIED IN THIS CASE;
4. THE TRIAL COURT COMMITTED GRAVE AND REVERSIBLE ERROR IN RENDERING THE ASSAILED DECISION, FINDING "AFICIONADO" AS A NEWSPAPER WHICH QUALIFIED ALL THE REQUIREMENTS UNDER THE LAW;
5. THE TRIAL COURT COMMITTED GRAVE AND REVERSIBLE ERROR IN RENDERING THE ASSAILED DECISION, FINDING THE APPELLANTS WERE NOT ENTITLED TO DAMAGES.

Anent the first and second errors, plaintiff-appellant claims that the extrajudicial foreclosure of the real estate mortgage is null and void because it did not receive any demand letter or notice of sale from Keppel. In support thereof, plaintiff-appellant avers that the RTC erred in piercing the corporate veil between Portal, Inc. and plaintiff-appellant and in considering its officers as interlocking, thus curing the defect of lack of notice when the demand letter was sent to Portal, Inc.

In its decision, the RTC ruled that notice to plaintiff-appellant was properly complied with considering that there exists an appearance of interlocking set of officers between plaintiff-appellant and Portal, Inc. and the fact that it can be reasonably deduced that plaintiff-appellant, based on communications sent by Keppel to the responsible officers of the former, was in fact aware of the impending foreclosure. This Court agrees.

A perusal of the records show that Keppel sent its letters of demand[28] to pay to Portal Inc.'s given address at Unit 222, The Atrium of Makati Bldg., Makati Avenue, Makati City[29], pursuant to the promissory note which provides:

- " 5. The following events shall be considered events of default on the loan covered by this Note, in which cases, the whole sum remaining unpaid under this Note shall thereupon become immediately due and payable, at option of the CREDITOR, without need of prior notice or demand: a) failure to pay the loan, any installment or interest on due date thereof; xxx
10. Presentment, demand, notice of dishonor, protest or notice of any kind are hereby waived. In case of judicial execution of this Note, the undersigned waive their rights under Rule 39, Section 13 of the Rules of Court; xxx
12. All correspondence relative to this Note, including demand letters, summons, subpoena or notification of

any judicial or extrajudicial actions shall be sent to the DEBTOR at the address that may hereafter be given in writing by the DEBTOR to the CREDITOR and the mere act of sending correspondence by mail or personal delivery to the said address shall be valid and effective notice to the DEBTOR for all legal purposes, and the fact that any communication is not actually received by the DEBTOR or that it has been returned unclaimed to the CREDITOR, or that no person was found at the address given, or that the address is fictitious, or cannot be located, shall not excuse or relieve the DEBTOR from the effect of such notice. Xxx”

Considering that Keppel sent its letters of demand to Portal, Inc. at the latter's stated address[30], it is clear that Keppel has more than complied with its responsibilities under the promissory note. In fact, this Court agrees with the lower court's observation that a demand letter in this case is not even necessary pursuant to provision no. 5 of the promissory note to place Portal, Inc. in default, giving Keppel the right to foreclose the real estate mortgage.

After it has been established that Keppel need not inform plaintiff-appellant about Portal's default pursuant to the terms of the promissory note, the next question to be resolved is whether plaintiff-appellant was informed regarding the impending foreclosure of the real estate mortgage. The Court rules in the affirmative.

Plaintiff-appellant claims that it is entitled to notice under Section 17[31] of the real estate mortgage and that Keppel's failure to notify it in writing renders the foreclosure sale void pursuant to the case of *Grand Farms vs. Court of Appeals*[32] where the High Court has ruled that a foreclosure sale is void if no notice of foreclosure is given to the mortgagor.

The ruling in *Grand Farms* was reiterated in *Metropolitan Bank and Trust Company vs. Wong*[33] where the Supreme Court has held that the foreclosure sale is null and void because Metrobank failed to send a notice of foreclosure to the third-party mortgagor. The Supreme Court had the chance to explain said ruling in *Global Holiday Corporation vs. Metropolitan Bank and Trust Company*[34], to wit:

“Taking from *Wong*, we must interpret Paragraph 14 of the parties' mortgage contract as one having been made for the benefit of the mortgagor, and one which Metrobank knowingly incorporated into the agreement. Having been in the business of banking since 1962 - or for more than forty years now - it certainly had the knowledge, experience and the resources to correct any perceived oversight it was guilty of making in the past with respect to its contracts. Although we do not view Paragraph 14 to be one such oversight; as we have declared in *Wong*, the purpose of said stipulation is benign: to apprise the mortgagor of any action which Metrobank might take on the subject property, thus according him the opportunity to safeguard his rights. We cannot allow Metrobank to disavow its solemn covenant with *Global*, to turn its back on a contract which it prepared on its own, without the intervention of the other party. A party should not, after having its opportunity to enjoy the benefits of an agreement, be allowed to later disown the arrangement when the terms thereof ultimately would prove to operate against its hopeful expectations.

The business of banking is imbued with public interest. It carries with it a fiduciary duty that requires high standards of integrity and performance. Our decision in *Wong* was not a mere declaration of what the law is on a given point; its underlying message is our acknowledgment that banks must play a compassionate role amidst these changing times. That in the wake of huge profits being made from their operations, all that is required is for them to inform the borrower of the impending loss of his property when their covenants require it. This is a valid argument when viewed within the context of the principle that any attempt to vest ownership of the encumbered property in the mortgagee without proper observance of the requirements of law is against public policy.

Paragraph 14 is clear that "all correspondence relative to this mortgage, including demand letters, summonses, subpoenas or notifications of any judicial or extrajudicial actions shall be sent to the mortgagor at the address hereinabove given or at the address that may hereafter be given in writing by (it)." It must be recalled that the principal object of a notice of sale in a foreclosure of mortgage is not so much to notify the mortgagor as to

inform the public generally of the nature and condition of the property to be sold, and of the time, place, and terms of the sale. Notices are given to secure bidders and prevent a sacrifice of the property. Clearly, the statutory requirements of posting and publication are mandated, not for the mortgagor's benefit, but for the public or third persons. Taking this into context, the stipulation in the mortgage agreement requiring notice to the mortgagor of extrajudicial actions to be taken operates as a contractual undertaking for the latter's sole benefit, such that the mortgagee is mandated to strictly abide by the same.

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Thus, we restate: the general rule is that personal notice to the mortgagor in extrajudicial foreclosure proceedings is not necessary, and posting and publication will suffice. Sec. 3 of Act 3135 governing extra-judicial foreclosure of real estate mortgages, as amended by Act 4118, requires only posting of the notice of sale in three public places and the publication of that notice in a newspaper of general circulation. The exception is when the parties stipulate that personal notice is additionally required to be given the mortgagor. Failure to abide by the general rule, or its exception, renders the foreclosure proceedings null and void.” [Emphasis supplied.]

Keeping in mind the spirit behind the Supreme Court's ruling, this Court holds that notice was properly given to plaintiff-appellant because the persons involved in Portal, Inc. and plaintiff-appellant are the same and/or related to one another. Records show that David C. Bernabe, who signed the real estate mortgage as plaintiff-appellant's Corporate Secretary, had been communicating with Keppel as an officer of Portal, Inc. regarding the satisfaction of the loan[35]. Moreover, records reveal that Portal, Inc. was holding offices at plaintiff-appellant's premises and that Patrick Litonjua acted both as representative of Portal, Inc. and as president of plaintiff-appellant when the promissory note and real estate mortgage were executed[36], in addition to the fact that Patrick Litonjua is the son[37] of Antonio Litonjua, plaintiff-appellant's current president. Furthermore, Portal, Inc. and Patrick Litonjua declared their respective addresses at No. 222 of Atrium Building of Makati City, which is owned by plaintiff-appellant and is actually one of the mortgaged properties registered under Certificate of Title No. 34327 was situated.

In view of the foregoing, this Court finds that notice was sufficiently given to plaintiff-appellant because the purpose of said notice, i.e, to apprise the mortgagor of any action which Keppel might take on the subject property, thus according plaintiff-appellant the opportunity to safeguard its rights, has been complied with.

In its third assigned error, plaintiff-appellant claims that the application of the General Banking Act of 2000 impaired its rights under the real mortgage agreement as Section 4738 of said law effectively shortened its period to redeem the properties from one year to three months. The recent case of *Goldenway Merchandising Corporation vs. Equitable PCI Bank*[39] has squarely addressed this issue, to wit:

“Petitioner's contention that Section 47 of R.A. 8791 violates the constitutional proscription against impairment of the obligation of contract has no basis.

The purpose of the non-impairment clause of the Constitution is to safeguard the integrity of contracts against unwarranted interference by the State. As a rule, contracts should not be tampered with by subsequent laws that would change or modify the rights and obligations of the parties. Impairment is anything that diminishes the efficacy of the contract. There is an impairment if a subsequent law changes the terms of a contract between the parties, imposes new conditions, dispenses with those agreed upon or withdraws remedies for the enforcement of the rights of the parties.

Section 47 did not divest juridical person of the right to redeem their foreclosed properties but only modified the time for the exercise of such right by reducing the one-year period originally provided in Act No. 3135. The new redemption period commences from the date of foreclosure sale, and expires upon registration of the

certificate of sale or three months after foreclosure, whichever is earlier. There is likewise no retroactive application of the new redemption period because Section 47 exempts from its operation those properties foreclosed prior to its effectivity and whose owners shall retain their redemption rights under Act No. 3135.”

Anent the fourth assigned error, plaintiff-appellant assails the qualification of Aficionado as a newspaper of general circulation, contending that said newspaper failed to comply with the requirements provided under the law. After review of the evidence on record, this Court affirms the finding of the RTC's finding that Keppel sufficiently established the regularity of the foreclosure proceedings and the fact that the notice prior to the auction was carried out in a newspaper of general circulation. Consequently, plaintiff-appellant is not entitled to damages from the foreclosure of its property since Keppel has complied with the requirements under the law regarding the foreclosure of real mortgage.

WHEREFORE, the appeal is DENIED. The decision dated August 20, 2010 issued by the Regional Trial Court of Makati City, Br. 143 in Civil Case No. 01-1428 is AFFIRMED.

SO ORDERED.

Tijam, N. G., Chairperson, and Lopez, M.V., JJ., concur.

[1] Rollo, pp. 24-33.

[2] Records, p. 419.

[3] Records, pp. 1006.

[4] Records, pp. 1007-1009.

[5] Records, pp. 1010-1011.

[6] Records, pp. 1012-1013.

[7] Records, pp. 420-423.

[8] Records, pp. 1015-1016.

[9] Records, pp. 1017-1020.

[10] Records, pp. 400-401.

[11] Records, pp. 402-403.

[12] Records, pp. 62-65.

[13] Records, pp. 66-67.

[14] Records, pp. 68-71.

[15] Records, pp. 81-83.

[16] Records, pp. 1-11. Plaintiff-appellant amended its complaint on November 27, 2001 while the Keppel's motion to dismiss was pending. See pp. 212-215.

[17] Records, pp. 212-225.

[18] Records, p. 54.

[19] Records, pp. 186-187.

[20] Records, pp. 56-61.

[21] Records, pp. 262-268.

[22] Records, pp. 286-288.

[23] Records, pp. 382-398.

[24] Records, p. 404.

[25] Records, pp. 407-410.

[26] Records, p. 411.

[27] Supra Note 1.

[28] Records, pp. 420-421, 423.

[29] Records, p. 419.

[30] Records, p. 419.

[31] “17. NOTICES AND CORRESPONDENCES. All notices and/or correspondence relative to this Agreement, including but not limited to, demand letters, summons and subpoenas, shall be sent to the MORTGAGOR/BORROWER at the address stated above or at the address that may hereafter be given in writing by the MORTGAGOR/BORROWER to CREDITOR. The mere act of sending any notice or correspondence by mail or by delivery to the aforesaid address shall be valid and effective upon the MORTGAGOR/BORROWER.”

[32] G.R. No. 91779, February 7, 1991.

[33] G.R. No. 120859, June 26, 2001.

[34] G.R. No. 184081, June 19, 2009.

[35] Records, pp. 422-423.

[36] Supra notes 2,3, and 4.

[37] TSN dated November 23, 2006, pp. 63-68.

[38] SECTION 47. Foreclosure of Real Estate Mortgage. — In the event of foreclosure, whether judicially or extrajudicially, of any mortgage on real estate which is security for any loan or other credit accommodation granted, the mortgagor or debtor whose real property has been sold for the full or partial payment of his obligation shall have the right within one year after the sale of the real estate, to redeem the property by paying the amount due under the mortgage deed, with interest thereon at the rate specified in the mortgage, and all the costs and expenses incurred by the bank or institution from the sale and custody of said property less the income derived therefrom. However, the purchaser at the auction sale concerned whether in a judicial or extrajudicial foreclosure shall have the right to enter upon and take possession of such property immediately after the date of the confirmation of the auction sale and administer the same in accordance with law. Any petition in court to enjoin or restrain the conduct of foreclosure proceedings instituted pursuant to this provision shall be given due course only upon the filing by the petitioner of a bond in an amount fixed by the court conditioned that he will pay all the damages which the bank may suffer by the enjoining or the restraint of the foreclosure proceeding.

Notwithstanding Act 3135, juridical persons whose property is being sold pursuant to an extrajudicial foreclosure,

shall have the right to redeem the property in accordance with this provision until, but not after, the registration of the certificate of foreclosure sale with the applicable Register of Deeds which in no case shall be more than three (3) months after foreclosure, whichever is earlier. Owners of property that has been sold in a foreclosure sale prior to the effectivity of this Act shall retain their redemption rights until their expiration.

[39] G.R. No. 195540, March 13, 2013.

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