

BANK OF THE PHILIPPINE ISLANDS, PETITIONER, VS. COURT OF APPEALS AND BENJAMIN C. NAPIZA, RESPONDENTS.

G.R. No. 112392. February 29, 2000

Ponente: YNARES-SANTIAGO, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/g-r-no-112392/>

YNARES-SANTIAGO, J.:

This is a petition for review on certiorari of the Decision[1] of the Court of Appeals in CA-G.R. CV No. 37392 affirming in toto that of the Regional Trial Court of Makati, Branch 139,[2] which dismissed the complaint filed by petitioner Bank of the Philippine Islands against private respondent Benjamin C. Napiza for sum of money.

On September 3, 1987, private respondent deposited in Foreign Currency Deposit Unit (FCDU) Savings Account No. 028-187[3] which he maintained in petitioner bank's Buendia Avenue Extension Branch, Continental Bank Manager's Check No. 00014757[4] dated August 17, 1984, payable to "cash" in the amount of Two Thousand Five Hundred Dollars (\$2,500.00) and duly endorsed by private respondent on its dorsal side.[5] It appears that the check belonged to a certain Henry Chan who went to the office of private respondent and requested him to deposit the check in his dollar account by way of accommodation and for the purpose of clearing the same. Private respondent acceded, and agreed to deliver to Chan a signed blank withdrawal slip, with the understanding that as soon as the check is cleared, both of them would go to the bank to withdraw the amount of the check upon private respondent's presentation to the bank of his passbook.

Using the blank withdrawal slip given by private respondent to Chan, on October 23, 1984, one Ruben Gayon, Jr. was able to withdraw the amount of \$2,541.67 from FCDU Savings Account No. 028-187. Notably, the withdrawal slip shows that the amount was payable to Ramon A. de Guzman and Agnes C. de Guzman and was duly initialed by the branch assistant manager, Teresita Lindo.[6]

On November 20, 1984, petitioner received communication from the Wells Fargo Bank International of New York that the said check deposited by private respondent was a counterfeit check[7] because it was "not of the type or style of checks issued by Continental Bank International." [8] Consequently, Mr. Ariel Reyes, the manager of petitioner's Buendia Avenue Extension Branch, instructed one of its employees, Benjamin D. Napiza IV, who is private respondent's son, to inform his father that the check bounced.[9] Reyes himself sent a telegram to private respondent regarding the dishonor of the check. In turn, private respondent's son wrote to Reyes stating that the check had been assigned "for encashment" to Ramon A. de Guzman and/or Agnes C. de Guzman after it shall have been cleared upon instruction of Chan. He also said that upon learning of the dishonor of the check, his father immediately tried to contact Chan but the latter was out of town.[10]

Private respondent's son undertook to return the amount of \$2,500.00 to petitioner bank. On December 18, 1984, Reyes reminded private respondent of his son's promise and warned that should he fail to return that amount within seven (7) days, the matter would be referred to the bank's lawyers for appropriate action to protect the bank's interest.[11] This was followed by a letter of the bank's lawyer dated April 8, 1985 demanding the return of the \$2,500.00.[12]

In reply, private respondent wrote petitioner's counsel on April 20, 1985[13] stating that he deposited the check "for clearing purposes" only to accommodate Chan. He added:

"Further, please take notice that said check was deposited on September 3, 1984 and withdrawn on October 23, 1984, or a total period of fifty (50) days had elapsed at the time of withdrawal. Also, it may not be amiss to mention here that I merely signed an authority to withdraw said deposit subject to its clearing, the reason why the transaction is not reflected in the passbook of the account. Besides, I did not receive its proceeds as may be gleaned from the withdrawal slip under the captioned signature of recipient.

If at all, my obligation on the transaction is moral in nature, which (sic) I have been and is (sic) still exerting utmost and maximum efforts to collect from Mr. Henry Chan who is directly liable under the circumstances.

xxx xxx xxx."

On August 12, 1986, petitioner filed a complaint against private respondent, praying for the return of the amount of \$2,500.00 or the prevailing peso equivalent plus legal interest from date of demand to date of full payment, a sum equivalent to 20% of the total amount due as attorney's fees, and litigation and/or costs of suit.

Private respondent filed his answer, admitting that he indeed signed a "blank" withdrawal slip with the understanding that the amount deposited would be withdrawn only after the check in question has been cleared. He likewise alleged that he instructed the party to whom he issued the signed blank withdrawal slip to return it to him after the bank draft's clearance so that he could lend that party his passbook for the purpose of withdrawing the amount of \$2,500.00. However, without his knowledge, said party was able to withdraw the amount of \$2,541.67 from his dollar savings account through collusion with one of petitioner's employees. Private respondent added that he had "given the Plaintiff fifty one (51) days with which to clear the bank draft in question." Petitioner should have disallowed the withdrawal because his passbook was not presented. He claimed that petitioner had no one to blame except itself "for being grossly negligent;" in fact, it had allegedly admitted having paid the amount in the check "by mistake" x x x "if not altogether due to collusion and/or bad faith on the part of (its) employees." Charging petitioner with "apparent ignorance of routine bank procedures," by way of counterclaim, private respondent prayed for moral damages of P100,000.00, exemplary damages of P50,000.00 and attorney's fees of 30% of whatever amount that would be awarded to him plus an honorarium of P500.00 per appearance in court.

Private respondent also filed a motion for admission of a third party complaint against Chan. He alleged that "thru strategem and/or manipulation," Chan was able to withdraw the amount of \$2,500.00 even without private respondent's passbook. Thus, private respondent prayed that third party defendant Chan be made to refund to him the amount withdrawn and to pay attorney's fees of P5,000.00 plus P300.00 honorarium per appearance.

Petitioner filed a comment on the motion for leave of court to admit the third party complaint, wherein it asserted that per paragraph 2 of the Rules and Regulations governing BPI savings accounts, private respondent alone was liable "for the value of the credit given on account of the draft or check deposited." It contended that private respondent was estopped from disclaiming liability because he himself authorized the withdrawal of the amount by signing the withdrawal slip. Petitioner prayed for the denial of the said motion so as not to unduly delay the disposition of the main case asserting that private respondent's claim could be ventilated in another case.

Private respondent replied that for the parties to obtain complete relief and to avoid multiplicity of suits, the motion to admit third party complaint should be granted. Meanwhile, the trial court issued orders on August 25, 1987 and October 28, 1987 directing private respondent to actively participate in locating Chan. After private respondent failed to comply, the trial court, on May 18, 1988, dismissed the third party complaint without prejudice.

On November 4, 1991, a decision was rendered dismissing the complaint. The lower court held that petitioner could not hold private respondent liable based on the check's face value alone. To so hold him liable "would render inutile the requirement of 'clearance' from the drawee bank before the value of a particular foreign check or draft can be credited to the account of a depositor making such deposit." The lower court further held that "it was incumbent upon the petitioner to credit the value of the check in question to the account of the private respondent only upon receipt of the notice of final payment and should not have authorized the withdrawal from the latter's account of the value or proceeds of the check." Having admitted that it committed a "mistake" in not waiting for the clearance of the check before authorizing the withdrawal of its value or proceeds, petitioner should suffer the resultant loss.

On appeal, the Court of Appeals affirmed the lower court's decision. The appellate court held that petitioner committed "clear gross negligence" in allowing Ruben Gayon, Jr. to withdraw the money without presenting private respondent's passbook and, before the check was cleared and in crediting the amount indicated therein in private respondent's account. It stressed that the mere deposit of a check in private respondent's account did not mean that the check was already private respondent's property. The check still had to be cleared and its proceeds can only be withdrawn upon presentation of a passbook in accordance with the bank's rules and regulations. Furthermore, petitioner's contention that private respondent warranted the check's genuineness by endorsing it is untenable for it would render useless the clearance requirement. Likewise, the requirement of presentation of a passbook to ascertain the propriety of the accounting reflected would be a meaningless exercise. After all, these requirements are designed to protect the bank from deception or fraud.

The Court of Appeals cited the case of *Roman Catholic Bishop of Malolos, Inc. v. IAC*,^[14] where this Court stated that a personal check is not legal tender or money, and held that the check deposited in this case must be cleared before its value could be properly transferred to private respondent's account.

Without filing a motion for the reconsideration of the Court of Appeals' Decision, petitioner filed this petition for review on certiorari, raising the following issues:

- WHETHER OR NOT RESPONDENT NAPIZA IS LIABLE UNDER HIS WARRANTIES AS A GENERAL INDORSER.
- WHETHER OR NOT A CONTRACT OF AGENCY WAS CREATED BETWEEN RESPONDENT NAPIZA AND RUBEN GAYON.
- WHETHER OR NOT PETITIONER WAS GROSSLY NEGLIGENT IN ALLOWING THE WITHDRAWAL.

Petitioner claims that private respondent, having affixed his signature at the dorsal side of the check, should be liable for the amount stated therein in accordance with the following provision of the Negotiable Instruments Law (Act No. 2031):

"SEC. 66. Liability of general indorser. – Every indorser who indorses without qualification, warrants to all subsequent holders in due course –

- (a) The matters and things mentioned in subdivisions (a), (b), and (c) of the next preceding section; and
- (b) That the instrument is at the time of his indorsement, valid and subsisting.

And, in addition, he engages that on due presentment, it shall be accepted or paid, or both, as the case may be, according to its tenor, and that if it be dishonored, and the necessary proceedings on dishonor be duly taken, he will pay the amount thereof to the holder, or to any subsequent indorser who may be compelled to pay it."

Section 65, on the other hand, provides for the following warranties of a person negotiating an instrument by delivery or by qualified indorsement: (a) that the instrument is genuine and in all respects what it purports to be; (b) that he has a good title to it, and (c) that all prior parties had capacity to contract.[15] In *People v. Maniego*,[16] this Court described the liabilities of an indorser as follows:

"Appellant's contention that as mere indorser, she may not be liable on account of the dishonor of the checks indorsed by her, is likewise untenable. Under the law, the holder or last indorsee of a negotiable instrument has the right 'to enforce payment of the instrument for the full amount thereof against all parties liable thereon.' Among the 'parties liable thereon' is an indorser of the instrument, i.e., 'a person placing his signature upon an instrument otherwise than as a maker, drawer or acceptor * * unless he clearly indicated by appropriate words his intention to be bound in some other capacity.' Such an indorser 'who indorses without qualification,' inter alia 'engages that on due presentment, * * (the instrument) shall be accepted or paid, or both, as the case may be, according to its tenor, and that if it be dishonored, and the necessary proceedings on dishonor be duly taken, he will pay the amount thereof to the holder, or any subsequent indorser who may be compelled to pay it.' Maniego may also be deemed an 'accommodation party' in the light of the facts, i.e., a person 'who has signed the instrument as maker, drawer, acceptor, or indorser, without receiving value therefor, and for the purpose of lending his name to some other person.' As such, she is under the law 'liable on the instrument to a holder for value, notwithstanding such holder at the time of taking the instrument knew * * (her) to be only an accommodation party,' although she has the right, after paying the holder, to obtain reimbursement from the party accommodated, 'since the relation between them is in effect that of principal and surety, the accommodation party being the surety.'

It is thus clear that ordinarily private respondent may be held liable as an indorser of the check or even as an accommodation party.[17] However, to hold private respondent liable for the amount of the check he deposited by the strict application of the law and without considering the attending circumstances in the case would result in an injustice and in the erosion of the public trust in the banking system. The interest of justice thus demands looking into the events that led to the encashment of the check.

Petitioner asserts that by signing the withdrawal slip, private respondent "presented the opportunity for the withdrawal of the amount in question." Petitioner relied "on the genuine signature on the withdrawal slip, the personality of private respondent's son and the lapse of more than fifty (50) days from date of deposit of the Continental Bank draft, without the same being returned yet." [18] We hold, however, that the propriety of the withdrawal should be gauged by compliance with the rules thereon that both petitioner bank and its depositors are duty-bound to observe.

In the passbook that petitioner issued to private respondent, the following rules on withdrawal of deposits appear:

"4. Withdrawals must be made by the depositor personally but in some exceptional circumstances, the Bank may allow withdrawal by another upon the depositor's written authority duly authenticated; and neither a deposit nor a withdrawal will be permitted except upon the presentation of the depositor's savings passbook, in which the amount deposited withdrawn shall be entered only by the Bank.

5. Withdrawals may be made by draft, mail or telegraphic transfer in currency of the account at the request of the depositor in writing on the withdrawal slip or by authenticated cable. Such request must indicate the name of the payee/s, amount and the place where the funds are to be paid. Any stamp, transmission and other charges related to such withdrawals shall be for the account of the depositor and shall be paid by him/her upon demand. Withdrawals may also be made in the form of travellers checks and in pesos. Withdrawals in the form of notes/bills are allowed subject however, to their (availability).

6. Deposits shall not be subject to withdrawal by check, and may be withdrawn only in the manner above provided, upon presentation of the depositor's savings passbook and with the withdrawal form supplied by the

Bank at the counter." [19]

Under these rules, to be able to withdraw from the savings account deposit under the Philippine foreign currency deposit system, two requisites must be presented to petitioner bank by the person withdrawing an amount: (a) a duly filled-up withdrawal slip, and (b) the depositor's passbook. Private respondent admits that he signed a blank withdrawal slip ostensibly in violation of Rule No. 6 requiring that the request for withdrawal must name the payee, the amount to be withdrawn and the place where such withdrawal should be made. That the withdrawal slip was in fact a blank one with only private respondent's two signatures affixed on the proper spaces is buttressed by petitioner's allegation in the instant petition that had private respondent indicated therein the person authorized to receive the money, then Ruben Gayon, Jr. could not have withdrawn any amount. Petitioner contends that "(i)n failing to do so (i.e., naming his authorized agent), he practically authorized any possessor thereof to write any amount and to collect the same." [20]

Such contention would have been valid if not for the fact that the withdrawal slip itself indicates a special instruction that the amount is payable to "Ramon A. de Guzman &/or Agnes C. de Guzman." Such being the case, petitioner's personnel should have been duly warned that Gayon, who was also employed in petitioner's Buendia Ave. Extension branch, [21] was not the proper payee of the proceeds of the check. Otherwise, either Ramon or Agnes de Guzman should have issued another authority to Gayon for such withdrawal. Of course, at the dorsal side of the withdrawal slip is an "authority to withdraw" naming Gayon the person who can withdraw the amount indicated in the check. Private respondent does not deny having signed such authority. However, considering petitioner's clear admission that the withdrawal slip was a blank one except for private respondent's signature, the unavoidable conclusion is that the typewritten name of "Ruben C. Gayon, Jr." was intercalated and thereafter it was signed by Gayon or whoever was allowed by petitioner to withdraw the amount. Under these facts, there could not have been a principal-agent relationship between private respondent and Gayon so as to render the former liable for the amount withdrawn.

Moreover, the withdrawal slip contains a boxed warning that states: "This receipt must be signed and presented with the corresponding foreign currency savings passbook by the depositor in person. For withdrawals thru a representative, depositor should accomplish the authority at the back." The requirement of presentation of the passbook when withdrawing an amount cannot be given mere lip service even though the person making the withdrawal is authorized by the depositor to do so. This is clear from Rule No. 6 set out by petitioner so that, for the protection of the bank's interest and as a reminder to the depositor, the withdrawal shall be entered in the depositor's passbook. The fact that private respondent's passbook was not presented during the withdrawal is evidenced by the entries therein showing that the last transaction that he made with the bank was on September 3, 1984, the date he deposited the controversial check in the amount of \$2,500.00. [22]

In allowing the withdrawal, petitioner likewise overlooked another rule that is printed in the passbook. Thus:

"2. All deposits will be received as current funds and will be repaid in the same manner; provided, however, that deposits of drafts, checks, money orders, etc. will be accepted as subject to collection only and credited to the account only upon receipt of the notice of final payment. Collection charges by the Bank's foreign correspondent in effecting such collection shall be for the account of the depositor. If the account has sufficient balance, the collection shall be debited by the Bank against the account. If, for any reason, the proceeds of the deposited checks, drafts, money orders, etc., cannot be collected or if the Bank is required to return such proceeds, the provisional entry therefor made by the Bank in the savings passbook and its records shall be deemed automatically cancelled regardless of the time that has elapsed, and whether or not the defective items can be returned to the depositor; and the Bank is hereby authorized to execute immediately the necessary corrections, amendments or changes in its record, as well as on the savings passbook at the first opportunity to reflect such cancellation." (Italics supplied.)

As correctly held by the Court of Appeals, in depositing the check in his name, private respondent did not become the outright owner of the amount stated therein. Under the above rule, by depositing the check with petitioner, private respondent was, in a way, merely designating petitioner as the collecting bank. This is in consonance with the rule that a negotiable instrument, such as a check, whether a manager's check or ordinary check, is not legal tender.[23] As such, after receiving the deposit, under its own rules, petitioner shall credit the amount in private respondent's account or infuse value thereon only after the drawee bank shall have paid the amount of the check or the check has been cleared for deposit. Again, this is in accordance with ordinary banking practices and with this Court's pronouncement that "the collecting bank or last endorser generally suffers the loss because it has the duty to ascertain the genuineness of all prior endorsements considering that the act of presenting the check for payment to the drawee is an assertion that the party making the presentment has done its duty to ascertain the genuineness of the endorsements." [24] The rule finds more meaning in this case where the check involved is drawn on a foreign bank and therefore collection is more difficult than when the drawee bank is a local one even though the check in question is a manager's check.[25]

In *Banco Atlantico v. Auditor General*, [26] Banco Atlantico, a commercial bank in Madrid, Spain, paid the amounts represented in three (3) checks to Virginia Boncan, the finance officer of the Philippine Embassy in Madrid. The bank did so without previously clearing the checks with the drawee bank, the Philippine National Bank in New York, on account of the "special treatment" that Boncan received from the personnel of Banco Atlantico's foreign department. The Court held that the encashment of the checks without prior clearance is "contrary to normal or ordinary banking practice specially so where the drawee bank is a foreign bank and the amounts involved were large." Accordingly, the Court approved the Auditor General's denial of Banco Atlantico's claim for payment of the value of the checks that was withdrawn by Boncan.

Said ruling brings to light the fact that the banking business is affected with public interest. By the nature of its functions, a bank is under obligation to treat the accounts of its depositors "with meticulous care, always having in mind the fiduciary nature of their relationship." [27] As such, in dealing with its depositors, a bank should exercise its functions not only with the diligence of a good father of a family but it should do so with the highest degree of care.[28]

In the case at bar, petitioner, in allowing the withdrawal of private respondent's deposit, failed to exercise the diligence of a good father of a family. In total disregard of its own rules, petitioner's personnel negligently handled private respondent's account to petitioner's detriment. As this Court once said on this matter:

"Negligence is the omission to do something which a reasonable man, guided by those considerations which ordinarily regulate the conduct of human affairs, would do, or the doing of something which a prudent and reasonable man would do. The seventy-eight (78)-year-old, yet still relevant, case of *Picart v. Smith*, provides the test by which to determine the existence of negligence in a particular case which may be stated as follows: Did the defendant in doing the alleged negligent act use that reasonable care and caution which an ordinarily prudent person would have used in the same situation? If not, then he is guilty of negligence. The law here in effect adopts the standard supposed to be supplied by the imaginary conduct of the discreet pater-familias of the Roman law. The existence of negligence in a given case is not determined by reference to the personal judgment of the actor in the situation before him. The law considers what would be reckless, blameworthy, or negligent in the man of ordinary intelligence and prudence and determines liability by that." [29]

Petitioner violated its own rules by allowing the withdrawal of an amount that is definitely over and above the aggregate amount of private respondent's dollar deposits that had yet to be cleared. The bank's ledger on private respondent's account shows that before he deposited \$2,500.00, private respondent had a balance of only \$750.00.[30] Upon private respondent's deposit of \$2,500.00 on September 3, 1984, that amount was credited in his ledger as a deposit resulting in the corresponding total balance of \$3,250.00.[31] On September 10, 1984, the

amount of \$600.00 and the additional charges of \$10.00 were indicated therein as withdrawn thereby leaving a balance of \$2,640.00. On September 30, 1984, an interest of \$11.59 was reflected in the ledger and on October 23, 1984, the amount of \$2,541.67 was entered as withdrawn with a balance of \$109.92.[32] On November 19, 1984 the word "hold" was written beside the balance of \$109.92.[33] That must have been the time when Reyes, petitioner's branch manager, was informed unofficially of the fact that the check deposited was a counterfeit, but petitioner's Buendia Ave. Extension Branch received a copy of the communication thereon from Wells Fargo Bank International in New York the following day, November 20, 1984.[34] According to Reyes, Wells Fargo Bank International handled the clearing of checks drawn against U.S. banks that were deposited with petitioner.[35]

From these facts on record, it is at once apparent that petitioner's personnel allowed the withdrawal of an amount bigger than the original deposit of \$750.00 and the value of the check deposited in the amount of \$2,500.00 although they had not yet received notice from the clearing bank in the United States on whether or not the check was funded. Reyes' contention that after the lapse of the 35-day period the amount of a deposited check could be withdrawn even in the absence of a clearance thereon, otherwise it could take a long time before a depositor could make a withdrawal,[36] is untenable. Said practice amounts to a disregard of the clearance requirement of the banking system.

While it is true that private respondent's having signed a blank withdrawal slip set in motion the events that resulted in the withdrawal and encashment of the counterfeit check, the negligence of petitioner's personnel was the proximate cause of the loss that petitioner sustained. Proximate cause, which is determined by a mixed consideration of logic, common sense, policy and precedent, is "that cause, which, in natural and continuous sequence, unbroken by any efficient intervening cause, produces the injury, and without which the result would not have occurred." [37] The proximate cause of the withdrawal and eventual loss of the amount of \$2,500.00 on petitioner's part was its personnel's negligence in allowing such withdrawal in disregard of its own rules and the clearing requirement in the banking system. In so doing, petitioner assumed the risk of incurring a loss on account of a forged or counterfeit foreign check and hence, it should suffer the resulting damage.

WHEREFORE, the petition for review on certiorari is DENIED. The Decision of the Court of Appeals in CA-G.R. CV No. 37392 is AFFIRMED.

SO ORDERED.

Davide, Jr., C.J., (Chairman) C.J., Puno, Kapunan, and Pardo, JJ., concur.

[1] Penned by Associate Justice Jainal D. Rasul and concurred in by Associate Justices Gloria C. Paras and Ramon Mabutas, Jr.

[2] The decision of the RTC was penned by Assisting Judge Jose R. Bautista per Administrative Order No. 109-91 dated October 3, 1991.

[3] Exh. B.

[4] Exh. C.

[5] Exh. C-1.

[6] TSN, September 14, 1989, p. 16.

[7] Exh. E.

[8] Exh. E-1.

[9] Exh. F.

[10] Ibid.

[11] Exh. H.

[12] Exh. I.

[13] Exh. 3.

[14] G.R. No. 72110, 191 SCRA 411 (1990)

[15] Sec. 65, Negotiable Instruments Law.

[16] L-30910, 148 SCRA 30, 35 (1987)

[17] In Town Savings and Loan Bank, Inc. v. Court of Appeals, G.R. No. 106011, 223 SCRA 459 (1993), the Court held that the accommodation parties to a promissory note are liable for the amount of the loan notwithstanding that they were not the actual beneficiaries of such loan as they merely signed the promissory note in order that the party accommodated could be granted the full amount of the loan.

[18] Petition, p. 7.

[19] Exh. G or 1.

[20] Petition, p. 6.

[21] TSN, September 5, 1989, p. 20.

[22] Exh. 2-a.

[23] Philippine Airlines, Inc. v. Court of Appeals, L-49188, 181 SCRA 557, 568 (1990) citing Sec. 189 of the Negotiable Instruments Law; Art. 1249, Civil Code; Bryan Landon Co. v. American Bank, 7 Phil. 255; Tan Sunco v. Santos, 9 Phil. 44 and 21 R.C.L. 60, 61.

[24] Associated Bank v. Court of Appeals, 322 Phil. 677, 699-700 citing Bank of the Philippine Islands v. Court of Appeals, G.R. No. 102383, 216 SCRA 51, 63 (1992), Banco de Oro v. Equitable Banking Corporation, G.R. 74917, 157 SCRA 188 (1988) and Great Eastern Life Insurance Co. v. Hongkong and Shanghai Banking Corporation, 43 Phil. 678.

[25] A manager's check is like a cashier's check which, in the commercial world, is regarded substantially to be as good as the money it represents (Tan v. Court of Appeals, G.R. No. 108555, 239 SCRA 310, 322 (1994))

[26] L-33549, 81 SCRA 335 (1978)

[27] Citytrust Banking Corporation v. Intermediate Appellate Court, G.R. No. 84281, 232 SCRA 559, 564 (1994) citing Simex International (Manila), Inc. v. Court of Appeals, G.R. No. 88013, 183 SCRA 360 (1990)

[28] Philippine Bank of Commerce v. Court of Appeals, 336 Phil. 667, 681 (1997) citing Metropolitan Bank and Trust Company v. Court of Appeals, G.R. No. 112576, 237 SCRA 761, 767 (1994) and Bank of the Philippine Islands v. Court of Appeals, G.R. No. 102383, 216 SCRA 51 (1992)

[29] Ibid., at p. 676.

[30] Exh. A.

[31] Exh. A-1.

[32] Exh. A-2.

[33] Exh. A-3.

[34] Exh. E.

[35] Affidavit of Reyes, p. 3; Record, p. 111.

[36] TSN, September 21, 1989, p. 21.

[37] Philippine Bank of Commerce v. Court of Appeals, *supra*, at p. 679.

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.