

CHINA BANKING CORPORATION, ATTYS. REYNALDO M. CABUSORA AND RENATO C. TAGUIAM, PETITIONERS, VS. COURT OF APPEALS, HON. PEDRO T. SANTIAGO, SPS. SO CHING AND CRISTINA SO, AND NATIV...*G.R. No. 121158. December 05, 1996*

Ponente: FRANCISCO, J.

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China Banking Corporation (China Bank) extended several loans to Native West International Trading Corporation (Native West) and to So Ching, Native West's president. Native West in turn executed promissory notes[1] in favor of China Bank. So Ching, with the marital consent of his wife, Cristina So, additionally executed two mortgages over their properties, viz., a real estate mortgage executed on July 27, 1989 covering a parcel of land situated in Cubao, Quezon City, under TCT No. 277797,[2] and another executed on August 10, 1989 covering a parcel of land located in Mandaluyong, under TCT No. 5363.[3] The promissory notes matured and despite due demands by China Bank neither private respondents Native West nor So Ching paid. Pursuant to a provision embodied in the two mortgage contracts, China Bank filed petitions for the extra-judicial foreclosure of the mortgaged properties before Notary Public Atty. Renato E. Taguiam for TCT No. 277797,[4] and Notary Public Atty. Reynaldo M. Cabusora for TCT No. 5363,[5] copies of which were given to the spouses So Ching and Cristina So. After due notice and publication, the notaries public scheduled the foreclosure sale of the spouses' real estate properties on April 13, 1993. Eight days before the foreclosure sale, however, private respondents filed a complaint [6]with the Regional Trial Court[7]for accounting with damages and with temporary restraining order against petitioners alleging the following causes of action:

"A. Defendants failed to comply with the mandates of Administrative Order No. 3 of the Supreme Court dated October 19, 1984.

"B. Defendants failed to comply with the mandates of Section 2 Presidential Decree No. 1079 dated January 28, 1977.

"C. MORTGAGORS liability limited to P6,500,000.00 and P3,500,000.00 respectively in the Mortgages Annexes A and B respectively, but the same are not included in the notice of foreclosure.

"D. Violation of Truth in Lending Act (RP Act No. 3765).

"E. In all the loans granted by DEFENDANT-BANK to plaintiffs and Borrowers, the Bank charged interests in excess of the rate allowed by the Central Bank.

"F. Violation of Article 1308 of the Civil Code."[8]

On April 7, 1993, the trial court issued a temporary restraining order to enjoin the foreclosure sale. Thereafter counsels for the respective parties agreed to file their pleadings and to submit the case, without further hearing, for resolution. On April 28, 1993, the trial court, without passing upon the material averments of the complaint,

issued an Order granting the private respondents' prayer for the issuance of preliminary injunction with the following proffered justification:

"From the foregoing, it is quite apparent that a question of accounting poses a thorny issue as between the litigants. Variance in the amounts involved relating to the loan agreements must be judiciously passed upon by the Court and this is only possible if a trial on the merits could be had as the matters appurtenant thereto are evidentiary in nature.

"Under the premises, the accounting issue being evidentiary in character calls for an issuance of a writ of preliminary injunction pending the adjudication of the case. The issuance thereof at this particular stage of the case is merely a preventive remedy designed to protect from irreparable injury to property or other rights plaintiff may suffer, which a court of equity may take cognizance of by commanding acts to be done or prohibiting their commission, as in the instant suit, to restrain notaries public Cabusora and Taguam as well as defendant China Banking Corporation from continuing with the auction sale of the subject properties, until further orders from this Court.

"Wherefore, premises considered, finding that the circumstances warrant the issuance of a preliminary injunction, plaintiff's prayer is hereby GRANTED. Consequent thereto, plaintiffs are hereby ordered to post a bond amounting to P1 (ONE) Million to answer for whatever damages defendant may suffer as a consequence of the writ." [9]

Petitioners moved for reconsideration, but it was denied in an Order dated September 23, 1993. To annul the trial court's Orders of April 28, 1993 and September 23, 1993, petitioners elevated the case through certiorari and prohibition[10] before public respondent Court of Appeals.[11] In a decision dated January 17, 1995, respondent Court of Appeals held that Administrative Circular No. 3 is the governing rule in extra-judicial foreclosure of mortgage, which circular petitioners however failed to follow, and with respect to the publication of the notice of the auction sale, the provisions of P.D. No. 1079 is the applicable statute,[12] which decree petitioners similarly failed to obey. Respondent Court of Appeals did not pass upon the other issues and confined its additional lengthy discussion on the validity of the trial court's issuance of the preliminary injunction, finding the same neither capricious nor whimsical exercise of judgment that could amount to grave abuse of discretion.[13] The Court of Appeals accordingly dismissed the petition, as well as petitioners' subsequent motion for reconsideration.[14] Hence, the instant petition under Rule 45 of the Rules of Court reiterating the grounds raised before respondent court, to wit:

"I. PETITIONER CBC'S PETITIONS TO EXTRA-JUDICIALLY FORECLOSE THE REAL ESTATE MORTGAGES OF JULY 27, 1989 AND AUGUST 10, 1989 THRU PETITIONERS-NOTARIES PUBLIC, AND THE SCHEDULED FORECLOSURE SALE ARE VALID AND LAWFUL;

"II. PRIVATE RESPONDENTS AND PETITIONER CBC HAD EXPRESSLY AGREED TO CONSIDER THE SAME MORTGAGES AS VALID SECURITIES FOR PROMPT AND FULL PAYMENT OF ALL AND ANY OBLIGATIONS OF THE FORMER FROM THE LATTER;

"III. THE SUPPOSED VARIANCE IN THE TOTAL AMOUNT OF UNPAID LOANS IS NOT A VALID BASIS TO ENJOIN THE FORECLOSURE OF THE QUESTIONED MORTGAGES. THE MERE FAILURE TO PAY THE LOAN SECURED BY SAID MORTGAGES IS THE ONLY, SINGLE REASON FOR THEIR LAWFUL FORECLOSURE;

"IV. PETITIONER BANK HAD FURNISHED PRIVATE RESPONDENTS WITH COPIES OF DISCLOSURE STATEMENTS IN COMPLIANCE WITH THE TRUTH IN LENDING ACT, AND CHARGED THEM INTERESTS IN ACCORDANCE WITH LAW AND PURSUANT TO ITS EXPRESS AGREEMENT WITH THE LATTER;

"V. THE P1.0 MILLION INJUNCTION BOND REQUIRED BY THE HONORABLE COURT A QUO ON PRIVATE RESPONDENTS IS GROSSLY AND PATENTLY INADEQUATE."[15]

At the outset, the Court's attention is drawn to the fact that since the filing of this suit before the trial court, none of the substantial issues have been resolved. To avoid and gloss over the issues raised by the parties, as what the trial court and respondent Court of Appeals did, would unduly prolong this litigation involving a rather simple case of foreclosure of mortgage. Undoubtedly, this will run counter to the avowed purpose of the rules, i.e., to assist the parties in obtaining just, speedy and inexpensive determination of every action or proceeding.[16] The Court, therefore, feels that the central issues of the case, albeit unresolved by the courts below, should now be settled specially as they involved pure questions of law. Furthermore, the pleadings of the respective parties on file have amply ventilated their various positions and arguments on the matter necessitating prompt adjudication.

Now to the core issues.

As the Court sees it, the crucial issues are: (1) whether or not the loans in excess of the amounts expressly stated in the mortgage contracts can be included as part of the loans secured by the real estate mortgages, (2) whether or not petitioners can extrajudicially foreclose the properties subject of the mortgages, (3) whether or not Administrative Order No. 3 should govern the extrajudicial foreclosure of the properties, and (4) whether or not the writ of preliminary injunction issued by the trial court is valid.

Petitioners aver that the additional loans extended in favor of private respondents in excess of P6,500,000.00 and P3,500,000.00 - amounts respectively stipulated in the July 27, 1989 and August 10, 1989 mortgage contracts - are also secured by the same collaterals or real estate properties, citing as bases the introductory paragraph ("whereas clause") of the mortgage contracts, as well as the stipulations stated therein under the first and second paragraphs. Private respondents for their part argue that the additional loans are clean loans, relying on some isolated parts of the same introductory paragraph and first paragraph of the contracts, and also of the third paragraph.

As both parties offered a conflicting interpretation of the contract, then judicial determination of the parties' intention is thus, inevitable.[17] Hereunder are the pertinent identical introductory paragraphs and paragraphs 1 to 3 of the July 27, 1989 and August 10, 1989 mortgage contracts:

"WHEREAS, the MORTGAGEE has granted, and may from time to time hereafter grant to the MORTGAGOR(S)/either of them/and/or NATIVE WEST INTERNATIONAL TRADING CORP. hereinafter called the DEBTOR(S) credit facilities not exceeding SIX MILLION FIVE HUNDRED THOUSAND PESOS ONLY (P6,500,000.00)* Philippine currency, and the MORTGAGEE had required the MORTGAGOR(S) to give collateral security for the payment of any and all obligations heretofore contracted/incurred and which may thereafter be contracted/incurred by the MORTGAGOR(S) and/or DEBTOR(S), or any one of them, in favor of the MORTGAGEE;

"NOW, THEREFORE, as collateral security for the payment of the principal and interest of the indebtedness/obligations herein referred to and the faithful performance by the MORTGAGOR(S) of his (her, its) obligations hereunder, the MORTGAGOR(S) hereby execute(s) a FIRST MORTGAGE, in favor of the MORTGAGEE, free from all liens and encumbrances of any kind, that (those) certain parcel(s) of land, together with all the buildings/machineries/equipment/ improvements now existing thereon, and which may hereafter be placed thereon, described in the Schedule of mortgaged properties described hereunder and/or which is hereto attached, marked Exhibit "A" and made a part thereof.

"1. It is agreed that this mortgage shall respond for all the obligations contracted/incurred by the MORTGAGOR(S) and/or DEBTOR(S) or any one of them, in favor of the MORTGAGEE up to the said sum of SIX MILLION FIVE HUNDRED THOUSAND PESOS ONLY (P6,500,000.00)* regardless of the manner

in which the said obligations may have been contracted/incurred by the MORTGAGOR(S) and/or DEBTOR(S) - whether by advances or loans made to him (her, it) by the MORTGAGEE, by the negotiation of mercantile documents, including trust receipts, by the execution by the MORTGAGOR(S) and/or DEBTOR(S) of money market instruments/commercial papers, undertakings of guaranty of suretyship, or by endorsement of negotiable instruments, or otherwise, the idea being to make this deed a comprehensive and all embracing security that it is.

"2. Payments on account of the principal and interest of the credit granted by the MORTGAGEE to the MORTGAGOR(S) and/or DEBTOR(S) may be made from time to time, and as often as the MORTGAGOR(S) may elect; provided, however, that in the event of such payments being so made that the indebtedness to the MORTGAGEE may from time to time be reduced the MORTGAGEE may make further advances and all sums whatsoever advanced by the MORTGAGEE shall be secured by this mortgage, and partial payments of said indebtedness from time to time shall not thereby be taken to reduce by the amount of such payments the credit hereby secured. The said credit shall extend to and account which shall, within the said limit of P6,500,000.00* exclusive of interest, be fluctuating and subject to increase or decrease from time to time as the MORTGAGEE may approve, and this mortgage shall stand as security for all indebtedness of the MORTGAGOR(S) and/or DEBTOR(S), or any one of them, at any and all times outstanding, regardless of partial or full payments at any time or times made by the MORTGAGOR(S) and/or DEBTOR(S).

"3. It is hereby agreed that the MORTGAGEE may from time to time grant the MORTGAGOR(S)/DEBTOR(S) credit facilities exceeding the amount secured by this mortgage, without affecting the liability of the MORTGAGOR(S) under this mortgage up to the amount stipulated." [18]

An important task in contract interpretation is the ascertainment of the intention of the contracting parties which is accomplished by looking at the words they used to project that intention in their contract, i.e., all the words, not just a particular word or two, and words in context, not words standing alone.[19] Indeed, Article 1374 of the Civil Code, states that "the various stipulations of a contract shall be interpreted together, attributing to the doubtful ones that sense which may result from all of them taken jointly." Applying the rule, we find that the parties intent is to constitute the real estate properties as continuing securities liable for future obligations beyond the amounts of P6.5 million and P3.5 million respectively stipulated in the July 27, 1989 and August 10, 1989 mortgage contracts. Thus, while the "whereas" clause initially provides that "the mortgagee has granted, and may from time to time hereafter grant to the mortgagors x x x credit facilities not exceeding six million five hundred thousand pesos only (P6,500,000.00)**" yet in the same clause it provides that "the mortgagee had required the mortgagor(s) to give collateral security for the payment of any and all obligations heretofore contracted/incurred and which may thereafter be contracted/incurred by the mortgagor(s) and/or debtor(s), or any one of them, in favor of the mortgagee" which qualifies the initial part and shows that the collaterals or real estate properties serve as securities for future obligations. The first which ends with the clause, "the idea being to make this deed a comprehensive and all embracing security that it is" supports this qualification.

Similarly, the second provides that "the mortgagee may take further advances and all sums whatsoever advanced by the mortgagee shall be secured by this mortgage x x x." And although it was stated that "[t]he said credit shall extend to any account which shall, within the said limit of P6,500,000.00 exclusive of interest," this part of the second sentence is again qualified by its succeeding portion which provides that "this mortgage shall stand as security for all indebtedness of the mortgagor(s) and/or debtor(s), or any one of them, at any and all times outstanding ..." Again, under the third paragraph, it is provided that "the mortgagee may from time to time grant the mortgagor(s)/debtor(s) credit facilities exceeding the amount secured by this mortgage x x x." The fourth paragraph,[20] in addition, states that "x x x all such withdrawals, and payments, whether evidenced by promissory notes or otherwise, shall be secured by this mortgage" which manifestly shows that the parties principally intended to constitute the real estate properties as continuing securities for additional advancements

which the mortgagee may, upon application, extend. It is well settled that mortgages given to secure future advancements or loans are valid and legal contracts, and that the amounts named as consideration in said contracts do not limit the amount for which the mortgage may stand as security if from the four corners of the instrument the intent to secure future and other indebtedness can be gathered.[21]

Anent the second issue, we find that petitioners are entitled to foreclose the mortgages. In their complaint for accounting with damages pending with the trial court, private respondents averred that:

"8. Up to and until February, 1993, PLAINTIFF-CORPORATION had paid to the DEFENDANT-BANK, the amount of THREE HUNDRED FIFTY THOUSAND (P350,000.00) Pesos, Philippine Currency, and was willing to pay the balance in installments of FOUR HUNDRED THOUSAND (P400,000.00) Pesos, Philippine Currency, every month, in the meantime, but the DEFENDANT-BANK refused to accept, demanding instead SEVEN HUNDRED MILLION (P700,000,000.00) Pesos, Philippine Currency, a month.

"9. In spite of the expressed willingness and commitment of plaintiffs to pay their obligation in a manner which they could afford, on March 11, 1993, MORTGAGORS and DEFENDANT-CORPORATION, each received a Letter of Demand from DEFENDANT-BANK, for the payment of P28,775,615.14 exclusive of interest and penalty evidenced by 11 promissory notes enclosed therein x x x.

"10. Upon receipt of the letter, PLAINTIFF-CORPORATION through its President pleaded with the Chairman of the Board of the DEFENDANT-BANK, through whom Defendant-Corporation was transacting business with, to accept its offer of payment of FOUR HUNDRED THOUSAND (P400,000.00) Pesos, Philippine Currency, a month, in the meantime, which was again refused by the said Chairman." [22]

which allegations are a clear admission that they were unable to settle to the fullest their obligation. Foreclosure is valid where the debtors, as in this case, are in default in the payment of their obligation.[23] The essence of a contract of mortgage indebtedness is that a property has been identified or set apart from the mass of the property of the debtor-mortgagor as security for the payment of money or the fulfillment of an obligation to answer the amount of indebtedness, in case of default of payment.[24] It is a settled rule that in a real estate mortgage when the obligation is not paid when due, the mortgagee has the right to foreclose the mortgage and to have the property seized and sold in view of applying the proceeds to the payment of the obligation.[25] In fact, aside from the mortgage contracts, the promissory notes executed to evidence the loans also authorize the mortgagee to foreclose on the mortgages. Thus:

"x x x CHINA BANKING CORPORATION is hereby authorized to sell at public or private sales such securities or things of value for the purpose of applying their proceeds to such payments." [26]

And while private respondents aver that they have already paid ten million pesos, an allegation which has still to be settled before the trial court, the same cannot be utilized as a shield to enjoin the foreclosure sale. A mortgage given to secure advancements, we repeat, is a continuing security and is not discharged by repayment of the amount named in the mortgage, until the full amount of the advancements are paid.[27]

With respect to the third issue, we find private respondents' contention that Administrative Order No. 3 is the governing rule in foreclosure of mortgages misplaced. The parties, we note, have stipulated that the provisions of Act No. 3135 is the controlling law in case of foreclosure. Thus:

"17. The MORTGAGOR(S) hereby grant(s) unto the MORTGAGEE full and irrevocable power of attorney coupled with interest, in the event of breach of any of the conditions of this mortgage, to sell, in its discretion, the mortgaged properties at public auction, for cash and to the highest bidder, in the Province or City where the mortgaged properties are located, before the Sheriff, or a Notary Public, without court proceedings, after posting notices of sale for a period of twenty days in three public places in said place; and after publication of such notice in a newspaper of general circulation in the said place once a week, for three consecutive weeks,

and the MORTGAGEE is hereby authorized to execute the deed of sale and all such other documents as may be necessary in the premises all in accordance with the provisions of Act No. 3135 of the Philippine Legislature, as amended, and Section 78 of Republic Act No. 337; x x x." [28] (Underscoring supplied.)

By invoking the said Act, there is no doubt that it must "govern the manner in which the sale and redemption shall be effected." [29] Clearly, the fundamental principle that contracts are respected as the law between the contracting parties finds application in the present case, [30] specially where they are not contrary to law, morals, good customs and public policy.

Moreover, Administrative Order No. 3 is a directive for executive judges and clerks of courts which, under its preliminary paragraph is "[i]n line with the responsibility of an Executive Judge, under Administrative Order No. 6, dated June 30, 1975, for the management of courts within his administrative area, included in which is the task of supervising directly the work of the Clerk of Court, who is also the Ex-Oficio Sheriff, and his staff, x x x" Surely, a petition for foreclosure with the notary public is not within the contemplation of the aforesaid directive as the same is not filed with the court. At any rate, Administrative Order No. 3 cannot prevail over Act No. 3135, as amended. It is an elementary principle in statutory construction that a statute is superior to an administrative directive and the former cannot be repealed or amended by the latter.

On the last issue, we find that the issuance of the writ of injunction by the trial court unjustified. A writ of preliminary injunction, as an ancillary or preventive remedy, may only be resorted to by a litigant to protect or preserve his rights or interests and for no other purpose during the pendency of the principal action. [31] But before a writ of preliminary injunction may be issued, there must be a clear showing by the complaint that there exists a right to be protected and that the acts against which the writ is to be directed are violative of the said right. [32] In the case at bench, we fail to see any reason why the foreclosure of the mortgages should be enjoined. On the face of the clear admission by private respondents that they were unable to settle their obligations which were secured by the mortgages, petitioners have a clear right to foreclose the mortgages which is a remedy provided by law. Thus, in *Caltex Philippines, Inc. v. Intermediate Appellate Court*, [33] we reiterated the rule that:

"x x x where a debt is secured by a mortgage and there is a default in payment on the part of the mortgagor, the mortgagee has a choice of one (1) or two (2) remedies, but he cannot have both. The mortgagee may:

- 1) foreclosure the mortgage; or
- 2) file an ordinary action to collect the debt.

"When the mortgagee chooses the foreclosure of the mortgage as a remedy, he enforces his lien by the sale on foreclosure of the mortgaged property. The proceeds of the sale will be applied to the satisfaction of the debt. With this remedy, he has a prior lien on the property. In case of a deficiency, the mortgagee has the right to claim for the deficiency resulting from the price obtained in the sale of the real property at public auction and the outstanding obligation at the time of the foreclosure proceedings (*Soriano v. Enriquez*, 24 Phil. 584; *Banco de Islas Filipinas v. Concepcion Hijos*, 53 Phil. 86; *Banco Nacional v. Barreto*, 53 Phil. 101).

"On the other hand, if the mortgagee resorts to an action to collect the debt, he thereby waives his mortgage lien. He will have no more priority over the mortgaged property. If the judgment in the action to collect is favorable to him, and it becomes final and executory, he can enforce said judgment by execution. He can even levy execution on the same mortgaged property, but he will not have priority over the latter and there may be other creditors who have better lien on the properties of the mortgagor." [34]

WHEREFORE, the instant petition is hereby GRANTED. The assailed Decision, as well as the Resolution, of the Court of Appeals dated January 17, 1995 and July 7, 1995, respectively, are hereby REVERSED and SET ASIDE. The preliminary writ of injunction issued by the trial court is hereby NULLIFIED. This case is

REMANDED to the court of origin for further proceedings in conformity with this decision.

SO ORDERED.

Narvasa C.J., (Chairman), Davide, Jr., Melo, and Panganiban, JJ., concur.

[1] Annexes A, A-1, A-2, A-3, A-4, A-5, A-6, A-7, A-8, A-9; Rollo, pp. 34-43.

[2] Annex B, Rollo, pp. 44-48.

[3] Annex B-1; Rollo, pp. 49-53.

[4] Rollo, pp. 54-56.

[5] Rollo, pp. 58-60.

[6] Docketed as Civil Case No. Q-93-15471; Rollo, pp. 66-83.

[7] RTC, Branch 101, Quezon City. Hon. Pedro T. Santiago, judge.

[8] Rollo, pp. 72-78.

[9] Rollo, pp. 112-113.

[10] Petition, docketed as CA-G.R. No. 32489, Rollo, pp. 136-167.

[11] Ninth Division. Herrera, J., ponente, Sandoval-Gutierrez and Reyes, JJ., concurring.

[12] See: CA Decision, pp. 5-9; Rollo, pp. 173-177.

[13] Id., pp. 9-13; Rollo, pp. 177-181.

[14] Resolution dated July 7, 1995; Reyes, R.T. J., ponente; Sandoval Gutierrez, Vasquez, JJ., concurring. This resolution held that the "mortgage contract does not contemplate future obligations beyond the stipulated amount..." citing as basis a brief portion of the "where as" clause of the contract.

[15] Rollo, p. 11.

[16] Rule 1, Section 2, Rules of Court.

[17] Capital Insurance & Surety Co., Inc. v. Central Azucarera del Danao, 221 SCRA 98.

* The August 10, 1989 mortgage contract meanwhile stipulates "credit facilities not exceeding three million five hundred thousand pesos only (P3,500,000.00)."

[18] Annex "B", Rollo, p. 44; Annex "B-1", Rollo, p. 49.

[19] Heirs of Severo Legaspi, Sr. v. Vda. de Dayot, 188 SCRA 508, 514, citing Fernandez v. Court of Appeals, 166 SCRA 577.

** Three million five hundred thousand pesos (P3,500,000.00) for the August 10, 1989 mortgage contract.

[20] The MORTGAGEE may if it sees fit, at any and all times when withdrawal on account of said credit shall be requested or made, require the MORTGAGOR(S)/DEBTOR(S) to evidence payments against the said credit by means of promissory notes or other instruments of indebtedness and all such withdrawals, and payments, whether evidenced by promissory notes or otherwise, shall be secured by this mortgage." (Rollo, pp. 44 and 49).

[21] Mojica v. Court of Appeals, 201 SCRA 517, 522. See also: Ajax Marketing and Development Corporation v.

Court of Appeals, 248 SCRA 222; *Acme Shoe, Rubber and Plastic Corp. v. Court of Appeals, et. al.*, G.R. No. 103576, August 22, 1996, at p. 5.

[22] *Rollo*, pp. 70-71.

[23] *Cortes v. Intermediate Appellate Court*, 175 SCRA 545, 548.

[24] *Fiestan v. Court of Appeals*, 185 SCRA 751, 757.

[25] *State Investment House, Inc. v. Court of Appeals*, 215 SCRA 734, 744, citing *Commodity Financing Co., Inc. v. Jimenez*, 91 SCRA 57.

[26] *Rollo*, pp. 34-43.

[27] *Mojica v. Court of Appeals*, 201 SCRA 517, 522, citing *Lim Julian v. Lutero*, 49 Phil. 704-705.

[28] *Rollo*, pp. 86-87 and 91-92.

[29] *Cortes v. Intermediate Appellate Court*, 175 SCRA 545, 549; Section 1, Act 3135.

[30] *Henson v. Intermediate Appellate Court*, 148 SCRA 11; *Dihiansan, et al. v. Court of Appeals*, 153 SCRA 712; *Escano v. Court of Appeals*, 100 SCRA 197.

[31] *Calo, et al. v. Roldan, et al.*, 76 Phil. 445; *Bengzon v. Court of Appeals*, 161 SCRA 745.

[32] *GSIS v. Florendo*, 178 SCRA 76, 84, citing *National Power Corp. v. Vera, et al.*, G.R. No. 83558, February 27, 1989.

[33] 176 SCRA 741.

[34] *Id.*, pp. 751-752.

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