

ALFREDO CHING AND ENCARNACION CHING, PETITIONERS, VS. THE HON. COURT OF APPEALS AND ALLIED BANKING CORPORATION, RESPONDENTS.

G.R. No. 124642. February 23, 2004

Ponente: CALLEJO, SR., J.

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CALLEJO, SR., J.:

This petition for review, under Rule 45 of the Revised Rules of Court, assails the Decision[1] of the Court of Appeals (CA) dated November 27, 1995 in CA-G.R. SP No. 33585, as well as the Resolution[2] on April 2, 1996 denying the petitioners' motion for reconsideration. The impugned decision granted the private respondent's petition for certiorari and set aside the Orders of the trial court dated December 15, 1993[3] and February 17, 1994[4] nullifying the attachment of 100,000 shares of stocks of the Citycorp Investment Philippines under the name of petitioner Alfredo Ching.

The following facts are undisputed:

On September 26, 1978, the Philippine Blooming Mills Company, Inc. (PBMCI) obtained a loan of P9,000,000.00 from the Allied Banking Corporation (ABC). By virtue of this loan, the PBMCI, through its Executive Vice-President Alfredo Ching, executed a promissory note for the said amount promising to pay on December 22, 1978 at an interest rate of 14% per annum.[5] As added security for the said loan, on September 28, 1978, Alfredo Ching, together with Emilio Tañedo and Chung Kiat Hua, executed a continuing guaranty with the ABC binding themselves to jointly and severally guarantee the payment of all the PBMCI obligations owing the ABC to the extent of P38,000,000.00.[6] The loan was subsequently renewed on various dates, the last renewal having been made on December 4, 1980.[7]

Earlier, on December 28, 1979, the ABC extended another loan to the PBMCI in the amount of P13,000,000.00 payable in eighteen months at 16% interest per annum. As in the previous loan, the PBMCI, through Alfredo Ching, executed a promissory note to evidence the loan maturing on June 29, 1981.[8] This was renewed once for a period of one month.[9]

The PBMCI defaulted in the payment of all its loans. Hence, on August 21, 1981, the ABC filed a complaint for sum of money with prayer for a writ of preliminary attachment against the PBMCI to collect the P12,612,972.88 exclusive of interests, penalties and other bank charges. Impleaded as co-defendants in the complaint were Alfredo Ching, Emilio Tañedo and Chung Kiat Hua in their capacity as sureties of the PBMCI.

The case was docketed as Civil Case No. 142729 in the Regional Trial Court of Manila, Branch XVIII.[10] In its application for a writ of preliminary attachment, the ABC averred that the "defendants are guilty of fraud in incurring the obligations upon which the present action is brought[11] in that they falsely represented themselves to be in a financial position to pay their obligation upon maturity thereof." [12] Its supporting affidavit stated, *inter alia*, that the "[d]efendants have removed or disposed of their properties, or [are] ABOUT to do so, with intent to defraud their creditors." [13]

On August 26, 1981, after an ex-parte hearing, the trial court issued an Order denying the ABC's application for a writ of preliminary attachment. The trial court decreed that the grounds alleged in the application and that of its supporting affidavit "are all conclusions of fact and of law" which do not warrant the issuance of the writ prayed for.[14] On motion for reconsideration, however, the trial court, in an Order dated September 14, 1981, reconsidered its previous order and granted the ABC's application for a writ of preliminary attachment on a bond of P12,700,000. The order, in relevant part, stated:

With respect to the second ground relied upon for the grant of the writ of preliminary attachment ex-parte, which is the alleged disposal of properties by the defendants with intent to defraud creditors as provided in Sec. 1(e) of Rule 57 of the Rules of Court, the affidavits can only barely justify the issuance of said writ as against the defendant Alfredo Ching who has allegedly bound himself jointly and severally to pay plaintiff the defendant corporation's obligation to the plaintiff as a surety thereof.

WHEREFORE, let a writ of preliminary attachment issue as against the defendant Alfredo Ching requiring the sheriff of this Court to attach all the properties of said Alfredo Ching not exceeding P12,612,972.82 in value, which are within the jurisdiction of this Court and not exempt from execution upon, the filing by plaintiff of a bond duly approved by this Court in the sum of Twelve Million Seven Hundred Thousand Pesos (P12,700,000.00) executed in favor of the defendant Alfredo Ching to secure the payment by plaintiff to him of all the costs which may be adjudged in his favor and all damages he may sustain by reason of the attachment if the court shall finally adjudge that the plaintiff was not entitled thereto.

SO ORDERED.[15]

Upon the ABC's posting of the requisite bond, the trial court issued a writ of preliminary attachment. Subsequently, summonses were served on the defendants,[16] save Chung Kiat Hua who could not be found.

Meanwhile, on April 1, 1982, the PBMCI and Alfredo Ching jointly filed a petition for suspension of payments with the Securities and Exchange Commission (SEC), docketed as SEC Case No. 2250, at the same time seeking the PBMCI's rehabilitation.[17]

On July 9, 1982, the SEC issued an Order placing the PBMCI's business, including its assets and liabilities, under rehabilitation receivership, and ordered that "all actions for claims listed in Schedule "A" of the petition pending before any court or tribunal are hereby suspended in whatever stage the same may be until further orders from the Commission." [18] The ABC was among the PBMCI's creditors named in the said schedule.

Subsequently, on January 31, 1983, the PBMCI and Alfredo Ching jointly filed a Motion to Dismiss and/or motion to suspend the proceedings in Civil Case No. 142729 invoking the PBMCI's pending application for suspension of payments (which Ching co-signed) and over which the SEC had already assumed jurisdiction.[19] On February 4, 1983, the ABC filed its Opposition thereto.[20]

In the meantime, on July 26, 1983, the deputy sheriff of the trial court levied on attachment the 100,000 common shares of Citycorp stocks in the name of Alfredo Ching.[21]

Thereafter, in an Order dated September 16, 1983, the trial court partially granted the aforementioned motion by suspending the proceedings only with respect to the PBMCI. It denied Ching's motion to dismiss the complaint/or suspend the proceedings and pointed out that P.D. No. 1758 only concerns the activities of corporations, partnerships and associations and was never intended to regulate and/or control activities of individuals. Thus, it directed the individual defendants to file their answers.[22]

Instead of filing an answer, Ching filed on January 14, 1984 a Motion to Suspend Proceedings on the same ground of the pendency of SEC Case No. 2250. This motion met the opposition from the ABC.[23]

On January 20, 1984, Tañedo filed his Answer with counterclaim and cross-claim.[24] Ching eventually filed his Answer on July 12, 1984.[25]

On October 25, 1984, long after submitting their answers, Ching filed an Omnibus Motion,[26] again praying for the dismissal of the complaint or suspension of the proceedings on the ground of the July 9, 1982 Injunctive Order issued in SEC Case No. 2250. He averred that as a surety of the PBMCI, he must also necessarily benefit from the defenses of his principal. The ABC opposed Ching's omnibus motion.

Emilio Y. Tañedo, thereafter, filed his own Omnibus Motion[27] praying for the dismissal of the complaint, arguing that the ABC had "abandoned and waived" its right to proceed against the continuing guaranty by its act of resorting to preliminary attachment.

On December 17, 1986, the ABC filed a Motion to Reduce the amount of his preliminary attachment bond from P12,700,000 to P6,350,000.[28] Alfredo Ching opposed the motion,[29] but on April 2, 1987, the court issued an Order setting the incident for further hearing on May 28, 1987 at 8:30 a.m. for the parties to adduce evidence on the actual value of the properties of Alfredo Ching levied on by the sheriff.[30]

On March 2, 1988, the trial court issued an Order granting the motion of the ABC and rendered the attachment bond of P6,350,000.[31]

On November 16, 1993, Encarnacion T. Ching, assisted by her husband Alfredo Ching, filed a Motion to Set Aside the levy on attachment. She alleged inter alia that the 100,000 shares of stocks levied on by the sheriff were acquired by her and her husband during their marriage out of conjugal funds after the Citycorp Investment Philippines was established in 1974. Furthermore, the indebtedness covered by the continuing guaranty/comprehensive suretyship contract executed by petitioner Alfredo Ching for the account of PBMCI did not redound to the benefit of the conjugal partnership. She, likewise, alleged that being the wife of Alfredo Ching, she was a third-party claimant entitled to file a motion for the release of the properties.[32] She attached therewith a copy of her marriage contract with Alfredo Ching.[33]

The ABC filed a comment on the motion to quash preliminary attachment and/or motion to expunge records, contending that:

2.1 The supposed movant, Encarnacion T. Ching, is not a party to this present case; thus, she has no personality to file any motion before this Honorable Court;

2.2 Said supposed movant did not file any Motion for Intervention pursuant to Section 2, Rule 12 of the Rules of Court;

2.3 Said Motion cannot even be construed to be in the nature of a Third-Party Claim conformably with Sec. 14, Rule 57 of the Rules of Court.

3. Furthermore, assuming in gracia argumenti that the supposed movant has the required personality, her Motion cannot be acted upon by this Honorable Court as the above-entitled case is still in the archives and the proceedings thereon still remains suspended. And there is no previous Motion to revive the same.[34]

The ABC also alleged that the motion was barred by prescription or by laches because the shares of stocks were in custodia legis.

During the hearing of the motion, Encarnacion T. Ching adduced in evidence her marriage contract to Alfredo Ching to prove that they were married on January 8, 1960;[35] the articles of incorporation of Citycorp Investment Philippines dated May 14, 1979;[36] and, the General Information Sheet of the corporation showing that petitioner Alfredo Ching was a member of the Board of Directors of the said corporation and was one of its

top twenty stockholders.

On December 10, 1993, the Spouses Ching filed their Reply/Opposition to the motion to expunge records.

Acting on the aforementioned motion, the trial court issued on December 15, 1993 an Order[37] lifting the writ of preliminary attachment on the shares of stocks and ordering the sheriff to return the said stocks to the petitioners. The dispositive portion reads:

WHEREFORE, the instant Motion to Quash Preliminary Attachment, dated November 9, 1993, is hereby granted. Let the writ of preliminary attachment subject matter of said motion, be quashed and lifted with respect to the attached 100,000 common shares of stock of Citycorp Investment Philippines in the name of the defendant Alfredo Ching, the said shares of stock to be returned to him and his movant-spouse by Deputy Sheriff Apolonio A. Golfo who effected the levy thereon on July 26, 1983, or by whoever may be presently in possession thereof.

SO ORDERED.[38]

The plaintiff Allied Banking Corporation filed a motion for the reconsideration of the order but denied the same on February 17, 1994. The petitioner bank forthwith filed a petition for certiorari with the CA, docketed as CA-G.R. SP No. 33585, for the nullification of the said order of the court, contending that:

1. The respondent Judge exceeded his authority thereby acted without jurisdiction in taking cognizance of, and granting a "Motion" filed by a complete stranger to the case.
2. The respondent Judge committed a grave abuse of discretion in lifting the writ of preliminary attachment without any basis in fact and in law, and contrary to established jurisprudence on the matter.[39]

On November 27, 1995, the CA rendered judgment granting the petition and setting aside the assailed orders of the trial court, thus:

WHEREFORE, premises considered, the petition is GRANTED, hereby setting aside the questioned orders (dated December 15, 1993 and February 17, 1994) for being null and void.

SO ORDERED.[40]

The CA sustained the contention of the private respondent and set aside the assailed orders. According to the CA, the RTC deprived the private respondent of its right to file a bond under Section 14, Rule 57 of the Rules of Court. The petitioner Encarnacion T. Ching was not a party in the trial court; hence, she had no right of action to have the levy annulled with a motion for that purpose. Her remedy in such case was to file a separate action against the private respondent to nullify the levy on the 100,000 Citycorp shares of stocks. The court stated that even assuming that Encarnacion T. Ching had the right to file the said motion, the same was barred by laches.

Citing *Wong v. Intermediate Appellate Court*,[41] the CA ruled that the presumption in Article 160 of the New Civil Code shall not apply where, as in this case, the petitioner-spouses failed to prove the source of the money used to acquire the shares of stock. It held that the levied shares of stocks belonged to Alfredo Ching, as evidenced by the fact that the said shares were registered in the corporate books of Citycorp solely under his name. Thus, according to the appellate court, the RTC committed a grave abuse of its discretion amounting to excess or lack of jurisdiction in issuing the assailed orders. The petitioners' motion for reconsideration was denied by the CA in a Resolution dated April 2, 1996.

The petitioner-spouses filed the instant petition for review on certiorari, asserting that the RTC did not commit any grave abuse of discretion amounting to excess or lack of jurisdiction in issuing the assailed orders in their favor; hence, the CA erred in reversing the same. They aver that the source of funds in the acquisition of the

levied shares of stocks is not the controlling factor when invoking the presumption of the conjugal nature of stocks under Art. 160,[42] and that such presumption subsists even if the property is registered only in the name of one of the spouses, in this case, petitioner Alfredo Ching.[43] According to the petitioners, the suretyship obligation was not contracted in the pursuit of the petitioner-husband's profession or business.[44] And, contrary to the ruling of the CA, where conjugal assets are attached in a collection suit on an obligation contracted by the husband, the wife should exhaust her motion to quash in the main case and not file a separate suit.[45] Furthermore, the petitioners contend that under Art. 125 of the Family Code, the petitioner-husband's gratuitous suretyship is null and void ab initio,[46] and that the share of one of the spouses in the conjugal partnership remains inchoate until the dissolution and liquidation of the partnership.[47]

In its comment on the petition, the private respondent asserts that the CA correctly granted its petition for certiorari nullifying the assailed order. It contends that the CA correctly relied on the ruling of this Court in *Wong v. Intermediate Appellate Court*. Citing *Cobb-Perez v. Lantin and G-Tractors, Inc. v. Court of Appeals*, the private respondent alleges that the continuing guaranty and suretyship executed by petitioner Alfredo Ching in pursuit of his profession or business. Furthermore, according to the private respondent, the right of the petitioner-wife to a share in the conjugal partnership property is merely inchoate before the dissolution of the partnership; as such, she had no right to file the said motion to quash the levy on attachment of the shares of stocks.

The issues for resolution are as follows: (a) whether the petitioner-wife has the right to file the motion to quash the levy on attachment on the 100,000 shares of stocks in the Citycorp Investment Philippines; (b) whether or not the RTC committed a grave abuse of its discretion amounting to excess or lack of jurisdiction in issuing the assailed orders.

On the first issue, we agree with the petitioners that the petitioner-wife had the right to file the said motion, although she was not a party in Civil Case No. 142729.[48]

In *Ong v. Tating*,[49] we held that the sheriff may attach only those properties of the defendant against whom a writ of attachment has been issued by the court. When the sheriff erroneously levies on attachment and seizes the property of a third person in which the said defendant holds no right or interest, the superior authority of the court which has authorized the execution may be invoked by the aggrieved third person in the same case. Upon application of the third person, the court shall order a summary hearing for the purpose of determining whether the sheriff has acted rightly or wrongly in the performance of his duties in the execution of the writ of attachment, more specifically if he has indeed levied on attachment and taken hold of property not belonging to the plaintiff. If so, the court may then order the sheriff to release the property from the erroneous levy and to return the same to the third person. In resolving the motion of the third party, the court does not and cannot pass upon the question of the title to the property with any character of finality. It can treat the matter only insofar as may be necessary to decide if the sheriff has acted correctly or not. If the claimant's proof does not persuade the court of the validity of the title, or right of possession thereto, the claim will be denied by the court. The aggrieved third party may also avail himself of the remedy of "terceria" by executing an affidavit of his title or right of possession over the property levied on attachment and serving the same to the office making the levy and the adverse party. Such party may also file an action to nullify the levy with damages resulting from the unlawful levy and seizure, which should be a totally separate and distinct action from the former case. The above-mentioned remedies are cumulative and any one of them may be resorted to by one third-party claimant without availing of the other remedies.[50]

In this case, the petitioner-wife filed her motion to set aside the levy on attachment of the 100,000 shares of stocks in the name of petitioner-husband claiming that the said shares of stocks were conjugal in nature; hence, not liable for the account of her husband under his continuing guaranty and suretyship agreement with the PBMCI. The

petitioner-wife had the right to file the motion for said relief.

On the second issue, we find and so hold that the CA erred in setting aside and reversing the orders of the RTC. The private respondent, the petitioner in the CA, was burdened to prove that the RTC committed a grave abuse of its discretion amounting to excess or lack of jurisdiction. The tribunal acts without jurisdiction if it does not have the legal purpose to determine the case; there is excess of jurisdiction where the tribunal, being clothed with the power to determine the case, oversteps its authority as determined by law. There is grave abuse of discretion where the tribunal acts in a capricious, whimsical, arbitrary or despotic manner in the exercise of its judgment and is equivalent to lack of jurisdiction.[51]

It was incumbent upon the private respondent to adduce a sufficiently strong demonstration that the RTC acted whimsically in total disregard of evidence material to, and even decide of, the controversy before certiorari will lie. A special civil action for certiorari is a remedy designed for the correction of errors of jurisdiction and not errors of judgment. When a court exercises its jurisdiction, an error committed while so engaged does not deprive it of its jurisdiction being exercised when the error is committed.[52]

After a comprehensive review of the records of the RTC and of the CA, we find and so hold that the RTC did not commit any grave abuse of its discretion amounting to excess or lack of jurisdiction in issuing the assailed orders.

Article 160 of the New Civil Code provides that all the properties acquired during the marriage are presumed to belong to the conjugal partnership, unless it be proved that it pertains exclusively to the husband, or to the wife. In *Tan v. Court of Appeals*,[53] we held that it is not even necessary to prove that the properties were acquired with funds of the partnership. As long as the properties were acquired by the parties during the marriage, they are presumed to be conjugal in nature. In fact, even when the manner in which the properties were acquired does not appear, the presumption will still apply, and the properties will still be considered conjugal. The presumption of the conjugal nature of the properties acquired during the marriage subsists in the absence of clear, satisfactory and convincing evidence to overcome the same.[54]

In this case, the evidence adduced by the petitioners in the RTC is that the 100,000 shares of stocks in the Citycorp Investment Philippines were issued to and registered in its corporate books in the name of the petitioner-husband when the said corporation was incorporated on May 14, 1979. This was done during the subsistence of the marriage of the petitioner-spouses. The shares of stocks are, thus, presumed to be the conjugal partnership property of the petitioners. The private respondent failed to adduce evidence that the petitioner-husband acquired the stocks with his exclusive money.[55] The barefact that the shares of stocks were registered in the corporate books of Citycorp Investment Philippines solely in the name of the petitioner-husband does not constitute proof that the petitioner-husband, not the conjugal partnership, owned the same.[56] The private respondent's reliance on the rulings of this Court in *Maramba v. Lozano*[57] and *Associated Insurance & Surety Co., Inc. v. Banzon*[58] is misplaced. In the *Maramba* case, we held that where there is no showing as to when the property was acquired, the fact that the title is in the wife's name alone is determinative of the ownership of the property. The principle was reiterated in the *Associated Insurance* case where the uncontroverted evidence showed that the shares of stocks were acquired during the marriage of the petitioners.

Instead of fortifying the contention of the respondents, the ruling of this Court in *Wong v. Intermediate Appellate Court*[59] buttresses the case for the petitioners. In that case, we ruled that he who claims that property acquired by the spouses during their marriage is not conjugal partnership property but belongs to one of them as his personal property is burdened to prove the source of the money utilized to purchase the same. In this case, the private respondent claimed that the petitioner-husband acquired the shares of stocks from the Citycorp Investment

Philippines in his own name as the owner thereof. It was, thus, the burden of the private respondent to prove that the source of the money utilized in the acquisition of the shares of stocks was that of the petitioner-husband alone. As held by the trial court, the private respondent failed to adduce evidence to prove this assertion.

The CA, likewise, erred in holding that by executing a continuing guaranty and suretyship agreement with the private respondent for the payment of the PBMCI loans, the petitioner-husband was in the exercise of his profession, pursuing a legitimate business. The appellate court erred in concluding that the conjugal partnership is liable for the said account of PBMCI under Article 161(1) of the New Civil Code.

Article 161(1) of the New Civil Code (now Article 121[2 and 3][60] of the Family Code of the Philippines) provides:

Art. 161. The conjugal partnership shall be liable for:

(1) All debts and obligations contracted by the husband for the benefit of the conjugal partnership, and those contracted by the wife, also for the same purpose, in the cases where she may legally bind the partnership.

The petitioner-husband signed the continuing guaranty and suretyship agreement as security for the payment of the loan obtained by the PBMCI from the private respondent in the amount of P38,000,000. In *Ayala Investment and Development Corp. v. Court of Appeals*,^[61] this Court ruled “that the signing as surety is certainly not an exercise of an industry or profession. It is not embarking in a business. No matter how often an executive acted on or was persuaded to act as surety for his own employer, this should not be taken to mean that he thereby embarked in the business of suretyship or guaranty.”

For the conjugal partnership to be liable for a liability that should appertain to the husband alone, there must be a showing that some advantages accrued to the spouses. Certainly, to make a conjugal partnership responsible for a liability that should appertain alone to one of the spouses is to frustrate the objective of the New Civil Code to show the utmost concern for the solidarity and well being of the family as a unit. The husband, therefore, is denied the power to assume unnecessary and unwarranted risks to the financial stability of the conjugal partnership.^[62]

In this case, the private respondent failed to prove that the conjugal partnership of the petitioners was benefited by the petitioner-husband’s act of executing a continuing guaranty and suretyship agreement with the private respondent for and in behalf of PBMCI. The contract of loan was between the private respondent and the PBMCI, solely for the benefit of the latter. No presumption can be inferred from the fact that when the petitioner-husband entered into an accommodation agreement or a contract of surety, the conjugal partnership would thereby be benefited. The private respondent was burdened to establish that such benefit redounded to the conjugal partnership.^[63]

It could be argued that the petitioner-husband was a member of the Board of Directors of PBMCI and was one of its top twenty stockholders, and that the shares of stocks of the petitioner-husband and his family would appreciate if the PBMCI could be rehabilitated through the loans obtained; that the petitioner-husband’s career would be enhanced should PBMCI survive because of the infusion of fresh capital. However, these are not the benefits contemplated by Article 161 of the New Civil Code. The benefits must be those directly resulting from the loan. They cannot merely be a by-product or a spin-off of the loan itself.^[64]

This is different from the situation where the husband borrows money or receives services to be used for his own business or profession. In the *Ayala* case, we ruled that it is such a contract that is one within the term “obligation for the benefit of the conjugal partnership.” Thus:

(A) If the husband himself is the principal obligor in the contract, i.e., he directly received the money and

services to be used in or for his own business or his own profession, that contract falls within the term “... obligations for the benefit of the conjugal partnership.” Here, no actual benefit may be proved. It is enough that the benefit to the family is apparent at the time of the signing of the contract. From the very nature of the contract of loan or services, the family stands to benefit from the loan facility or services to be rendered to the business or profession of the husband. It is immaterial, if in the end, his business or profession fails or does not succeed. Simply stated, where the husband contracts obligations on behalf of the family business, the law presumes, and rightly so, that such obligation will redound to the benefit of the conjugal partnership.[65]

The Court held in the same case that the rulings of the Court in *Cobb-Perez* and *G-Tractors, Inc.* are not controlling because the husband, in those cases, contracted the obligation for his own business. In this case, the petitioner-husband acted merely as a surety for the loan contracted by the PBMCI from the private respondent.

IN LIGHT OF ALL THE FOREGOING, the petition is GRANTED. The Decision and Resolution of the Court of Appeals are SET ASIDE AND REVERSED. The assailed orders of the RTC are AFFIRMED.

SO ORDERED.

Puno, (Chairman), Quisumbing, Austria-Martinez, and Tinga, JJ., concur.

[1] Penned by Associate Justice Ramon Mabutas, Jr. with Associate Justices Jesus M. Elbinias and Salvador J. Valdez, Jr. concurring.

[2] Rollo, p. 39.

[3] Records, p. 467.

[4] Id. at 494.

[5] Annex “A,” Records, p. 11.

[6] Annex “C,” id. at 15-16.

[7] Records, p. 12.

[8] Annex “B,” Records, p. 13.

[9] Records, p. 14.

[10] Id. at 1-10.

[11] Section 1, paragraph (d), Rule 57 of the Rules of Court.

[12] Id. at 4.

[13] Section 1, paragraph (e), Rule 57 of the Rules of Court, p. 9.

[14] Section 1, paragraph (d), Rule 57 of the Rules of Court, p. 17.

[15] Records, pp. 29-30.

[16] Id. at 37.

[17] Id. at 310.

[18] Id. at 44.

[19] Id. at 39.

[20] Id. at 56.

[21] Id. at 416.

[22] Id. at 87-89.

[23] Id. at 124.

[24] Id. at 107.

[25] Id. at 142.

[26] Id. at 173.

[27] Id. at 244.

[28] Id. at 340-341.

[29] Id. at 347.

[30] Id. at 351.

[31] Id. at 413.

[32] Citing the rulings of the Court in *Ong v. Tating*, 149 SCRA 265 (1987); *Rejuso v. Estipona*, 72 SCRA 509 (1976); *Polaris Marketing Corporation v. Plan*, 69 SCRA 93 (1976).

[33] Records, pp. 416-420.

[34] Id. at 423-424.

[35] Exhibit "I."

[36] Exhibit "J."

[37] Records, p. 467.

[38] Id. at 469.

[39] CA Rollo, pp. 7-8.

[40] Rollo, p. 38.

[41] 200 SCRA 792 (1991).

[42] Rollo, p. 17.

[43] Id. at 19.

[44] Id. at 20.

[45] Id. at 23.

[46] Id. at 24.

[47] Id. at 27.

[48] *Naguit v. Court of Appeals*, 347 SCRA 60 (2000).

[49] Supra, cited in *Sy v. Discaya*, 181 SCRA 378 (1990).

[50] *Naguit v. Court of Appeals*, supra.

[51] *Condo Suit Club Travel, Inc. v. NLRC*, 323 SCRA 679 (2000).

[52] *Pure Foods Corporation v. NLRC*, 171 SCRA 415 (1989).

[53] 273 SCRA 229 (1997).

[54] *Wong v. Intermediate Appellate Court*, supra.

[55] *Salvador v. Court of Appeals*, 243 SCRA 239 (1995).

[56] *Bucoy v. Paulino*, 23 SCRA 248 (1968).

[57] 20 SCRA 474 (1967).

[58] 26 SCRA 268 (1968).

[59] Supra.

[60] Art. 121. The conjugal partnership shall be liable for:

...

(2) All debts and obligations contracted during the marriage by the designated administrator-spouse for the benefit of the conjugal partnership of gains, or by both spouses or by one of them with the consent of the other;

(3) Debts and obligations contracted by either spouse without the consent of the other to the extent that the family may have been benefited;

[61] 286 SCRA 272 (1998).

[62] *Luzon Surety Co., Inc. v. De Garcia*, 30 SCRA 111 (1969).

[63] *Ayala Investment & Development Corp. v. Court of Appeals*, supra.

[64] See note 61.

[65] Id. at 281-282.

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