

## **SPOUSES ROSAURO OCAMPO, JR. AND FE OCAMPO, PETITIONERS, VS. FIRST METRO LEASING AND FINANCE CORPORATION AND PROVINCIAL SHERIFF OF RIZAL, RESPONDENTS.**

*G.R. No. 145821. November 29, 2005*

Ponente: AUSTRIA-MARTINEZ, J.

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### **AUSTRIA-MARTINEZ, J.:**

This resolves the petition for review on certiorari seeking to set aside the Decision[1] of the Court of Appeals (CA) dated October 17, 2000 dismissing the appeal in CA-G.R. CV No. 54943.

The antecedent facts are as follows.

On February 20, 1984, petitioners Rosauro Ocampo, Jr. and Fe S. Ocampo filed an action for "Annulment of Real Estate Mortgage, with Writ of Preliminary Injunction" against private respondent First Metro Leasing and Finance Corporation. In their complaint, petitioners allege that: they are the owners of a residential unit and land located at No. 19 Green Valley Townhouse, Valle Verde, Pasig, Metro Manila; on November 26, 1981, petitioners entered into a business transaction with private respondent whereby the former sold to the latter some postdated checks, redeemable on the periods agreed upon; on that same day, petitioners were made to execute a document in favor of private respondent, which document turned out to be a real estate mortgage; without the knowledge of petitioners, who were not furnished a copy of said document, private respondent was able to constitute a mortgage over petitioners' aforementioned property; the deed of real estate mortgage is invalid as said document did not indicate or identify the properties supposedly mortgaged; petitioners' consent to the real estate mortgage was vitiated by mistake and undue influence, hence, the agreement should be annulled; private respondent had already instituted extrajudicial foreclosure proceedings and the auction sale was set for February 23, 1984, hence, petitioners should be granted a temporary restraining order and a writ of preliminary injunction; petitioners suffered damages, thus, private respondent should be ordered to pay moral and exemplary damages and attorney's fees.[2]

Private respondent countered in its Answer that: petitioners have no cause of action; petitioners executed a real estate mortgage over the subject property in favor of private respondent as security for the postdated checks and there was no fraud employed upon petitioners in the execution of said deed of mortgage; petitioners are merely alleging lack of knowledge of the execution of the deed of mortgage to stall and frustrate private respondent's right to extrajudicially foreclose the mortgage; petitioners freely, voluntarily, willingly and consciously executed the real estate mortgage and even surrendered their owner's duplicate copy of Condominium Certificate of Title No. 1636 to private respondent for the proper annotation of the mortgage thereon; the real estate mortgage is valid because the properties subject of the mortgage were sufficiently described and identified at the back portion of the deed of mortgage and said portion was incorporated into the deed; petitioners, being engaged in the financing business could not have been misled by private respondent into signing and executing the deed of mortgage through mistake or undue influence; petitioners are now estopped from questioning the real estate mortgage

because they never questioned the existence thereof when they made several proposals for the settlement of their obligation to private respondent. As counterclaim, private respondent alleges that by reason of the unfounded suit brought by petitioners, it is suffering actual and moral damages.[3]

After trial, the Regional Trial Court of Pasig, Branch 163 (RTC) rendered its Decision[4] dated October 9, 1992. Therein, the RTC made the following findings:

The only issue to be resolved in this case is whether plaintiffs' complaint is meritorious, as to entitle them to the annulment of said "Deed of Real Estate Mortgage" executed in favor of FMLFC, on November 26, 1981 (Exh. A).

After a careful study of the evidences adduced by both parties, the Court is inclined to hold that plaintiffs' complaint lacks merit and should, therefore, be dismissed.

As correctly pointed out by FMLFC, plaintiffs do not deny the existence of their obligation to FMLFC, arising from the "Agreement for Purchase of Post-dated Checks" (Exh. C, also Exh. 17) in the amount of P650,000.00, which is secured by the "Deed of Real Estate Mortgage" (Exh. A). There can be no doubt that said mortgage is valid, as the properties covered by said mortgage, are sufficiently described and incorporated at the back thereof. The evidence disclose that plaintiffs freely, voluntarily, willingly, and consciously executed said document in favor of FMLFC, and surrendered their owner's duplicate copy of their Condominium Certificate of Title No. 1636, for annotation of the mortgage thereon, with the Register of Deeds of Rizal. The claim of plaintiff Rosauo Ocampo, Jr. that the signature of his wife (Fe S. Ocampo) on said document is not her signature, lacks merit, as a comparison of said signature to her signature appearing in the "Authorized Signature(s) Card" (Exh. 26) shows that it is really her signature.

Again, as correctly pointed out by FMLFC, being experienced businessmen, engaged in the financing business, plaintiffs could not have been misled by FMLFC to sign and execute, through mistake or undue influence, any document, which may later hold them accountable to FMLFC, without having inspected and read it; and that plaintiff are estopped from asserting their alleged lack of knowledge of execution of said mortgage, inasmuch as they never questioned its existence, when they made several proposals to FMLFC, for settlement of their obligation, secured by said mortgage, as contained in their letters to FMLFC, on May 14, 1983 (Exh. 22) and July 18, 1983 (Exh. 24). [5]

Thus, the trial court rendered judgment as follows:

WHEREFORE, judgment is hereby rendered in favor of defendants, and against plaintiffs, dismissing plaintiffs' complaint, with costs against plaintiffs, and ordering plaintiffs to pay to defendant First Metro Leasing & Finance Corporation, the amount of P10,000.00 as attorney's fees and litigation expenses.

SO ORDERED.[6]

Petitioners then appealed to the CA, which affirmed in toto the RTC judgment. The CA held that petitioners' contention that their consent was vitiated by mistake is "too incredulous," considering that petitioner Rosauo Ocampo, Jr. testified that, as a successful businessman and president and general manager of Premier Financing Corporation, he must go over documents before signing the same. The appellate court also concluded that petitioners freely, voluntarily, willingly and consciously executed the deed of mortgage as they even surrendered their owner's duplicate copy of their Condominium Certificate of Title No. 1636 for annotation of the mortgage thereon.

Petitioners no longer filed a motion for reconsideration of the CA Decision and proceeded to file this petition for review on certiorari where they allege that the CA committed serious errors of fact and law in affirming the lower court's decision to the effect that the subject deed of real estate mortgage is valid.

Petitioners reiterate their allegation made below that only Rosauro Ocampo, Jr. affixed his signature on the Deed of Real Estate Mortgage and when he did so the document was blank. They also stress that at the time the deed of mortgage was constituted on December 1, 1981, the transaction for the purchase of the postdated checks was as yet non-existent since the document evidencing said transaction was dated November 26, 1982, or almost one year after the constitution of the real estate mortgage.

At the outset, it must be stressed that in a petition for review on certiorari filed pursuant to Rule 45 of the 1997 Rules of Civil Procedure, it is not the function of this Court to re-examine the evidence submitted by the parties unless the findings of fact of the CA are not supported by evidence on record or the judgment is based on a misapprehension of facts. This Court is limited to the review or revision of errors of law and not to analyze or weigh the evidence all over again.[7]

Thus, the CA's factual finding that petitioners freely, voluntarily, willingly and consciously executed the deed of mortgage as they even surrendered their owner's duplicate copy of their Condominium Certificate of Title No. 1636 for annotation of the mortgage thereon, and the ruling that petitioner Fe Ocampo's signature on the deed of real estate mortgage is authentic, are conclusive and will not be reviewed by this Court.

However, considering petitioners' claim that the CA overlooked the circumstance that at the time the deed of mortgage was constituted on December 1, 1981, the transaction for the purchase of the postdated checks was as yet non-existent since the document evidencing said transaction was dated November 26, 1982, the Court sees it fit to look into such matter to finally settle this controversy.

A close scrutiny of the records reveals that petitioners' asseveration is absolutely bereft of merit.

In the first place, it was petitioners themselves who admitted in their complaint that the transaction for the purchase of postdated checks and the execution of the deed of mortgage occurred simultaneously, to wit:

- That on November 26, 1981, plaintiffs [herein petitioners] and the private defendant [herein respondent] entered into some business transaction whereby the former sold to the latter some postdated checks redeemable on the periods agreed upon;
- That simultaneously, also on November 26, 1981, the plaintiffs were made to execute a document in favor of the private defendant which turned out to be a real estate mortgage . . . ; [8]. . .

Moreover, testimonial and documentary evidence show that indeed, the execution of the deed of mortgage and the transaction for the sale of the postdated checks happened simultaneously. The document evidencing the first transaction for the sale of the checks executed at the same time as the deed of mortgage is not the Agreement for Purchase of Post-Dated Checks dated November 26, 1982 (Exh. "17"),[9] but the Deed of Assignment dated December 1, 1981 (Exh. "4").[10] Said Deed of Assignment provided that for valuable consideration received, in conjunction with the sale, negotiation and endorsement of corresponding negotiable instruments, herein petitioners, as representatives of Premier Financing Corporation, sold, assigned and transferred to herein private respondent several postdated checks with face value of P783,187.25 and loan value of P650,000.00. Meanwhile, the Deed of Real Estate Mortgage (Exh. "A" for petitioners and Exh. "6" for private respondent)[11] states that the same was being executed for and in consideration of certain loans, guarantees, money market credit lines and/or other credit accommodations in the principal amount of P650,000.00. Both the Deed of Real Estate Mortgage and the Deed of Assignment were notarized on December 1, 1981. Verily, said documents prove that indeed, the real estate mortgage was executed simultaneously and as security for the sale of the postdated checks, belying petitioners' claim that there is no principal contract to support the mortgage.

IN VIEW OF THE FOREGOING, the petition is DENIED. The Decision of the Court of Appeals dated October

17, 2000 is AFFIRMED.

**SO ORDERED.**

Puno, (Chairman), Callejo, Sr., and Tinga, JJ., concur.  
Chico-Nazario, J., on leave.

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[1] Penned by Associate Justice Ramon A. Barcelona with Associate Justices Rodrigo V. Cosico and Bienvenido L. Reyes, concurring.

[2] Complaint, RTC Records, pp. 4-7.

[3] Answer, RTC Records, pp. 34-38.

[4] RTC Records, pp. 239-246.

[5] Id., pp. 245-246.

[6] Id., p. 246.

[7] Caoili vs. CA, G.R. No. 128325, September 14, 1999, 314 SCRA 345.

[8] Complaint, Records, p. 5.

[9] Folder of Defendants' Exhibits.

[10] Id.

[11] Id.

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