

ASIATRUST DEVELOPMENT BANK, PETITIONER, VS. FIRST AIKKA DEVELOPMENT, INC. AND UNIVAC DEVELOPMENT, INC., RESPONDENTS.

G.R. No. 179558. June 01, 2011

Ponente: NACHURA, J.

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NACHURA, J.:

This is a petition for review on certiorari under Rule 45 of the Rules of Court, assailing the Court of Appeals (CA) Decision[1] dated June 28, 2007 and Resolution[2] dated August 29, 2007 in CA-G.R. SP No. 97408.

The Facts

Respondents First Aikka Development, Inc. (FADI) and Univac Development, Inc. (UDI) are domestic corporations engaged in the construction and/or development of roads, bridges, infrastructure projects, subdivisions, housing, land, memorial parks, and other industrial and commercial projects for the government or any private entity or individual.[3]

In the course of their business, FADI and UDI availed of separate loan accommodations or credit lines with petitioner Asiatrust Development Bank.[4] The aggregate amount of the loan obtained by respondents was P114,000,000.00. Respondents religiously and faithfully complied with their loan obligations, but during the Asian Financial Crisis, which directly and adversely affected mainly the construction and real estate industry, respondents could not pay their obligations in cash.[5] This prompted respondents to negotiate with petitioner for different modes of payment that the former might avail of. Petitioner thus agreed that respondents assign the receivables of their various contracts to sell involving the lots in the residential subdivision projects they were developing, instead of paying in cash.[6]

Notwithstanding the above agreement, petitioner insisted on collecting the loan per the loan documents. Petitioner claimed that respondents were already in default and demanded the payment of P145,830,220.95. Respondents denied that they were in default because of the assignment of their receivables to petitioner. Respondents contested petitioner's claim and demanded for an accounting to determine the correct and true amount of their obligations.[7]

On May 10, 2006, respondents filed a consolidated Petition for Corporate Rehabilitation with Prayer for Suspension of Payments[8] with the Regional Trial Court (RTC) of Baguio City, Branch 59. The case was docketed as Civil Case No. 6267-R. Respondents alleged that they were unable to pay their loan based on the claim of petitioner. Though they have sufficient assets to pay their loan, respondents averred that they were not liquid. They also stated that they were threatened by petitioner with various cases aimed at disrupting the operations of respondents which might eventually lead to the cessation of their business.[9] Respondents prayed that an order be issued staying the enforcement of any and all claims of their creditors, investors, and suppliers, whether for money or otherwise, against petitioner, their guarantors, and sureties.[10] By way of rehabilitation, respondents also sought the determination of the true and correct amount of their loan obligation with

petitioner.[11]

On May 16, 2006, the RTC issued an Order,[12] the pertinent portions of which read:

After an examination of the contents of the petition setting forth with sufficient particularity and material facts pursuant to Section 2 of Rule 4 of the Interim Rules of Procedures (sic) of Corporate Rehabilitation and the supporting documents attached thereto and finding the same to be sufficient in form and substance, the Court hereby:

1. ORDERS STAYING enforcement of all claims whether for money or otherwise and whether such enforcement is by court action or otherwise, against the debtors (herein petitioners)[, their] guarantors and [sureties] not solidarily liable with the debtors. In particular[, ASIATRUST BANK BE STAYED from proceeding with the foreclosure and auction sale of the mortgaged properties;

2. APPOINTS PATRICK V. CAOILE as interim rehabilitation receiver with a bond of two million (P2,000,000.00) pesos;

x x x x

7. FIXES the initial hearing on the petition on June 29, 2006 at 11:00 o'clock (sic) in the morning.[13]

On June 2, 2006, Robert Cuchado, an officer of petitioner, went to Baguio City to secure a copy of the petition for rehabilitation but failed to do so because, at that time, the personnel of the rehabilitation court were attending the Judicial Service Training. Petitioner then tried to secure a copy of the petition through the sheriff of the RTC of La Trinidad, Benguet. The rehabilitation court, however, required petitioner to file a motion to that effect, together with a written document authorizing the sheriff to secure a copy thereof. On June 9, 2006, the rehabilitation court issued an Order granting the motion filed by petitioner and gave it a certified true copy of the petition.[14]

On the day of the initial hearing, petitioner, through its counsel Atty. Mario C. Lorenzo (Atty. Lorenzo), went to court with a Motion for Leave of Court to Admit Opposition to Rehabilitation Petition[15] with the attached Opposition to Petition for Rehabilitation.[16] In an Order[17] dated July 17, 2006, the RTC denied the motion and explained:

Under par. 9 of the Stay Order[,], all creditors, etc., were given ten (10) days before the initial hearing to file their comment or opposition to the petition and putting them on notice that failure to do so will bar them from participating in the proceedings.

It is only on June 29, 2006, the date of the initial hearing that Asiitrust filed its Motion with Leave to Admit Opposition. The motion partakes of the nature of a motion for extension of time to file pleading which is a prohibited pleading under Rule 3(e) of the Interim Rules of Procedure on Corporate Rehabilitation.[18]

On July 31, 2006, when the case was called for hearing, Enrico J. Ong (Ong) appeared as representative of petitioner because the latter's counsel could not go to court due to the cancellation of his flight as a result of bad weather. The rehabilitation court recognized the appearance of Ong only to inform the court that the counsel for petitioner could not attend the hearing. There being no other oppositors or creditors in court despite due notices, the rehabilitation court terminated the initial hearing and directed the rehabilitation receiver to evaluate respondents' rehabilitation plan and then report the results thereof to the court.[19]

On October 13, 2006, the rehabilitation receiver called for a conference and presented the draft of the rehabilitation report to petitioner, represented by Atty. Lorenzo and Ong, and to respondents. Petitioner filed a manifestation and motion in court calling its attention to the alleged refusal of the receiver to hear its side. Petitioner thus asked for judicial assistance to enable it to actively participate in the rehabilitation proceedings and

protect its interest. The receiver finalized and later on filed his evaluation report in court. He recommended the approval of the rehabilitation plan.[20]

On December 5, 2006, the RTC issued an Order,[21] the pertinent portions of which read:

On the same ground under Rule 3 of the Interim Rules, the Motion of Oppositor Asiatrust to participate in the Rehabilitation Proceedings is DENIED. This pleading partakes of a [P]etition for Relief which is also a prohibited pleading under par. d of Rule 3 of the same rule. Moreover, the motion has also the purpose to reconsider the court's ruling in denying the admission of their opposition to the [P]etition for Rehabilitation.

It must be stressed that under par. 9 of the Stay Order, "All creditors, etc., were given ten (10) days before the initial hearing to file their comment or opposition to the petition and putting them on notice that failure to do so will bar them from participating in the proceedings."

As to the Rehabilitation Report and the Integrated Revised Rehabilitation Plan and Schedule of the petitioners, the court, after a careful and thorough examination and review of the report, it is its considered judgment that the rehabilitation of the debtor is feasible and hereby APPROVES the Rehabilitation Report and the REVISED REHABILITATION PLAN.

x x x x

WHEREFORE, premises all duly considered, the Motion of Asiatrust to participate in the Rehabilitation Proceedings is hereby DENIED, the Rehabilitation Report and the Integrated Revised Rehabilitation Plan of Receiver Patrick Caoile is APPROVED and the Notice of the Appearance of the Cabato Law Office as collaborating counsel for Oppositor Asiatrust is NOTED.

The court appointed Receiver shall submit his report every three (3) months and a yearly report on the status of the progress of the rehabilitation and the implementation and monitoring of the same.

SO ORDERED.[22]

Aggrieved, petitioner elevated the case to the CA via a Petition for Review[23] under Rule 43 of the Rules of Court.

On June 28, 2007, the appellate court affirmed the above RTC Orders. The appellate court emphasized that petitioner's failure to participate in the rehabilitation proceedings was due to its own fault. First, petitioner failed to file on time its opposition to the petition for rehabilitation and still failed to present good reason for it to be belatedly admitted. Second, on the date of the second hearing, its counsel failed to go to court allegedly due to the cancellation of his flight, which, to the mind of the court, was inexcusable. Lastly, instead of filing a comment to the rehabilitation proceedings, petitioner filed a motion to participate in the rehabilitation proceedings, which is a prohibited pleading. The CA thus concluded that petitioner was given every opportunity to be heard in the rehabilitation proceedings, but it failed to avail of these remedies. On the propriety of the joint petition for rehabilitation, the CA opined that the Interim Rules of Procedure on Corporate Rehabilitation (the Rules) contains no prohibition. Finally, the CA stressed that rehabilitation proceedings are non-adversarial and summary in nature which, therefore, necessitate the proper observance of the period and procedures provided for by law and the Rules.[24]

The Issues

Undaunted, petitioner comes before this Court, raising the following errors:

A.

WHETHER OR NOT THE HONORABLE COURT OF APPEALS COMMITTED GRAVE ERRORS OF

LAW WHEN IT FAILED TO RULE THAT PETITIONER WAS UNJUSTLY DEPRIVED OF ITS PROPERTY WITHOUT DUE PROCESS OF LAW WHEN IT WAS NOT ALLOWED TO PROVE THE TRUE AND CORRECT AMOUNT OF THE LOAN OBLIGATIONS OWING TO IT BY THE RESPONDENTS BASED ON A MERE TECHNICALITY, IN BLATANT DISREGARD OF THE APPLICABLE LAWS AND DECISIONS OF THIS HONORABLE COURT.

B.

WHETHER OR NOT THE HONORABLE COURT OF APPEALS COMMITTED GRAVE ERRORS OF LAW WHEN IT AFFIRMED THE APPROVAL OF THE REHABILITATION PLAN DESPITE THE REHABILITATION COURT'S FAILURE TO CONDUCT A CLARIFICATORY HEARING TO RESOLVE THE UNSETTLED ISSUE ON THE AMOUNT OF INDEBTEDNESS OF PRIVATE RESPONDENTS AND THE REHABILITATION RECEIVER'S FAILURE TO MAKE A CREDIBLE AND INDEPENDENT INVESTIGATION ON THE AMOUNT OF INDEBTEDNESS OF RESPONDENT CORPORATIONS, THEREBY DEVIATING FROM THE USUAL AND ACCEPTED COURSE OF JUDICIAL PROCEEDINGS.

C.

WHETHER OR NOT THE HONORABLE COURT OF APPEALS COMMITTED GRAVE ERRORS OF LAW WHEN IT INEXPLICABLY AFFIRMED THE REHABILITATION COURT'S APPROVAL OF THE CONSOLIDATED PETITION FOR REHABILITATION, DESPITE THE SUBSTANTIAL EVIDENCE SHOWING THAT THE PETITION WAS FILED IN THE WRONG VENUE INsofar AS RESPONDENT UNIVAC DEVELOPMENT IS CONCERNED AND WAS FATALLY DEFECTIVE ON ITS FACE.

D.

WHETHER OR NOT THE HONORABLE COURT OF APPEALS COMMITTED A SERIOUS ERROR OF LAW WHEN IT REFUSED TO RULE ON THE SUBSTANTIAL AND FORMAL DEFECTS OF THE REHABILITATION PLAN ON THE PRETEXT THAT THE REHABILITATION COURT'S APPROVAL OF THE RESPONDENTS' REHABILITATION IS BINDING ON IT, DESPITE THE ABSENCE OF SUBSTANTIAL EVIDENCE THAT WOULD SUPPORT THE DECISION OF THE REHABILITATION COURT.

E.

WHETHER OR NOT THE HONORABLE COURT'S EXERCISE OF ITS DISCRETIONARY REVIEW POWERS IS WARRANTED UNDER THE CIRCUMSTANCES.[25]

Petitioner's Arguments

Petitioner avers that it was denied due process when the rehabilitation court refused to admit its opposition to the petition for rehabilitation and to comment on the rehabilitation plan.[26] It explains that the late submission of the opposition was brought about by the baseless and unfounded requirements imposed by the court.[27] Considering that there are valid and substantial grounds for the dismissal of the petition for rehabilitation, petitioner insists that its comment and opposition should have been admitted by the rehabilitation court. Petitioner points out that while the court denied its motion for leave to admit its opposition, it (the court) allowed the Securities and Exchange Commission to submit its comment long after the prescribed period.[28]

Petitioner adds that the rehabilitation court's unwarranted refusal to recognize the appearance of its duly authorized representative constitutes a denial of its right to due process.[29] Petitioner also insists that mere delay in the submission of the comment on the petition for rehabilitation does not warrant the denial of petitioner's right to participate in the rehabilitation proceedings. It likewise assails the rehabilitation court's jurisdiction over UDI,

whose principal place of business is in Pasig City, which is beyond the jurisdiction of the RTC of Baguio City. It, thus, challenges the consolidated petition for rehabilitation.[30] Moreover, petitioner avers that respondents failed to show that they had adequate capital to sustain their operations during the interim period of corporate rehabilitation.[31] Lastly, petitioner denies that it is estopped from assailing the rehabilitation plan as it already received payment from respondents based on the rehabilitation plan. It clarifies that it accepted the check payments subject to the outcome of this case.[32]

Respondents' Arguments

Respondents, on the other hand, aver that the petition is legally infirm as there are no special important reasons for the Court to exercise its sound judicial discretion to review the assailed CA Decision.[33] They also argue that petitioner's failure to participate in the rehabilitation proceedings could be attributed to its counsel's own slackness and disregard for the rules.[34] On the issue of the rehabilitation court's jurisdiction, respondents counter that petitioner could no longer assail it as petitioner actively participated and continues to participate in the rehabilitation proceedings, including the receipt of payments in accordance with the approved rehabilitation plan.[35] They explain that in the Orders dated May 16, 2006, the rehabilitation court held that the petition is sufficient in form and substance; July 17, 2006, the rehabilitation court denied petitioner's motion for leave to admit its comment on the petition for rehabilitation; and July 31, 2006, the court declared that there is merit in the petition which was given due course. Petitioner's failure to assail the above orders rendered them final and immutable. Respondents thus opine that petitioner could no longer assail them in this petition for review.[36]

Respondents likewise insist that petitioner could no longer participate in the rehabilitation proceedings because of its failure to file its comment on the petition. In other words, respondents said, the filing of the comment on the petition is a condition precedent to the filing of the comment on the rehabilitation plan.[37] On the amount of the loan obligation, respondents claim that there was a valid basis and there was a determination of the true and correct amount thereof.[38]

The Court's Ruling

Though the rehabilitation proceedings had gone as far as the approval and the subsequent implementation of the rehabilitation plan, we must confront the issue of the rehabilitation court's jurisdiction to hear and decide the case insofar as respondent UDI is concerned. A perusal of petitioner's pleadings clearly shows that it had repeatedly raised the jurisdictional question. The courts below, however, ignored this issue as they did not recognize petitioner's right to participate in the rehabilitation proceedings.

While it is true that petitioner had been asking the rehabilitation and appellate courts that it be allowed to participate, contrary to respondents' contention, the same did not amount to estoppel that would bar it from questioning the rehabilitation court's jurisdiction. It is well-settled that the court's jurisdiction may be assailed at any stage of the proceedings, even for the first time on appeal. The reason is that jurisdiction is conferred by law, and lack of it affects the very authority of the court to take cognizance of and to render judgment on the action.[39] In its Opposition to the petition for rehabilitation, petitioner already questioned the court's jurisdiction over UDI. On appeal to the CA, it again raised the same issue, but it failed to obtain a favorable decision. We cannot, therefore, say that petitioner slept on its rights. It is not estopped from raising the jurisdictional issue even at this stage. In any event, even if petitioner had not raised the issue of jurisdiction, the reviewing court would still not be precluded from ruling on the matter of jurisdiction.

Neither can estoppel be imputed to petitioner for its receipt of payments made by respondents in accordance with the rehabilitation plan. It has been established that in its letters to respondents, petitioner explained that it received payments subject to the results of its appeal. Besides, it is a basic rule that estoppel does not confer jurisdiction on

a tribunal that has none over the cause of action or subject matter of the case.[40]

Records show that the Petition for Corporate Rehabilitation with Prayer for Suspension of Payments[41] was filed by two corporations, namely, FADI and UDI. Respondent FADI is a real estate corporation duly organized and existing under and by virtue of Philippine laws, with principal place of business in Baguio City.[42] Respondent UDI, on the other hand, is a real estate corporation with principal place of business in Pasig City.[43] Respondents explain in their petition that they filed the consolidated petition because they availed of separate but intertwined loan obligations or credit lines, and that they have interlocking directors, owners, and officers. As such, a full and complete settlement of the loan obligations will involve the two corporations and, consequently, the rehabilitation of one will entail the rehabilitation of the other.[44]

We find that the consolidation of the petitions involving these two separate entities is not proper.

Although FADI and UDI have interlocking directors, owners, and officers and intertwined loans, the two corporations are separate, each with a personality distinct from the other. To be sure, in determining the feasibility of rehabilitation, the court evaluates the assets and liabilities of each of these corporations separately and not jointly with other corporations.

Moreover, Section 2, Rule 3 of the Rules, the rule applicable at the time of the filing of the petition, provides:

Sec. 2. Venue. - Petitions for rehabilitation pursuant to these Rules shall be filed in the Regional Trial Court having jurisdiction over the territory where the debtor's principal office is located.

Considering that UDI's principal office is located in Pasig City, the petition should have been filed with the RTC in Pasig City and not in Baguio City. The latter court cannot, therefore, take cognizance of the rehabilitation petition insofar as UDI is concerned for lack of jurisdiction.

This error, however, will not result in the dismissal of the entire petition since the RTC of Baguio City had jurisdiction over the petition of FADI in accordance with the above-quoted provision of the Rules.

On the issue of whether the rehabilitation court, as affirmed by the CA, correctly denied petitioner's prayer to participate in the rehabilitation proceedings because of the belated filing of its Comment/Opposition to respondents' petition for rehabilitation, we answer in the negative.

The Court promulgated the Rules in order to provide a remedy for summary and non-adversarial rehabilitation proceedings of distressed but viable corporations.[45] These Rules are to be construed liberally to obtain for the parties a just, expeditious, and inexpensive disposition of the case.[46] To be sure, strict compliance with the rules of procedure is essential to the administration of justice. Nonetheless, technical rules of procedure are mere tools designed to facilitate the attainment of justice. Their strict and rigid application should be relaxed when they hinder rather than promote substantial justice.[47] Otherwise stated, strict application of technical rules of procedure should be shunned when they hinder rather than promote substantial justice.[48]

In this case, instead of filing its opposition to the petition for rehabilitation at least ten days before the date of the initial hearing as required by the Rules, petitioner filed a Motion for Leave of Court to Admit Opposition to Rehabilitation Petition[49] with the attached Opposition to Petition for Rehabilitation[50] on the date of the initial hearing. Because the pleading was not filed on time, the RTC denied the motion. While the court has the discretion whether or not to admit the opposition belatedly filed by petitioner, it is our considered opinion that the RTC gravely abused its discretion when it refused to grant the motion, even as the factual circumstances of the case require that the Rules be liberally construed in the interest of justice.

Admittedly, petitioner is respondents' major creditor. The parties even explained that the new payment scheme

adopted in the approved rehabilitation plan maintained the same scheme as that stipulated in the contracts between respondents and their creditors except that of petitioner. In other words, respondents could pay the other creditors in the same manner as that stipulated in their contracts but could not abide by the terms of their contracts with petitioner.

Moreover, petitioner and respondents differ in their assessment and computation of the latter's obligations to the former. Petitioner claims that respondents owe it P145,830,220.95, while the latter only admit a total obligation of P24,202,015. This disparity in the parties' claims makes it more important for the rehabilitation court to have given petitioner the opportunity to be heard. Besides, in their petition before the RTC, respondents sought the determination of the true and correct amount of their loan with petitioner.[51] We consider this as a compelling reason for the liberal interpretation of the Rules, and the rehabilitation court should have admitted petitioner's comment on the petition for rehabilitation and allowed petitioner to participate in the proceedings.

Time and again, we have held that cases should, as much as possible, be resolved on the merits, not on mere technicalities. In cases where we dispense with the technicalities, we do not mean to undermine the force and effectivity of the periods set by law. In those rare cases where we did not stringently apply the procedural rules, there always existed a clear need to prevent the commission of a grave injustice, as in the present case.[52] Our judicial system and the courts have always tried to maintain a healthy balance between the strict enforcement of procedural laws and the guarantee that every litigant be given the full opportunity for the just and proper disposition of his cause.[53]

Corporate rehabilitation connotes the restoration of the debtor to a position of successful operation and solvency, if it is shown that its continued operation is economically feasible and its creditors can recover by way of the present value of payments projected in the rehabilitation plan, more if the corporation continues as a going concern than if it is immediately liquidated.[54]

Rehabilitation proceedings in our jurisdiction have equitable and rehabilitative purposes. On the one hand, they attempt to provide for the efficient and equitable distribution of an insolvent debtor's remaining assets to its creditors; and on the other, to provide debtors with a "fresh start" by relieving them of the weight of their outstanding debts and permitting them to reorganize their affairs.[55] The purpose of rehabilitation proceedings is to enable the company to gain a new Lease on life and thereby allow creditors to be paid their claims from its earnings.[56]

The determination of the true and correct amount due petitioner is important in assessing whether FADI may be successfully rehabilitated. It is thus necessary that petitioner be given the opportunity to be heard by the rehabilitation court. The court should admit petitioner's comment on or opposition to FADI's petition for rehabilitation and allow petitioner to participate in the rehabilitation proceedings to determine if indeed FADI could maintain its corporate existence. A remand of the case to the rehabilitation court is, therefore, imperative. To be sure, the successful rehabilitation of a distressed corporation will benefit its debtors, creditors, employees, and the economy in general.[57]

As much as we would like to honor the rehabilitation plan approved by the rehabilitation court, particularly because it has already been partially implemented, we cannot sustain the decision of the court, as affirmed by the CA, if we are to ensure that rehabilitation is indeed feasible. It is especially important in this case to hear petitioner, as the major creditor of the distressed corporation, since it is a banking institution.

Banks are entities engaged in the lending of funds obtained through deposits from the public. They borrow the public's excess money and lend out the same. Banks, therefore, redistribute wealth in the economy by channeling idle savings to profitable investments.[58] Banks operate (and earn income) by extending credit facilities financed

primarily by deposits from the public. They plough back the bulk of said deposits into the economy in the form of loans. Since banks deal with the public's money, their viability depends largely on their ability to return those deposits on demand. For this reason, banking is undeniably imbued with public interest. Consequently, much importance is given to sound lending practices and good corporate governance.[59]

WHEREFORE, premises considered, the petition is **PARTIALLY GRANTED**. The Court of Appeals Decision dated June 28, 2007 and Resolution dated August 29, 2007 in CA-G.R. SP No. 97408 are **SET ASIDE**. Consequently, the Order of the RTC dated July 17, 2006 and those issued subsequent thereto are hereby **NULLIFIED**.

We **REMAND** the records of the case pertaining to the petition for rehabilitation of First Aikka Development, Inc. to the Regional Trial Court of Baguio City, Branch 59, for further proceedings. The court is **ORDERED** to admit petitioner Asiatrust Development Bank's Comment/Opposition to the petition for rehabilitation and to allow petitioner to participate in said proceedings.

The Regional Trial Court of Baguio City, Branch 59, is likewise **ORDERED** to **DISMISS** the petition for rehabilitation of Univac Development, Inc. for lack of jurisdiction.

SO ORDERED.

Carpio, (Chairperson), Peralta, Abad, and Mendoza, JJ., concur.

[1] Penned by Associate Justice Marlene Gonzales-Sison, with Associate Justices Juan Q. Enriquez, Jr. and Vicente S.E. Veloso, concurring; rollo, pp. 105-118.

[2] Id. at 120.

[3] Supra note 1, at 105.

[4] Rollo, p. 125.

[5] Id. at 127.

[6] Id. at 128.

[7] Id.

[8] Id. at 121-139.

[9] Id. at 129-132.

[10] Id. at 136.

[11] Id. at 133.

[12] Id. at 171-173.

[13] Id. at 171-172.

[14] Id. at 107.

[15] Id. at 176-178.

[16] Id. at 179-186.

[17] Id. at 187.

[18] Id.

[19] Id. at 107-108.

[20] Id. at 108.

[21] Id. at 207-210.

[22] Id. at 208-210.

[23] CA rollo, pp. 7-38.

[24] Supra note 1, at 110-117.

[25] Rollo, pp. 544-546.

[26] Id. at 547-548.

[27] Id. at 548-550.

[28] Id. at 550-557.

[29] Id. at 557-562.

[30] Id. at 572-575.

[31] Id. at 575-579.

[32] Id. at 597-599.

[33] Id. at 373-379.

[34] Id. at 379-386.

[35] Id. at 405-409.

[36] Id. at 387-395.

[37] Id. at 395-396.

[38] Id. at 400.

[39] Sales v. Barro, G.R. No. 171678, December 10, 2008, 573 SCRA 456, 464.

[40] Atwel v. Concepcion Progressive Association, Inc., G.R. No. 169370, April 14, 2008, 551 SCRA 272, 283.

[41] Supra note 1.

[42] Id. at 121.

[43] Id. at 123.

[44] Id. at 125.

[45] North Bulacan Corporation v. Philippine Bank of Communications, G.R. No. 183140, August 2, 2010, 626 SCRA 260, 262-263.

[46] Id. at 263.

[47] *Tan v. Planters Products, Inc.*, G.R. No. 172239, March 28, 2008, 550 SCRA 287, 300.

[48] *Id.* at 289.

[49] *Supra* note 15.

[50] *Supra* note 16.

[51] *Rollo*, pp. 127-128.

[52] *Tanenglian v. Lorenzo*, G.R. No. 173415, March 28, 2008, 550 SCRA 348, 364.

[53] *Id.*

[54] *Castillo v. Uniwide Warehouse Club, Inc.*, G.R. No. 169725, April 30, 2010, 619 SCRA 641, 646.

[55] *China Banking Corporation v. ASB Holdings, Inc.*, G.R. No. 172192, December 23, 2008, 575 SCRA 247, 259, citing *Bank of the Philippine Islands v. Securities and Exchange Commission*, G.R. No. 164641, December 20, 2007, 541 SCRA 294, 301.

[56] *Philippine National Bank v. Court of Appeals*, G.R. No. 165571, January 20, 2009, 576 SCRA 537, 559; *Metropolitan Bank and Trust Company v. ASB Holdings, Inc.*, G.R. No. 166197, February 27, 2007, 517 SCRA 1, 15.

[57] *Pacific Wide Realty and Development Corporation v. Puerto Azul Land, Inc.*, G.R. Nos. 178768 & 180893, November 25, 2009, 605 SCRA 503, 517.

[58] *Banco de Oro-EPCI, Inc. v. JAPRL Development Corporation*, G.R. No. 179901, April 14, 2008, 551 SCRA 342, 355.

[59] *Id.* at 356.

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