

**HEIRS OF CORAZON AFABLE SALUD, REPRESENTED BY
DEOGRACIAS A. SALUD, NAPOLA Y. SALUD, JOSEPH Y. SALUD, AND
JOE VINCENT Y. SALUD, PETITIONERS, VS. RURAL BANK OF
SALINAS, INC. RESPO...**

G.R. No. 202756. April 06, 2016

Ponente: DEL CASTILLO, J.

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DEL CASTILLO, J.:

This Petition for Review on Certiorari[1] seeks to set aside: 1) the February 23, 2012 Decision[2] of the Court of Appeals (CA) in CA-G.R. CV No. 90854 which reversed and set aside the November 15, 2007 Order[3] of the Regional Trial Court (RTC) of Cavite City, Branch 16 in Civil Case No. N-7469, and reinstated the RTC's June 8, 2007 Decision[4] and 2) the CA's July 12, 2012 Resolution[5] denying petitioners' Motion for Reconsideration.[6]

Factual Antecedents

Corazon Afile Salud (Corazon) was the registered owner of a parcel of land with building (the Silver Coin Bldg.) in Marseilla Street, Rosario, Cavite (the subject property), covered by Transfer Certificate of Title No. RT-19394 (TCT RT-19394).[7] On May 30, 1998 or at the age of 80, she passed away leaving behind as her heirs her two adopted children, petitioner Deogracias A. Salud (Deogracias) and Carmencita Salud Condol (Carmencita). Deogracias is married to Napola Y. Salud (Napola); Joseph Y. Salud (Joseph) and Joe Vincent Y. Salud (Vincent) are their children.

On January 8, 2004, Deogracias, Napola, Joseph and Vincent instituted Civil Case No. N-7469 against respondent Rural Bank of Salinas, Inc. (RBSI), Carmencita, the Clerk of Court and Ex-Officio Sheriff of the RTC-Cavite City, and the Cavite Register of Deeds. In their Complaint[8] for Declaration of Nullity of Deeds of Mortgage, Special Power of Attorney, Extrajudicial Foreclosure Sale, Certificate of Sale and Damages, with injunctive relief, they essentially claimed that in 2000, Deogracias and Napola learned that Carmencita obtained a P2 million loan from RBSI secured by three Deeds of Mortgage[9] over the subject property executed by Carmencita on August 20, October 8 and October 31, 1996; that RBSI granted the loan on the basis of a pro forma bank Special Power of Attorney[10] (August 20 SPA) purportedly executed and signed by Corazon on August 20, 1996, specifically authorizing Carmencita to utilize the subject property as security for any loan/s obtained by the latter from RBSI; that they immediately informed RBSI President and Manager Teodoro G. Salud (Teodoro) who is their close relative that Corazon never authorized Carmencita to mortgage the subject property, and that Corazon's signature on the August 20 SPA was a forgery; that they showed Teodoro another special power of attorney (SPA) dated August 23, 1996[11] executed by Corazon which contained her true and genuine signature, and which authorized Deogracias to 1) specifically collect the rentals from tenants of the Silver Coin Bldg. and another building, 2) represent Corazon in any transaction with said tenants and the utility companies, and 3) execute and sign any paper or document relating to the tenants and utility companies; that in 1990, the subject property was duly

constituted as their family home as inscribed in TCT RT-19394;^[12] that for Carmencita's failure to pay her loan obligation, the subject property was unduly foreclosed upon and sold to RBSI in 2002; that the foreclosure process was defective in that a) notice of extrajudicial sale was not given to Corazon, b) the notice of sale was not posted in a conspicuous place, and c) the certificate of posting was executed only after the auction sale;^[13] that it is evident from the Promissory Notes^[14] executed by Carmencita that the loan she secured from RBSI is her sole obligation and responsibility, and Corazon did not obtain any benefit or advantage therefrom; that RBSI is in possession of the certificate of title to the subject property, and refused to surrender the same despite demand; and that the defendants were acting with malice and bad faith in committing and perpetrating a forgery. Petitioners thus prayed that injunctive relief be issued to enjoin RBSI from consolidating title; that the mortgage deeds, August 20 SPA, and foreclosure and sale proceedings be nullified and voided; that RBSI be ordered to surrender TCT RT-19394 to them; and that P1 million as moral damages, P250,000.00 as exemplary damages, P300,000.00 as attorney's fees plus appearance fees, P50,000.00 as litigation expenses, and costs be awarded to them.

In its Answer, RBSI essentially alleged that Carmencita was duly authorized by Corazon to secure a loan and mortgage the subject property in August 1996; that the proceeds of the loan was used to repair Corazon's 10-door apartment building in Makati and to pay for her medical and hospital expenses; and that Corazon's signature on the questioned August 20 SPA was genuine and true.

On January 8, 2004, or after the filing of the Complaint, a 72-hour Temporary Restraining Order (TRO) was issued enjoining the Cavite Register of Deeds from acting on RBSI's application for consolidation of ownership and from canceling TCT RT-19394, The TRO was extended until January 28, 2004.

After Civil Case No. N-7469 was raffled to Branch 16, the application for injunctive relief was heard. On January 27, 2004, the RTC issued a Writ of Preliminary Injunction.

At the pre-trial conference, the parties agreed that the only issue to be resolved in the case is whether the signature of Corazon appearing on the August 20 SPA was genuine, and that the August 20 SPA shall be subjected to examination by a National Bureau of Investigation (NBI) handwriting expert whose finding shall be binding upon them.^[15]

On April 29, 2005, the designated NBI Documents Examiner, Jennifer Dominguez (Dominguez), issued Questioned Document Report No. 231-405 (NBI report) with the conclusion that the questioned signature of Corazon on the August 20 SPA and her standard signatures on sample documents submitted for comparison "were not written by one and the same person."^[16] The NBI report was based on 19 sample signatures submitted by petitioners, but one of the two that were submitted by RBSI was disregarded by Dominguez.^[17]

During trial, Deogracias admitted that the signature appearing on one of the sample documents submitted by RBSI tagged as sample "S-D-2" and also marked as Exhibit "5-A" for RBSI was affixed by Corazon.^[18]

Napola testified on the issue of damages and attorney's fees.^[19]

For the defense, Teodoro testified among others that Corazon has been a borrower of RBSI even prior to 1996; that in 1996, he was approached by Corazon and Carmencita who indicated their desire to apply for another loan with the subject property as collateral; that Corazon asked him if she can allow Carmencita to be the borrower so that she would not have to keep going to the bank; that he later informed Corazon that the RBSI board of directors agreed to approve her loan application; that one week thereafter or on August 20, 1996, Corazon and Carmencita returned and filled out a P1 million loan application; that Corazon signed the August 20 SPA in his presence; that thereafter, he directed the bank's loan supervisor to process the necessary loan documents and have the same notarized; that later on, Deogracias approached him on several occasions and signified his intention to pay the

loan but he was unable to do so and instead, Deogracias filed the instant case; and that RBSI was compelled to hire legal counsel to prosecute Civil Case No. N-7469.[20]

Arty. Gregorio M. Trias (Arty. Trias), the notary public who notarized the August 20 SPA, testified that on August 20, 1996, Corazon appeared before him to have the August 20 SPA notarized although when the said document was brought to him the same was already signed by Corazon; that he knew Corazon because in the past he notarized documents signed by her; and that when he notarized the August 20 SPA, he did not inquire whether the signature thereon was Corazon's nor did he ask whether she understood what the document meant.[21]

Dominguez, the NBI Document Examiner, testified and essentially reiterated her original finding that there exist significant differences between Corazon's questioned signature on the August 20 SPA and the standard sample signatures submitted for comparison, and that her signature on the August 20 SPA and the sample documents submitted were not written by one and the same person.[22] At the same time, she also admitted that the signature on RBSI's "S-D-2" or Exhibit "5-A" and that appearing on the questioned August 20 SPA could have been written by one and the same person.[23]

Ruling of the Regional Trial Court

On June 8, 2007, the RTC issued its Decision, dismissing the complaint, viz.:

As a general rule, forgery cannot be presumed and must be proved by clear, positive and convincing evidence. The burden of proof lies on the party alleging forgery. In the examination of forged documents, the expertise of questioned documents examiners is not mandatory and while probably useful, they are indispensable [sic][24] in examining or comparing handwriting. Hence, a finding of forgery does not depend entirely on the testimony of handwriting experts. x x x

In the instant case, the presumption of validity and regularity prevails over allegations of forgery and fraud. As against direct evidence consisting of the testimony of a witness who was physically present at the signing of the contract and who had personal knowledge thereof, the testimony of Dominguez constitutes indirect or circumstantial evidence at best. x x x Teodoro Salud, the witness to the special power of attorney confirmed the genuineness, authenticity and due execution thereof. Said witness having been physically present to see the decedent Corazon x x x affix her signature to the questioned document, the weight of evidence preponderates in favor of defendants.

x x x x

It is emphasized that it was never denied by the plaintiffs that the subject Special Power of Attorney was in fact notarized by Atty. Gregorio M. Trias, a Notary Public, and the same was registered in his notarial book. As Atty. Trias had testified, Corazon Salud appeared before him on August 20, 1996, the date of the special power of attorney x x x.

x x x x

WHEREFORE, premises considered, the instant complaint for declaration of nullity of deeds of mortgage, special power of attorney, extrajudicial foreclosure sale, certificate of sale and damages is, as it is hereby, ordered DISMISSED. The writ of preliminary injunction is likewise DISSOLVED.

SO ORDERED.[25]

Petitioners filed a Motion for Reconsideration[26] which was granted by the RTC in its November 15, 2007 Order. The trial court held that since the parties agreed to abide by, and submit the case for decision based on, the NBI findings, then the resolution of this case should hinge on the NBI findings. The RTC recalled that based on the NBI report, the questioned signature in the August 20 SPA and the standard/sample signatures of Corazon

were not written by one and the same person. As regards Dominguez's failure to include Exhibit "5" and "S-D-2" in her examination, the RTC brushed aside the same for being inconsequential.

In addition, the RTC ruled that based on its own examination there were indeed striking differences in the August 20 SPA signature vis-a-vis Corazon's standard signatures. Thus, it concluded that Corazon's signature in the August 20 SPA was a forgery.

Moreover, the RTC ruled as follows:

Since the Court has already found that the SPA is a forged document, it is useless to further ventilate on the invalidity of the notarization made by Atty. Trias. It must be stated, nonetheless, that by notarizing this forged document, Atty. Trias committed falsehood and misled or allowed the Court to be misled by an artifice.

x x x x

Moreover, the Court doubts the impartiality of Atty. Trias. When he notarized the forged SPA, he was working for defendant bank and was holding office at defendant bank's premises for more than ten (10) years x x x His testimony is therefore tainted with manifest bias and partiality. x x x

While Teodoro maintained that the SPA was signed by Corazon in his presence, save from this bare allegation, however, there is no iota of proof to support his claim. It has not been shown that he affixed his signature as witness to the execution of the SPA and no one among the attesting witnesses came forward to corroborate his claim. Even Carmencita, who was allegedly present when the SPA was signed by Corazon, failed to appear to substantiate Teodoro's claim. The Court notes that Carmencita was impleaded as defendant in this case, but she neither filed her Answer nor came forward to refute plaintiffs' charges. As it were, Teodoro's testimony should be taken with utmost circumspection. x x x

x x x x

More importantly, the act of requiring Corazon to execute an SPA in favor of Carmencita for a loan that would be processed and released on the same day defies reason and common sense. x x x

x x x x

All told, although the special power of attorney was a public document having in its favor the presumption of regularity, such presumption was adequately refuted by competent witnesses and this Court's visual analysis of the documents. Due to its knowledge of the defect of the questioned document which it did not question, defendant bank could not be considered a mortgagee in good faith. Though it is not expected to conduct an exhaustive investigation on the history of the mortgagor's title, it cannot be excused from the duty of exercising the due diligence required of a banking institution. Banks are expected to exercise more care and prudence than private individuals in their dealings, even those that involve registered lands, for their business is affected with public interest.

x x x x

WHEREFORE, as prayed for by plaintiffs, the Decision dated June 8, 2007 is reconsidered and set aside. x x x

x x x x

SO ORDERED.[27]

Ruling of the Court of Appeals

In an appeal to the CA, RBSI asserted that the RTC erred in reconsidering its original Decision; that the trial court disregarded the sample signatures it submitted (Exhibits "5" and "S-D-2"); that the NBI's Dominguez herself

admitted that the questioned signature and its Exhibits "5" and "S-D-2" could have been written by one and the same person; and that as a public document and with the testimonies of Teodoro and Atty. Trias, the August 20 SPA must be presumed to be regular.

On February 23, 2012, the CA issued the assailed Decision finding merit in the appeal. It held that the opinions of handwriting experts are merely persuasive and not conclusive hence not binding on the courts.

Based on its own assessment, the CA found that petitioners failed to overcome the presumption that Corazon's signature in the August 20 SPA was genuine and not forged. The CA observed that petitioners submitted 19 sample signatures of Corazon, denominated as "S-1" through "S-19," while the respondent presented two signatures tagged as "S-D-1" and "S-D-2." However, Dominguez failed to include in her examination "S-D-2." The CA observed that the RTC failed to take into account that during her cross-examination, Dominguez admitted that the signatures appearing on "S-D-2" and the August 20 SPA could be written by one and the same person. More important, even Deogracias admitted that the signature on "S-D-2" was Corazon's.

In addition, the CA held that the NBI handwriting expert herself admitted that age and health conditions could affect one's handwriting. In fact, in her February 21, 1995 letter, Corazon expressed that she had difficulty in writing because she was suffering from tremors. The CA pointed out that Corazon was 77 years old when she wrote the letter, or one year before the execution of the questioned August 20 SPA. According to the CA, slight dissimilarities in handwriting are only natural and not indicative of forgery.

Moreover, the CA declared that the case should not be resolved based solely on the NBI report. It noted that petitioner's claim of forgery hinged exclusively on the NBI report whereas RSBI erected its case not only on the sample signatures of Corazon but also on the testimonies of Teodoro, who testified that Corazon signed the August 20 SPA in his presence, and of Atty. Trias who claimed that Corazon and Carmencita appeared before him when he notarized the documents. As a notarized document, the August 20 SPA is presumed valid and regular; petitioners failed to submit convincing proof of its falsity or nullity.

Finally, the appellate court took note of Deogracias's admissions that Corazon had on previous occasion constituted Carmencita as her attorney-in-fact in selling her property; that Camiencita took care of Corazon during her hospital confinement in late 1996 until her death in 1998; and that Carmencita paid Corazon's hospital bills amounting to more than P5 million. The CA concluded that based on the foregoing, the likelihood that Corazon executed the August 20 SPA in favor of Carmencita, is not remote.

The dispositive portion of the CA Decision reads as follows:

WHEREFORE, the appeal is GRANTED. The Order dated November 15, 2007 of the Regional Trial Court of Cavite City, Branch 16 in Civil Case No. N-7469 is hereby REVERSED and SET ASIDE. The Decision dated June 8, 2007 of the same court is hereby REINSTATED.

SO ORDERED.[28]

Petitioners moved for reconsideration, but in its July 12, 2012 Resolution, the CA stood its ground. Hence, the instant Petition.

Issues

Petitioners raise the following issues in this Petition:

22. The Court of Appeals erred in setting aside the pre-trial agreement that the petitioners and respondent Bank are bound by the result of the NBI's document examination.

23. The Court of Appeals erred in concluding that petitioners as plaintiffs below failed to adduce preponderant evidence to prove that the signature on the Special Power of Attorney purportedly belonging to Corazon Afafe Salud was forged. Particularly:

a. NBI Document Examiner Jennifer Dominguez was not categorical in her finding that the subject signature was forged, all because it was "possible" that an alleged standard signature of Corazon Afafe Salud (Exhibit "5" or Exhibit "S-D-2") and the subject signature were written by one and the same person.

b. The NBI Document Examiner did not rule out that several factors could affect an individual's handwriting.

c. The testimony of respondent Bank's Manager, Teodoro Salud, that he saw Corazon Afafe Salud signing the Special Power of Attorney is a credible direct evidence of the authenticity of the subject signature.

d. The Special Power of Attorney is a notarized document and is therefore presumed regular and genuine.

e. Petitioner Deogracias Salud admitted that Corazon Afafe Salud appointed in the past Carmencita Salud Condol as her attorney-in-fact and thus it was not improbable that she appointed her for this particular transaction.

f. Petitioner Deogracias Salud admitted that Carmencita Salud Condol paid for Corazon Afafe Salud's hospital expenses, the funding for which could not have been but the proceeds of the transaction involved in this case.[29]

Petitioners' Arguments

In their Petition and Reply,[30] petitioners seek a reversal of the assailed CA dispositions and reinstatement of the RTC's November 15, 2007 Order, arguing that RBSI is estopped from questioning or rejecting the NBI report since it agreed during the pre-trial proceedings to abide by the results of the NBI examination; that RBSI is bound by such stipulation and agreement made during pre-trial which thus constitutes a judicial admission of the findings contained in the NBI report. Petitioners also argue that the NBI report deserves great weight and probative value; that Dominguez's admission that there is a possibility that Exhibit "5-A" and the August 20 SPA could have been signed by one and the same person should be disregarded, because the preponderance of evidence points to the fact that Carmencita forged Corazon's signature in the August 20 SPA in order to offer the subject property as collateral, thus insuring that her personal loan application would be approved; that Deogracias's testimony to the effect that Corazon "got mad" when she learned that Carmencita forged her signature and mortgaged the subject property for a personal loan, and that Corazon did not need to secure a loan to pay off her hospital bills since she had P14 million, and that it was Carmencita who actually paid for the RBSI loans, cannot simply be ignored.

Petitioners add that it was erroneous for the CA to have considered RBSI's Exhibit "5-A" or "S-D-2" since Dominguez herself did not utilize the same in her examination of Corazon's signature as it was already doubtful in the first place; that even if Deogracias admitted that the signature (RBSI's Exhibit "5-A") was Corazon's, his opinion does not count as against that of Dominguez's, which is scientific and more credible; that Teodoro's testimony is doubtful; that it made no sense that while Corazon's property was being mortgaged, she was not named as one of the principal debtors; that if Teodoro wanted to spare Corazon the trouble of having to come to the bank since she was then already old, then he should have asked her to execute a SPA when she and Carmencita first came to the bank, instead of asking her to return as she did one week later or on August 20, 1996; and that the presumption of regularity attached to a notarized document is not absolute, as such document may be shown to be a forgery instead.

Petitioners further contend that Atty. Trias's testimony is suspect, since he was negligent in his duties as a notary public in failing to check the veracity of the entries in the bank documents submitted to him for notarization and

in not verifying Corazon's signature on the August 20 SPA when she appeared before him; that Atty. Trias's impartiality is questionable considering that he was connected with RBSI and held office at the bank; and that as against the accounts of Teodoro and Atty. Trias, Dominguez's is more credible as she is a disinterested witness, while the two work for RBSI and are interested in securing a favorable judgment for the bank.

Petitioners add that the circumstances surrounding Carmencita's loan application are suspicious in that her loan was granted and released in just one day: when Corazon and Carmencita returned to the bank on August 20, 1996 and submitted the required documents, the promissory note, real estate mortgage and SPA were simultaneously executed and notarized, and the loan proceeds were released. Corazon was not made a co-debtor and the proceeds were released to Carmencita instead of Corazon who is supposedly the beneficiary of the loan.

Finally, petitioners observed that since the CA did not make its own independent assessment of the signatures in question, it was not in a position to reverse the RTC's findings thereon.

Respondent's Arguments

On the other hand, respondent argues in its Comment[31] that while it was agreed during pre-trial that the parties shall abide by the findings of the NBI, still, forgery cannot be presumed, and it must be proved by clear and convincing evidence during trial; that the opinions of handwriting experts are not binding upon the courts since they are not conclusive and are merely persuasive; that the CA correctly relied on Exhibit "5-A"/"S-D-2" which is genuine and authentic as it was confirmed by Deogracias himself to be Corazon's signature; that the NBI report cannot be relied upon completely in view of the fact that the signature (Exhibit "5-A") in one of the sample documents (Exhibit "5") was intentionally disregarded, and yet Dominguez later testified and admitted that the signature thereon and that on the questioned August 20 SPA could have been affixed by one and the same person; that the NBI report was defective in that it utilized an erroneous methodology since Dominguez disregarded the sample signatures submitted by RBSI; and that if Dominguez did not disregard Exhibit "5-A"/"S-D-2," the conclusion in the NBI report would have been different; instead, the only and inevitable conclusion would have been that the questioned signature of Corazon in the August 20 SPA is genuine and not a forgery.

Respondent adds that in arriving at its conclusions, the CA carefully considered: a) the applicable provisions of law; b) the inaccurate, inconclusive and unreliable findings of the NBI; c) the apparent conflict between the conclusion in the NBI report and Dominguez's admission on the witness stand; and d) that petitioners' evidence failed to defeat the August 20 SPA, a notarized public document which enjoys the presumption of regularity. It further contends that the issue of Corazon's signature may not be the subject of stipulation and instead, the parties should be allowed to test the NBI report and Dominguez's competence.

Consequently, respondent prays for the denial of the instant Petition and affirmance of the assailed CA dispositions.

Our Ruling

The Court denies the Petition.

Considering that the trial and appellate courts rendered diametrically opposed opinions, the Court must examine the case at length.

Pursuant to Section 22, Rule 132 of the Rules of Court, "[t]he handwriting of a person may be proved by any witness who believes it to be the handwriting of such person because he has seen the person write, or has seen writing purporting to be his upon which the witness has acted or been charged, and has thus acquired knowledge of the handwriting of such person. Evidence respecting the handwriting may also be given by a comparison, made

by the witness or the court, with writings admitted or treated as genuine by the party against whom the evidence is offered, or proved to be genuine to the satisfaction of the judge." [32]

Under the Rules of Court, the genuineness of a handwriting may be proved by the following:

- (1) A witness who actually saw the person writing the instrument;
- (2) A witness familiar with such handwriting and who can give his opinion thereon, such opinion being an exception to the opinion rule;
- (3) A comparison by the court of the questioned handwriting and admitted genuine specimen thereof; and
- (4) Expert evidence.

The law makes no preference, much less distinction among and between the different means stated above in proving the handwriting of a person. It is likewise clear from the foregoing that courts are not bound to give probative value or evidentiary value to the opinions of handwriting experts, as resort to handwriting experts is not mandatory. [33]

While RBSI may have agreed to abide by the conclusions in the NBI report relative to Corazon's signature, the courts may not be compelled to adopt such findings. Besides, RBSI's evidence does not depend upon the NBI report and Dominguez's testimony; expert testimony is irrelevant to RBSI in view of positive testimony from its witnesses to the effect that Corazon appeared before them and signed the questioned August 20 SPA. Besides, the questioned August 20 SPA is a notarized document. Only petitioners are entirely dependent on the NBI report and Dominguez's testimony, since they have no other way of proving that Corazon did not sign the questioned SPA.

Essentially, petitioners' evidence relative to Corazon's handwriting consists of: a) Deogracias' testimony to the effect that Corazon "got mad" when she learned that Carmencita forged her signature, that Corazon did not need to secure a loan to pay off her hospital bills since she had P14 million, and that it was Carmencita who actually paid for the RBSI loan; b) the NBI report which concludes that the questioned signature of Corazon on the August 20 SPA and her standard signatures on sample documents submitted for comparison "were not written by one and the same person"; and c) Dominguez's testimony.

For respondent, evidence consists primarily of the testimonies of Teodoro and Atty. Trias.

After due consideration of the evidence, this Court finds that on August 20, 1996, Corazon was present at the RBSI premises with Carmencita who applied for a loan. It is also established that prior to the transaction in question, Corazon has been a borrower of RBSI and was not a stranger to the bank and its loan arrangements; and annotations on TCT RT-19394 reveal that the subject property was mortgaged twice in 1992 and 1993 to secure loans obtained by her from RBSI. [34] It likewise appears that one week prior to August 20, 1996 Corazon and Carmencita met with Teodoro to explore the possibility of Corazon taking out another loan which thus prompted Teodoro to seek prior approval from the bank's board of directors. Since Corazon was not a first-time borrower or client of the bank, Teodoro who is also a close relative of the family as admitted by Deogracias himself in his Complaint was able to secure prior board approval of a credit accommodation for her, such that when Corazon and Carmencita returned to the RBSI on August 20, 1996, the bank was able to complete all the loan documentation and release the proceeds that same day. During the documentation process, Corazon executed and signed the questioned August 20 SPA in Teodoro's presence. Thereafter, the said document and other loan documents were submitted to Atty. Trias for notarization. Corazon appeared before Atty. Trias who then notarized the August 20 SPA and other loan documents without inquiring whether the signature affixed on the SPA was hers indeed or that the said document was her free act and deed, although he knew her very well as he has dealt with her in the past when he notarized the loan, mortgage, and mortgage cancellation documents relative to the

two previous loan and mortgage transactions executed by Corazon in 1992 and 1993.[35]

There is no reason to doubt the testimonies of Teodoro and Atty. Trias. They are straightforward, candid, and in some respects, they are supported by admissions made by petitioners themselves. Notable is the undisputed fact and fundamental premise that Corazon was physically present at RBSI on August 20, 1996, when the questioned August 20 SPA was purportedly executed. Since she was at the bank premises on said date, there is no reason to doubt RBSI's claim that she executed and signed the August 20 SPA and in Teodoro's presence, and that thereafter the said document was notarized by Atty. Trias in the presence of Corazon; there was no need for Carmencita to forge her signature because Corazon was already there. It is more in accord with experience and logic to conclude that since Corazon was already inside the bank, then she voluntarily executed and signed the August 20 SPA in Teodoro and Carmencita's presence; any supposition that Carmencita had to forge her signature on such document becomes unnecessary and absurd.

As petitioners themselves claim in their Complaint, Teodoro is a close relative; as such, he is more inclined toward telling the truth rather than fabricate lies to prejudice petitioners. His loyalty is foremost to his family and to his employer or business merely secondary. Either way, his actions on August 20, 1996 betray his fidelity to his clients who are also his relatives and to RBSI his employer. It may be added that contrary to petitioners' assertions, there is nothing unusual in the procedure taken by the bank in approving and releasing the loan posthaste. Quite the contrary, from a business point of view, Teodoro's actions in performing service to a valued client with alacrity were laudable; at the same time he created good business for RBSI at record speed. As Corazon was a valued client and with her valuable property put up as sufficient collateral, there is no reason to delay Carmencita's loan application.

For his part, Atty. Trias was equally candid in his testimony. Against his own interest, he admitted that he failed to inquire if the signature appearing on the August 20 SPA was Corazon's but that this was so because he already knew Corazon very well for having dealt with her in the past. Indeed, what matters is that the party who executed these documents appeared before him and that the person acknowledging the instrument or document is known to him and that he/she is the same person who executed it and acknowledged that the same is his/her free act and deed. Thus, while Atty. Trias did not verify Corazon's identity and signature, he already knew her well as he had dealt with her in the past; and from an examination of the loan documents, he would have known that the party involved therein was Corazon who was then present in person before him. Indeed, Corazon was a valued RBSI client who was well-known by the bank officers and staff. The fact that she is a prominent businessperson and individual in the community; that Teodoro was her close relative; and that her million-peso loan was pre-approved by the RBSI board even before she could submit a loan application betray her stature as such.

Apart from being candid and credible, it may be said as well that Atty. Trias has no reason to fabricate his testimony in order to favor RBSI or Corazon. The little benefit he may obtain from doing so is not enough for him to gamble his vocation as a lawyer. His testimony forms part of a credible chain that extends to Teodoro's convincing account of Corazon's whereabouts and actions on August 20, 1996. Thus, while Atty. Trias was remiss in his duties as a notary, this does not affect the Court's conclusion; the preponderance of evidence still points toward the direction of RBSI. Atty. Trias should be reminded, however, not to repeat the same mistake, or else the corresponding sanctions shall be meted upon him. Indeed, care should be taken by notaries in the notarization process because at the extreme, "[a] defective notarization will strip the document of its public character and reduce it to a private instrument. Consequently, when there is a defect in the notarization of a document, the clear and convincing evidentiary standard normally attached to a duly-notarized document is dispensed with, and the measure to test the validity of such document is preponderance of evidence." [36]

Petitioners argue that it was more in keeping with logic and common sense that Corazon should have made herself

a co-maker in the loan transaction. They cite in the instant Petition that the "Special Power of Attorney was unnecessary in the perfection and consummation of the (loan) transaction because all it took for respondent Bank to release the loan proceeds was just a day from the time the loan was applied for and allegedly Corazon x x x was in the Bank's premises when the entire transaction, from start to finish, was being done." [37] The opposite, however, is true. Since Corazon permitted the subject property to be put up as collateral through a special power of attorney issued to Carmencita, there was no need to make her a co-maker of the loan. Petitioners concede that Teodoro wanted to spare Corazon the trouble of having to personally appear at the bank each time a loan is applied for and processed, since she was then already old. [38] If this is the case, then making her a co-maker of the loan defeats the declared purpose.

Also, the fact that Carmencita was the sole beneficiary of the loan suggests nothing. Three days after the August 20 SPA was executed and loan proceeds were released to Carmencita, or on August 23, 1996, Deogracias was himself granted a SPA by Corazon authorizing him to collect the rentals due from tenants of the Silver Coin Bldg. and another building that his mother owned. If there is anything that may be seen from these circumstances, it is that Corazon loved her adopted children dearly and gave to them generously. Besides, the fact that Deogracias himself was issued a SPA by Corazon lends credence to the fact that Carmencita was herself granted one just three days before.

While Deogracias testified that Corazon "got mad" when she learned that Carmencita forged her signature, that Corazon did not need to secure a loan to pay off her hospital bills since she had 514 million, and that it was Carmencita who actually paid for the RBSI loan, his testimony cannot thwart the accounts of Teodoro and Atty. Trias. Their testimonies are credible while that of Deogracias is uncorroborated and self-serving. The fact remains that Corazon freely and voluntarily accompanied Carmencita to RBSI with the intention of assisting the latter in securing a loan by offering her property as collateral. The motive for securing the loan is irrelevant.

As for the NBI report and Dominguez's testimony, the Court agrees with the CA's pronouncement that with Dominguez's admission during cross-examination that the questioned signature on the August 20 SPA and Exhibit "5-A"/"S-D-2" could have been written by one and the same person, and that with the changing circumstances such as age and health of the individual whose signature is placed in issue, the handwriting or signature could change, but that such change does not necessarily equate with forgery. With these findings, the NBI report is consequently rendered inconclusive and thus unreliable. Resultantly as well, petitioners' main piece of evidence has been debunked and discredited; their cause of action has no leg to stand on. Even then, "[t]he opinion of handwriting experts are not necessarily binding upon the court, the expert's function being to place before the court data upon which the court can form its own opinion." [39]

Finally, since the Court has found that Corazon was then physically present at RBSI on August 20, 1996, where she voluntarily executed and signed the August 20 SPA in favor of Carmencita and in the presence of the bank's President and Manager, and thereafter she personally caused the same to be notarized before the bank's notary public, then there is no need to further examine and analyze her signature. The issue of the CA's failure to conduct its own independent examination of Corazon's questioned signature is rendered moot and academic.

WHEREFORE, the Petition is DENIED. The February 23, 2012 Decision and July 12, 2012 Resolution of the Court of Appeals in CA-G.R. CV No. 90854 are AFFIRMED.

SO ORDERED.

Carpio, (Chairperson), Brion, Mendoza, and Leonen, JJ., concur.

- [1] Rollo, pp. 10-49.
- [2] Id. at 51-64; penned by Associate Justice Jose C. Reyes, Jr. and concurred in by Associate Justices Priscilla J. Baltazar-Padilla and Agnes Reyes-Carpio.
- [3] Id. at 142-166; penned by Judge Manuel A. Mayo.
- [4] Id. at 112-128.
- [5] Id. at 66.
- [6] Id. at 167-190.
- [7] Id. at 87-91.
- [8] Id. at 73-85.
- [9] Id. at 95-100.
- [10] Id. at 101.
- [11] Id. at 102.
- [12] Id. at 90.
- [13] Id. at 103-111.
- [14] Id. at 93-94.
- [15] Id. at 54; 204-208, April 5, 2004 Pre-Trial Order in Civil Case No. N-7469.
- [16] Id. at 56; 121; 150; 210.
- [17] Id. at 32-33; 59; 218-220; 274; 277.
- [18] Id. at 60; 273-274.
- [19] Id. at 117-118; 122-124.
- [20] Id. at 118-119; 226-228.
- [21] Id. at 37; 119-120; 126; 229-231.
- [22] Id. at 209-223.
- [23] Id. at 59-60; 275-276.
- [24] Should be "not indispensable."
- [25] Rollo, pp. 125-128.
- [26] Id. at 129-141.
- [27] Id. at 158-166.
- [28] Id. at 64.
- [29] Id. at 23-24.
- [30] Id. at 303-316.

[31] Id. at 269-290.

[32] Emphasis supplied.

[33] Domingo v. Domingo, 495 Phil. 213, 219-220 (2005).

[34] Rollo, pp. 89-90.

[35] Id.

[36] Meneses v. Venturozo, 675 Phil. 641, 652 (2011), citing Fuentes v. Roca, 633 Phil. 9 (2010), and Dela Rama v. Papa, 597 Phil. 227 (2009).

[37] Rollo, p. 21.

[38] Id. at 35.

[39] Gepulle-Garbo v. Garabato, G.R. No. 200013, January 14, 2015.

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