

**METROPOLITAN BANK AND TRUST COMPANY, PETITIONER, VS.
HON. COURT OF APPEALS, HON. JOSE C. DE GUZMAN, AS JUDGE,
RTC-QUEZON CITY, BRANCH XCIII AND CLODUALDO VICENTE,
RESPONDENTS.**

G.R. No. 77083. August 02, 1990

Ponente: PARAS, J.

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PARAS, J.:

On April 14, 1981, private respondent Clodualdo Vicente, Jr. and his spouse Esperanza Vicente obtained a loan from petitioner Metropolitan Bank and Trust Company (Metrobank, for brevity) in the amount of One hundred thousand pesos (P100,000) and executed in evidence thereof a corresponding promissory note payable in eight (8) equal quarterly installments of P12,500.00 each starting July 18, 1981 until May 14, 1983. To secure this loan, respondent executed a Deed of Chattel Mortgage in favor of Metrobank covering a Michigan payloader and a ten-wheeler dumptruck contractually stipulated to be located at 97 P. Tuazon St., Cubao, Quezon City. Since the Vicentes defaulted in the payment of all the installments due, Metrobank attempted to foreclose said chattel mortgage but could not do so because allegedly these collateral could not be found where they were supposed to be. Thus, Metrobank filed on December 10, 1983 a complaint against respondent for violation of Art. 319 of the Revised Penal Code. After trial, respondent judge rendered a judgment acquitting respondent Vicente due to insufficiency of evidence and without any award on the civil liability of the petitioner.

Petitioner appealed to the Court of Appeals* the non-awarding of the civil liability. In a resolution promulgated October 3, 1986, the appeal was dismissed by the respondent Court of Appeals for lack of merit. Petitioner's motion for reconsideration of the appealed decision was denied in respondent court's resolution dated January 7, 1987. Hence this petition.

Under Sec. 3, par. 6 of Rule 111 of the Rules of Court, extinction of the penal action does not carry with it extinction of the civil, unless the extinction proceeds from a declaration in a final judgment that the fact from which the civil liability might arise did not exist. The trial court found that respondent did not remove the mortgaged properties to a province or city other than the one in which they were located at the time of the execution of the mortgage without the written consent of the petitioner. Since the act complained of is absent, there can be no civil liability on the part of the private respondent. As respondent Court of Appeals correctly ruled, "the trial court could not have made a pronouncement on the civil liability of the private respondent based on the crime allegedly committed." (p. 23, Rollo)

But how about the unpaid loan? Could not private respondent have incurred civil liability? Yes, respondent may have indeed incurred a civil liability, but this liability arises not from the criminal act complained of but from the contract of loan executed between spouses Vicente and petitioner Metrobank.

In the decisions of both the trial court and the Court of Appeals, there is a clear showing that the private respondent is indeed civilly liable to Metrobank. The records reveal that Vicente admitted the genuineness and

due execution of the promissory note upon which Metrobank's claim for damages was predicated.

Q Mr. Vicente, there was presented during the hearing of this case, a promissory note in favor of the Metropolitan Bank & Trust Co., dated April 14, 1981, in the amount of P100,000 which document was marked as exhibit by the prosecution as Exhibit "A", and I am showing you the original of the said document, do you recall this document?

A Yes, sir.

Q Now, will you please tell this Honorable Court the circumstances which led to the execution of this promissory note marked Exhibit "A"?

A I am a client of Metrobank, Araneta Branch, and I secured a chattel mortgage with Metrobank in Araneta, and it was approved by the bank on April 14, 1981.

Q You stated that you secured a chattel mortgage, do we understand from you that you applied for a loan from Metrobank?

A Yes, sir.

Q And as security for the payment of the said obligation covered by the promissory note, you executed a chattel mortgage?

A Yes, sir.

Q And this chattel mortgage is this document which was previously marked as Exhibit "B"?

A Yes, sir.

Q Now, Mr. Vicente, the chattel mortgage mentions two (2) heavy equipment, which are: One (1) Unit Isuzu Diesel Dump Truck, 10 wheels, and One (1) Unit Michigan Payloader?

A Yes, sir.

(tsn 20 August 1985, pp. 3-4)

His admission of the due execution and genuineness means that the document was signed voluntarily and knowingly by the party whose signature appears thereon. It follows therefore that private respondent Vicente acknowledges his loan with petitioner Metrobank.

Respondent Court of Appeals like the lower court recognized the rights of the petitioner to enforce the obligation incurred by the private respondent. It, however, added "(T)he remedy of the petitioner, however, is to institute the proper civil action" (p. 24, Rollo). We disagree.

While it is true that petitioner Metrobank can no longer collect private respondent's civil liability on the basis of the criminal case filed, it could nonetheless collect the said civil liability prayed for on the basis of the non-payment of the loan contracted by respondent spouses from the bank. There appear to be no sound reasons to require a separate civil action to still be filed considering that the facts to be proved in the civil case have already been established in the criminal proceedings where the accused was acquitted. To require a separate civil action simply because the accused was acquitted would mean needless clogging of court dockets and unnecessary duplication of litigation with all its attendant loss of time, effort, and money on the part of all concerned.

PREMISES CONSIDERED, this petition is hereby GRANTED. Private respondent Clodualdo Vicente, Jr. is hereby ordered to pay petitioner Metrobank the amount of one hundred thousand pesos with legal interest from 1983. The resolutions dated October 3, 1986 and January 7, 1987, of respondent Court of Appeals, are hereby

SET ASIDE.

SO ORDERED.

Melencio-Herrera, (Chairman), Padilla, and Regalado, JJ., concur.
Sarmiento, J., on leave.

* Penned by Justice Desiderio P. Jurado and concurred in by Justices Oscar R. Victoriano and Ricardo J. Francisco.

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