

****Case Title:**** Evangeline D. Imani vs. Metropolitan Bank & Trust Company (G.R. No. 93061)

****Facts:****

1. On August 28, 1981, Evangeline D. Imani, along with several co-sureties, executed a Continuing Suretyship Agreement in favor of Metrobank for any indebtedness incurred by C.P. Dazo Tannery, Inc. up to P6,000,000.
2. Subsequently, C.P. Dazo Tannery, Inc. defaulted on two loans, prompting Metrobank to file a collection suit against it and its sureties, including Imani.
3. The RTC rendered a decision ordering the defendants, including Imani, to pay specified amounts with interests and costs.
4. Defendants appealed, but the Court of Appeals dismissed the appeal and issued an Entry of Judgment on October 22, 1997.
5. Metrobank filed for a motion for execution which the RTC granted on December 7, 1999. The sheriff levied a property under TCT No. T-27957 P(M) registered in Imani's name and sold it at public auction to Metrobank.
6. Metrobank moved to have the property's title consolidated under its name, to which Imani opposed, arguing the property was conjugal and thus not subject to execution.
7. The RTC initially sided with Imani, nullifying the execution, but later reversed and reinstated the levy of execution when Metrobank filed a motion for reconsideration.
8. Imani filed a motion for reconsideration, and the RTC again reversed itself, ruling in favor of Imani based on an affidavit of Crisanto Origen, indicating the property was conjugal.
9. Metrobank petitioned for certiorari to the Court of Appeals, contesting the RTC's latest decision.
10. The CA reversed the RTC again, declaring the levy on execution, auction sale, and certificate of sale as valid.

****Issues:****

1. Procedural propriety of Imani's motion in RTC.
2. Conjugal nature of the subject property.

3. Validity of the execution considering the property's alleged status as a road right of way.

Court's Decision:

- Procedural Propriety:** The Supreme Court agreed with Imani that the RTC had jurisdiction to rule on her motion to annul execution; she was not required to file a separate action since she and her husband were not considered strangers to the main case.
- Conjugal Property Issue:** The Court found that Imani failed to provide sufficient evidence to prove that the property was conjugal. The affidavit provided was not substantiated by the affiant in court, and mere registration in someone's name does not establish ownership. Therefore, the CA's decision was correct.
- Road Right of Way Argument:** This issue was not considered because it was raised for the first time on appeal, violating procedural rules of fair play and due process.

Doctrine:

- Property claimed to be conjugal must be shown to have been acquired during the marriage for the presumption of conjugal partnership to apply.
- Procedural nuances allow a spouse of a judgment debtor to contest improper execution in the main suit because they are not considered strangers.

Class Notes:

- **Suretyship:** A contract by which one person becomes responsible for another's debt or duty.
- **Execution of Property:** Legal seizure of property to satisfy a court judgment; the nature of such property (conjugal or exclusive) critically impacts its susceptibility to writs.
- **Conjugal Partnership Presumption:** Under Article 160 of the Civil Code, property acquired during marriage is presumed conjugal but requires proof of acquisition within coverture.
- **Rule 39, Section 16 (Terceria):** Discusses the rights and procedures available to a third-party claimant when their property is wrongfully levied.

Historical Background:

The case unfolded against the backdrop of the economic activity where businesses often secured loans with personal guarantees. The evolution reflects judicial procedures in protecting third-party interests affected by the execution of judgments, encapsulating broader themes of property rights within marriage. The case illustrates historical judicial balances between creditor rights and safeguarding marital property under Philippine law.