



Republic of the Philippines  
Supreme Court  
Manila

**SECOND DIVISION**

**NICANORA G. BUCTION (deceased),**  
substituted by **REQUILDA B. YRAY,**  
*Petitioner,*

**G.R. No. 179625**

- versus -

Present:

**RURAL BANK OF EL SALVADOR,**  
**INC., MISAMIS ORIENTAL, and**  
**REYNALDO CUYONG,**  
*Respondents,*

**CARPIO, Chairperson,**  
**BRION,**  
**DEL CASTILLO,**  
**PEREZ, and**  
**PERLAS-BERNABE, JJ.**

-versus-

**ERLINDA CONCEPCION AND**  
**HER HUSBAND AND AGNES**  
**BUCTION LUGOD,**  
*Third Party Defendants.*

Promulgated:

**FEB 24 2014**

X ----- X

**DECISION**

**DEL CASTILLO, J.:**

A mortgage executed by an authorized agent who signed in his own name without indicating that he acted for and on behalf of his principal binds only the agent and not the principal.

This Petition for Review on *Certiorari*<sup>1</sup> under Rule 45 of the Rules of Court assails the August 17, 2005 Decision<sup>2</sup> and the June 7, 2007 Resolution<sup>3</sup> of the Court of Appeals (CA) in CA-G.R. CV No. 60841.

<sup>1</sup> Rollo, pp. 9-28.

<sup>2</sup> CA rollo, pp. 116-133; penned by Associate Justice Normandie B. Pizarro and concurred in by Associate Justices Arturo G. Tayag and Rodrigo F. Lim, Jr.

<sup>3</sup> Id. at 186-187; penned by Associate Justice Rodrigo F. Lim, Jr. and concurred in by Associate Justices Teresita Dy-Liacco Flores and Jane Aurora C. Lantion.

***Factual Antecedents***

On April 29, 1988, petitioner Nicanora G. Bucton filed with the Regional Trial Court (RTC) of Cagayan de Oro a case<sup>4</sup> for Annulment of Mortgage, Foreclosure, and Special Power of Attorney (SPA) against Erlinda Concepcion (Concepcion) and respondents Rural Bank of El Salvador, Misamis Oriental, and Sheriff Reynaldo Cuyong.<sup>5</sup>

Petitioner alleged that she is the owner of a parcel of land, covered by Transfer Certificate of Title (TCT) No. T-3838, located in Cagayan de Oro City;<sup>6</sup> that on June 6, 1982, Concepcion borrowed the title on the pretext that she was going to show it to an interested buyer;<sup>7</sup> that Concepcion obtained a loan in the amount of ₱30,000.00 from respondent bank;<sup>8</sup> that as security for the loan, Concepcion mortgaged petitioner's house and lot to respondent bank using a SPA<sup>9</sup> allegedly executed by petitioner in favor of Concepcion;<sup>10</sup> that Concepcion failed to pay the loan;<sup>11</sup> that petitioner's house and lot were foreclosed by respondent sheriff without a Notice of Extra-Judicial Foreclosure or Notice of Auction Sale;<sup>12</sup> and that petitioner's house and lot were sold in an auction sale in favor of respondent bank.<sup>13</sup>

Respondent bank filed an Answer<sup>14</sup> interposing lack of cause of action as a defense.<sup>15</sup> It denied the allegation of petitioner that the SPA was forged<sup>16</sup> and averred that on June 22, 1987, petitioner went to the bank and promised to settle the loan of Concepcion before September 30, 1987.<sup>17</sup> As to the alleged irregularities in the foreclosure proceedings, respondent bank asserted that it complied with the requirements of the law in foreclosing the house and lot.<sup>18</sup> By way of cross-claim, respondent bank prayed that in the event of an adverse judgment against it, Concepcion, its co-defendant, be ordered to indemnify it for all damages.<sup>19</sup>

---

<sup>4</sup> The complaint, docketed as Civil Case No. 88-113 and raffled to Branch 19, was amended twice by petitioner.

<sup>5</sup> Records, Vol. I, pp. 1-5, 7-12 (Amended Complaint), and 87-91 (Second Amended Complaint).

<sup>6</sup> Id. at 87-88.

<sup>7</sup> Id. at 88.

<sup>8</sup> Id.

<sup>9</sup> *Rollo*, p. 90.

<sup>10</sup> Records, Vol. I, p. 88.

<sup>11</sup> Id.

<sup>12</sup> Id. at 88-89.

<sup>13</sup> Id. at 88.

<sup>14</sup> Id. at 23-25 and 99-103 (Answer to Second Amended Complaint).

<sup>15</sup> Id. at 100.

<sup>16</sup> Id.

<sup>17</sup> Id.

<sup>18</sup> Id. at 99-100.

<sup>19</sup> Id. at 101.

However, since summons could not be served upon Concepcion, petitioner moved to drop her as a defendant,<sup>20</sup> which the RTC granted in its Order dated October 19, 1990.<sup>21</sup>

This prompted respondent bank to file a Third-Party Complaint<sup>22</sup> against spouses Concepcion and Agnes Bucton Lugod (Lugod), the daughter of petitioner. Respondent bank claimed that it would not have granted the loan and accepted the mortgage were it not for the assurance of Concepcion and Lugod that the SPA was valid.<sup>23</sup> Thus, respondent bank prayed that in case it be adjudged liable, it should be reimbursed by third-party defendants.<sup>24</sup>

On January 30, 1992, spouses Concepcion were declared in default for failing to file a responsive pleading.<sup>25</sup>

During the trial, petitioner testified that a representative of respondent bank went to her house to inform her that the loan secured by her house and lot was long overdue.<sup>26</sup> Since she did not mortgage any of her properties nor did she obtain a loan from respondent bank, she decided to go to respondent bank on June 22, 1987 to inquire about the matter.<sup>27</sup> It was only then that she discovered that her house and lot was mortgaged by virtue of a forged SPA.<sup>28</sup> She insisted that her signature and her husband's signature on the SPA were forged<sup>29</sup> and that ever since she got married, she no longer used her maiden name, Nicanora Gabar, in signing documents.<sup>30</sup> Petitioner also denied appearing before the notary public, who notarized the SPA.<sup>31</sup> She also testified that the property referred to in the SPA, TCT No. 3838, is a vacant lot and that the house, which was mortgaged and foreclosed, is covered by a different title, TCT No. 3839.<sup>32</sup>

To support her claim of forgery, petitioner presented Emma Nagac who testified that when she was at Concepcion's boutique, she was asked by the latter to sign as a witness to the SPA;<sup>33</sup> that when she signed the SPA, the signatures of petitioner and her husband had already been affixed;<sup>34</sup> and that Lugod instructed her not to tell petitioner about the SPA.<sup>35</sup>

---

<sup>20</sup> Id. at 157-158.

<sup>21</sup> Id. at 171.

<sup>22</sup> Id. at 184-189.

<sup>23</sup> Id. at 185.

<sup>24</sup> Id. at 187-188.

<sup>25</sup> Id. at 262.

<sup>26</sup> Id., Vol. 2, p. 576.

<sup>27</sup> Id.

<sup>28</sup> Id.

<sup>29</sup> Id. at 576-577.

<sup>30</sup> Id. at 577.

<sup>31</sup> Id.

<sup>32</sup> Id. at 578.

<sup>33</sup> Id. at 577.

<sup>34</sup> Id.

<sup>35</sup> Id. at 577-578.

Respondent bank, on the other hand, presented the testimonies of its employees<sup>36</sup> and respondent sheriff. Based on their testimonies, it appears that on June 8, 1982, Concepcion applied for a loan for her coconut production business<sup>37</sup> in the amount of ₱40,000.00 but only the amount of ₱30,000.00 was approved;<sup>38</sup> that she offered as collateral petitioner's house and lot using the SPA;<sup>39</sup> and that the proceeds of the loan were released to Concepcion and Lugod on June 11, 1982.<sup>40</sup>

Edwin Igloria, the bank appraiser, further testified that Concepcion executed a Real Estate Mortgage<sup>41</sup> over two properties, one registered in the name of petitioner and the other under the name of a certain Milagros Flores.<sup>42</sup> He said that he inspected petitioner's property;<sup>43</sup> that there were several houses in the compound;<sup>44</sup> and although he was certain that the house offered as collateral was located on the property covered by TCT No. 3838, he could not explain why the house that was foreclosed is located on a lot covered by another title, not included in the Real Estate Mortgage.<sup>45</sup>

### ***Ruling of the Regional Trial Court***

On February 23, 1998, the RTC issued a Decision<sup>46</sup> sustaining the claim of petitioner that the SPA was forged as the signatures appearing on the SPA are different from the genuine signatures presented by petitioner.<sup>47</sup> The RTC opined that the respondent bank should have conducted a thorough inquiry on the authenticity of the SPA considering that petitioner's residence certificate was not indicated in the acknowledgement of the SPA.<sup>48</sup> Thus, the RTC decreed:

WHEREFORE, the court hereby declares null and void or annuls the following:

1. The special power of attorney which was purportedly executed by [petitioner] x x x;
2. The real estate mortgage x x x

---

<sup>36</sup> Edwin Igloria (Bank Appraiser), Marina Salvan (Bank President), and Fautino U. Batutay (Bank Manager).

<sup>37</sup> *Rollo*, p. 92.

<sup>38</sup> Records, Vol. 2, p. 578.

<sup>39</sup> *Id.*

<sup>40</sup> *Id.* at 579.

<sup>41</sup> *Rollo*, p. 96.

<sup>42</sup> TSN, January 30, 1992, p. 37.

<sup>43</sup> Records, Vol. II, p. 578.

<sup>44</sup> *Id.*

<sup>45</sup> TSN, January 30, 1992, pp. 26-28.

<sup>46</sup> Records, Vol. 2, pp. 573-583; penned by Judge Anthony E. Santos.

<sup>47</sup> *Id.* at 579-581.

<sup>48</sup> *Id.* at 582.

3. The sheriff's sale of Lot No. 2078-B-1-E, and the certificate of title issued in favor of the Rural Bank of El Salvador [by] virtue thereof, as well as the sheriff's sale of the two[-]story house described in the real estate mortgage.
4. The certificate of title in the name of the Rural Bank of El Salvador if any, issued [by] virtue of the sheriff's sale.

The court hereby also orders [respondent] bank to pay [petitioner] attorney's fees of ₱20,000 and moral damages of ₱20,000 as well as the costs of the case.

SO ORDERED.<sup>49</sup>

On reconsideration,<sup>50</sup> the RTC in its May 8, 1998 Resolution<sup>51</sup> rendered judgment on the Third-Party Complaint filed by respondent bank, the dispositive portion of which reads:

WHEREFORE, judgment is hereby rendered under the third-party complaint and against third-party defendants Erlinda Concepcion and her husband:

To indemnify or reimburse [respondent bank] all sums of money plus interests thereon or damages that [respondent bank] has in this case been forced to pay, disburse or deliver to [petitioner] including the costs.

SO ORDERED.<sup>52</sup>

### ***Ruling of the Court of Appeals***

Dissatisfied, respondent bank elevated the case to the CA arguing that the SPA was not forged<sup>53</sup> and that being a notarized document, it enjoys the presumption of regularity.<sup>54</sup> Petitioner, on the other hand, maintained that the signatures were forged<sup>55</sup> and that she cannot be made liable as both the Promissory Note<sup>56</sup> and the Real Estate Mortgage, which were dated June 11, 1982, were signed by Concepcion in her own personal capacity.<sup>57</sup>

---

<sup>49</sup> Id. at 582-583.

<sup>50</sup> Id. at 584-596.

<sup>51</sup> Id. at 681-682.

<sup>52</sup> Id. at 682.

<sup>53</sup> CA *rollo*, pp. 59-65.

<sup>54</sup> Id.

<sup>55</sup> Id. at 104-108.

<sup>56</sup> *Rollo*, p. 98.

<sup>57</sup> CA *rollo*, pp. 108-111.

On August 17, 2005, the CA reversed the findings of the RTC. The CA found no cogent reason to invalidate the SPA, the Real Estate Mortgage, and Foreclosure Sale as it was not convinced that the SPA was forged. The CA declared that although the Promissory Note and the Real Estate Mortgage did not indicate that Concepcion was signing for and on behalf of her principal, petitioner is estopped from denying liability since it was her negligence in handing over her title to Concepcion that caused the loss.<sup>58</sup> The CA emphasized that under the Principle of Equitable Estoppel, where one or two innocent persons must suffer a loss, he who by his conduct made the loss possible must bear it.<sup>59</sup> Thus:

WHEREFORE, the above premises considered, the Decision and the Resolution of the Regional Trial Court (RTC), 10<sup>th</sup> Judicial Region, Br. 19 of Cagayan de Oro City in Civil Case No. 88-113 is hereby REVERSED and SET ASIDE. The Second Amended Complaint of Nicanora Bucton is DISMISSED. Accordingly, the following are declared VALID:

1. The Special Power of Attorney of Nicanora Gabar in favor of Erlinda Concepcion, dated June 7, 1982;
2. The Real Estate Mortgage, the foreclosure of the same, and the foreclosure sale to the Rural Bank of El Salvador, Misamis Oriental; and
3. The certificate of title issued to the Rural Bank of El Salvador, Misamis Oriental as a consequence of the foreclosure sale.

*Costs against [petitioner].*

SO ORDERED.<sup>60</sup>

Petitioner moved for reconsideration<sup>61</sup> but the same was denied by the CA in its June 7, 2007 Resolution.<sup>62</sup>

### Issues

Hence, this recourse by petitioner raising the following issues:

#### FIRST

X X X WHETHER X X X THE [CA] WAS RIGHT IN DECLARING THE PETITIONER LIABLE ON THE LITIGATED LOAN/MORTGAGE WHEN

---

<sup>58</sup> Id. at 128-130.

<sup>59</sup> Id. at 130.

<sup>60</sup> Id. at 131-132.

<sup>61</sup> Id. at 137-154.

<sup>62</sup> Id. at 186-187.

(i) SHE DID NOT EXECUTE EITHER IN PERSON OR BY ATTORNEY-IN-FACT SUBJECT MORTGAGE; (ii) IT WAS EXECUTED BY CONCEPCION IN HER PERSONAL CAPACITY AS MORTGAGOR, AND (iii) THE LOAN SECURED BY THE MORTGAGE WAS CONCEPCION'S EXCLUSIVE LOAN FOR HER OWN COCONUT PRODUCTION

#### SECOND

X X X WHETHER X X X UNDER ARTICLE 1878 (NEW CIVIL CODE) THE [CA] WAS RIGHT IN MAKING PETITIONER A SURETY PRIMARILY ANSWERABLE FOR CONCEPCION'S PERSONAL LOAN, IN THE ABSENCE OF THE REQUIRED [SPA]

#### THIRD

WHETHER X X X THE [CA] WAS RIGHT WHEN IT RULED THAT PETITIONER'S DECLARATIONS ARE SELF-SERVING TO JUSTIFY ITS REVERSAL OF THE TRIAL COURT'S JUDGMENT, IN THE FACE OF THE RESPONDENTS' DOCUMENTARY EVIDENCES X X X, WHICH INCONTROVERTIBLY PROVED THAT PETITIONER HAS ABSOLUTELY NO PARTICIPATION OR LIABILITY ON THE LITIGATED LOAN/MORTGAGE

#### FOURTH

WHETHER X X X THE [CA] WAS RIGHT WHEN IT FOUND THAT IT WAS PETITIONER'S NEGLIGENCE WHICH MADE THE LOSS POSSIBLE, DESPITE [THE FACT] THAT SHE HAS NO PART IN [THE] SUBJECT LOAN/MORTGAGE, THE BANK'S [FAILURE] TO CONDUCT CAREFUL EXAMINATION OF APPLICANT'S TITLE AS WELL AS PHYSICAL INVESTIGATION OF THE LAND OFFERED AS SECURITY, AND TO INQUIRE AND DISCOVER UPON ITS OWN PERIL THE AGENT'S AUTHORITY, ALSO ITS INORDINATE HASTE IN THE PROCESSING, EVALUATION AND APPROVAL OF THE LOAN.

#### FIFTH

WHETHER X X X THE [CA] WAS RIGHT WHEN IT DISREGARDED THE FALSE TESTIMONY OF THE [RESPONDENT] BANK'S EMPLOYEE, [WHEN HE DECLARED] THAT HE CONDUCTED ACTUAL INSPECTION OF THE MORTGAGED PROPERTY AND INVESTIGATION WHERE HE ALLEGEDLY VERIFIED THE QUESTIONED SPA.

#### SIXTH

WHETHER THE [CA] WAS RIGHT WHEN IT DISREGARDED ESTABLISHED FACTS AND CIRCUMSTANCES PROVING THAT THE [SPA] IS A FORGED DOCUMENT AND/OR INFECTED BY INFIRMITIES DIVESTING IT OF THE PRESUMPTION OF REGULARITY CONFERRED BY LAW ON NOTARIZED DEEDS, AND EVEN IF VALID, THE POWER WAS NOT EXERCISED BY CONCEPCION.<sup>63</sup>

---

<sup>63</sup> *Rollo*, pp. 190-191.

***Petitioner's Arguments***

Petitioner maintains that the signatures in the SPA were forged<sup>64</sup> and that she could not be held liable for the loan as it was obtained by Concepcion in her own personal capacity, not as an attorney-in-fact of petitioner.<sup>65</sup> She likewise denies that she was negligent and that her negligence caused the damage.<sup>66</sup> Instead, she puts the blame on respondent bank as it failed to carefully examine the title and thoroughly inspect the property.<sup>67</sup> Had it done so, it would have discovered that the house and lot mortgaged by Concepcion are covered by two separate titles.<sup>68</sup> Petitioner further claims that respondent sheriff failed to show that he complied with the requirements of notice and publication in foreclosing her house and lot.<sup>69</sup>

***Respondent bank's Arguments***

Respondent bank, on the other hand, relies on the presumption of regularity of the notarized SPA.<sup>70</sup> It insists that it was not negligent as it inspected the property before it approved the loan,<sup>71</sup> unlike petitioner who was negligent in entrusting her title to Concepcion.<sup>72</sup> As to the foreclosure proceedings, respondent bank contends that under the Rural Bank Act, all loans whose principal is below ₱100,000.00 are exempt from publication.<sup>73</sup> Hence, the posting of the Notice of Foreclosure in the places defined by the rules was sufficient.<sup>74</sup> Besides, respondent sheriff is presumed to have regularly performed his work.<sup>75</sup>

**Our Ruling**

The Petition is meritorious.

***The Real Estate Mortgage was entered into by Concepcion in her own personal capacity.***

---

<sup>64</sup> Id. at 203-207.

<sup>65</sup> Id. at 192-198.

<sup>66</sup> Id. at 197.

<sup>67</sup> Id. at 198-203.

<sup>68</sup> Id.

<sup>69</sup> Id. at 207.

<sup>70</sup> Id. at 216-222.

<sup>71</sup> Id. at 218-219.

<sup>72</sup> Id. at 223.

<sup>73</sup> Id. at 223.

<sup>74</sup> Id.

<sup>75</sup> Id.



As early as the case of *Philippine Sugar Estates Development Co. v. Poizat*,<sup>76</sup> we already ruled that “in order to bind the principal by a deed executed by an agent, the deed must upon its face purport to be made, signed and sealed in the name of the principal.”<sup>77</sup> In other words, the mere fact that the agent was authorized to mortgage the property is not sufficient to bind the principal, unless the deed was executed and signed by the agent for and on behalf of his principal. This ruling was adhered to and reiterated with consistency in the cases of *Rural Bank of Bombon (Camarines Sur), Inc. v. Court of Appeals*,<sup>78</sup> *Gozun v. Mercado*,<sup>79</sup> and *Far East Bank and Trust Company (Now Bank of the Philippine Island) v. Cayetano*.<sup>80</sup>

In *Philippine Sugar Estates Development Co.*, the wife authorized her husband to obtain a loan and to secure it with mortgage on her property. Unfortunately, although the real estate mortgage stated that it was executed by the husband in his capacity as attorney-in-fact of his wife, the husband signed the contract in his own name without indicating that he also signed it as the attorney-in-fact of his wife.

In *Rural Bank of Bombon*, the agent contracted a loan from the bank and executed a real estate mortgage. However, he did not indicate that he was acting on behalf of his principal.

In *Gozun*, the agent obtained a cash advance but signed the receipt in her name alone, without any indication that she was acting for and on behalf of her principal.

In *Far East Bank and Trust Company*, the mother executed an SPA authorizing her daughter to contract a loan from the bank and to mortgage her properties. The mortgage, however, was signed by the daughter and her husband as mortgagors in their individual capacities, without stating that the daughter was executing the mortgage for and on behalf of her mother.

Similarly, in this case, the authorized agent failed to indicate in the mortgage that she was acting for and on behalf of her principal. The Real Estate Mortgage, explicitly shows on its face, that it was signed by Concepcion in her own name and in her own personal capacity. In fact, there is nothing in the document to show that she was acting or signing as an agent of petitioner. Thus, consistent with the law on agency and established jurisprudence, petitioner cannot be bound by the acts of Concepcion.

---

<sup>76</sup> 48 Phil. 536 (1925).

<sup>77</sup> Id. at 549.

<sup>78</sup> G.R. No. 95703, August 3, 1992, 212 SCRA 25.

<sup>79</sup> 540 Phil. 323 (2006).

<sup>80</sup> G.R. No. 179909, January 25, 2010, 611 SCRA 96.

In light of the foregoing, there is no need to delve on the issues of forgery of the SPA and the nullity of the foreclosure sale. For even if the SPA was valid, the Real Estate Mortgage would still not bind petitioner as it was signed by Concepcion in her personal capacity and not as an agent of petitioner. Simply put, the Real Estate Mortgage is void and unenforceable against petitioner.

***Respondent bank was negligent.***

At this point, we find it significant to mention that respondent bank has no one to blame but itself. Not only did it act with undue haste when it granted and released the loan in less than three days, it also acted negligently in preparing the Real Estate Mortgage as it failed to indicate that Concepcion was signing it for and on behalf of petitioner. We need not belabor that the words “as attorney-in-fact of,” “as agent of,” or “for and on behalf of,” are vital in order for the principal to be bound by the acts of his agent. Without these words, any mortgage, although signed by the agent, cannot bind the principal as it is considered to have been signed by the agent in his personal capacity.

***Respondent bank is liable to pay petitioner attorney’s fees, and the costs of the suit.***

Considering that petitioner was compelled to litigate or to incur expenses to protect her interest,<sup>81</sup> the RTC was right when it ruled that respondent bank is liable to pay petitioner attorney’s fees in the amount of ₱20,000.00. However, we are not convinced that petitioner is entitled to an award of moral damages as it was not satisfactorily shown that respondent bank acted in bad faith or with malice. Neither was it proven that respondent bank’s acts were the proximate cause of petitioner’s wounded feelings. On the contrary, we note that petitioner is not entirely free of blame considering her negligence in entrusting her title to Concepcion. In any case, the RTC did not fully explain why petitioner is entitled to such award.

***Concepcion is liable to pay respondent bank her unpaid obligation and reimburse it for all damages, attorney’s fees and costs of suit.***

---

<sup>81</sup> CIVIL CODE, Art. 2208 provides:

In the absence of stipulation, attorney’s fees and expenses of litigation, other than judicial costs, cannot be recovered, except:

x x x x

(2) When the defendant’s act or omission has compelled the plaintiff to litigate with third persons or to incur expenses to protect his interest;

Concepcion, on the other hand, is liable to pay respondent bank her unpaid obligation under the Promissory Note dated June 11, 1982, with interest. As we have said, Concepcion signed the Promissory Note in her own personal capacity; thus, she cannot escape liability. She is also liable to reimburse respondent bank for all damages, attorneys' fees, and costs the latter is adjudged to pay petitioner in this case.

**WHEREFORE**, the Petition is hereby **GRANTED**. The assailed August 17, 2005 Decision and the June 7, 2007 Resolution of the Court of Appeals in CA-G.R. CV No. 60841 are hereby **REVERSED** and **SET ASIDE**.

The February 23, 1998 Decision of the Regional Trial Court of Cagayan de Oro, Branch 19, in Civil Case No. 88-113 is hereby **REINSTATED**, insofar as it (a) annuls the Real Estate Mortgage dated June 11, 1982, the Sheriff's Sale of petitioner Nicanora Bucton's house and lot and the Transfer Certificate of Title issued in the name of respondent Rural Bank of El Salvador, Misamis Oriental; and (b) orders respondent bank to pay petitioner attorney's fees in the amount of ₱20,000.00 and costs of suit with **MODIFICATION** that the award of moral damages in the amount of ₱20,000.00 is deleted for lack of basis.

Likewise, the May 8, 1998 Resolution of the Regional Trial Court of Cagayan de Oro, Branch 19, in Civil Case No. 88-113 ordering the Third-Party Defendants, Erlinda Concepcion and her husband, to indemnify or reimburse respondent bank damages, attorneys' fees, and costs the latter is adjudged to pay petitioner, is hereby **REINSTATED**.

Finally, Third-Party Defendants, Erlinda Concepcion and her husband, are hereby ordered to pay respondent bank the unpaid obligation under the Promissory Note dated June 11, 1982 with interest.

**SO ORDERED.**


  
**MARIANO C. DEL CASTILLO**  
*Associate Justice*

WE CONCUR:

  
**ANTONIO T. CARPIO**  
*Associate Justice*  
*Chairperson*

  
**ARTURO D. BRION**  
*Associate Justice*

  
**JOSE PORTUGAL PEREZ .**  
*Associate Justice*

  
**ESTELA M. PERLAS-BERNABE**  
*Associate Justice*

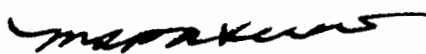
### ATTESTATION

I attest that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.

  
**ANTONIO T. CARPIO**  
*Associate Justice*  
*Chairperson*

### CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution and the Division Chairperson's Attestation, I certify that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.

  
**MARIA LOURDES P. A. SERENO**  
*Chief Justice*

