

SECOND DIVISION

[G.R. No. 172910, November 14, 2008]

**SPOUSES LORETO LEYBA AND MATEA LEYBA, PETITIONERS, VS.
RURAL BANK OF CABUYAO, INC. AND ZENAIDA REYES,
RESPONDENTS.**

DECISION

VELASCO JR., J.:

This is an appeal from the Decision of the Court of Appeals (CA) in CA-G.R. CV No. 85410 entitled *Spouses Loreto Leyba and Matea Leyba v. Rural Bank of Cabuyao, Inc. and Zenaida Reyes*, which affirmed the Decision of the Regional Trial Court (RTC), Branch 92 in Calamba City in Civil Case No. 3148-01-C.

The Facts

Petitioners-spouses Loreto and Matea Leyba filed a complaint for Nullification of Real Estate Mortgage and Special Power of Attorney (SPA) against respondents Rural Bank of Cabuyao, Inc. (RBCI) and Zenaida Reyes. They alleged, among others, that: (1) they are the registered owners of a parcel of land in Calamba, Laguna; (2) Reyes enticed Matea to work in Japan subject to a PhP 150,000 placement fee; (3) Matea was made to sign an SPA, granting Reyes the authority to mortgage the subject land in exchange for a PhP 50,000 loan for the placement fee; and (4) Reyes used the SPA to obtain a PhP 500,000 loan from RBCI guaranteed by a real estate mortgage over the subject land.

A pre-trial conference was set for April 1, 2005. Petitioners and their counsel, however, failed to attend it. The RTC, thus, dismissed the complaint for lack of interest to further prosecute the case.^[1] Petitioners' motion for reconsideration was denied by the RTC on June 15, 2005.

On their appeal to the CA, petitioners asserted that the trial court erred in (1) dismissing Civil Case No. 3148-01-C for "lack of interest to further prosecute" and (2) denying petitioners' motion for reconsideration.

The CA's Ruling

The CA ruled that the petition had no merit.^[2] It cited Section 5, Rule 18 of the Rules of Civil Procedure, which provides that the plaintiff's failure to appear at the pre-trial when so required shall be a cause for dismissal of the action and such dismissal shall be with prejudice, unless otherwise ordered by the court. The CA observed that petitioners did not submit medical certificates to support their claim that their failure to attend the pre-trial conference was due to hypertension. The records also show that they wrote their lawyer telling the latter to withdraw the case.