

FIRST DIVISION

[G. R. No. 136603, January 18, 2002]

EMILIO Y. TAÑEDO, PETITIONER, VS. ALLIED BANKING CORPORATION, RESPONDENT.

DECISION

PARDO, J.:

Appeal *via* certiorari from the decision of the Court of Appeals^[1] reversing the ruling of the trial court and holding petitioner liable solidarily with defendant Cheng Ban Yek Co., Inc. for all items of the money judgment and costs of suit.

The Facts

The facts, as found by the Court of Appeals, are as follows:

"Appeal by both the plaintiff Allied Banking Corporation and the defendant Cheng Ban Yek & Co., Inc. from the Order, as summary judgment, of the Regional Trial Court (Branch XLIV, Manila), the decretal part whereof reads:

"WHEREFORE, and in view of the foregoing considerations, summary judgment is hereby rendered in favor of the plaintiff, Allied Banking Corporation, and against defendant Cheng Ban Yek and Co., Inc. as follows:

"1. On the first cause of action:

"Ordering the defendant Cheng Ban Yek Co., Inc. to pay plaintiff the sum of P2,000,000.00, plus interest thereon at 14% per annum, 2% per annum as service charge, and penalty charge of 1% per month from February 11, 1981 until fully paid;

"2. On the second cause of action:

"Ordering the defendant Cheng Ban Yek Co., Inc. to pay plaintiff the sum of P2,500,000.00, plus interest thereon at 14% per annum, service charge of 2% per annum, and penalty charge of 1 % per month, from February 3, 1981 until fully paid;

"3. On the third cause of action:

"Ordering the defendant Cheng Ban Yek Co., Inc. to pay plaintiff the sum of P1,000,000.00 plus interest thereon at 14% per annum, service charge of 2% per annum, and penalty charge of 1 % per month, from February 12, 1981 until fully paid;

"4. On the fourth cause of action:

"Ordering the defendant Cheng Ban Yek Co., Inc. to pay plaintiff the sum of P1,000,000.00 plus interest thereon at 14% per annum, service charge of 2% per annum, and penalty charge of 1 % per month, from February 12, 1981 until fully paid;

"5. On the fifth cause of action:

"Ordering the defendant Cheng Ban Yek Co., Inc. to pay plaintiff the sum of P1,000,000.00 plus interest thereon at 14% per annum, service charge of 2% per annum, and penalty charge of 1% per month, from February 12, 1981 until fully paid;

"6. On the sixth cause of action:

"Ordering the defendant Cheng Ban Yek Co., Inc. to pay plaintiff the sum of P1,000,000.00 plus interest thereon at 14% per annum, service charge of 2% per annum, and penalty charge of 1% per month, from February 12, 1981 until fully paid;

"7. On the seventh cause of action:

" Ordering the defendant Cheng Ban Yek Co., Inc. to pay plaintiff the sum of P1,500,000.00 plus interest thereon at 14% per annum, service charge of 2% per annum, and penalty charge of 1% per month, from February 12, 1981 until fully paid;

"8. On all the causes of action:

"Ordering the defendant Cheng Ban Yek Co., Inc. to pay plaintiff the sum equivalent to 25% of the amount due and demandable as and for attorney's fees;

"9. Declaring the "Continuing Guaranty" as having been extinguished after plaintiff branded it as a "worthless security" and preferred to avail, as it did avail, of the provisional remedy of attachment; and declaring defendants Alfredo Ching and Emilio Tañedo relieved of their obligation under the said continuing Guaranty; and

"10. Ordering the defendant Cheng Ban Yek Co., Inc. to pay the costs of suit.

"SO ORDERED."^[2]

"The foregoing summary judgment has its roots in a complaint with preliminary attachment filed by plaintiff bank to recover sums of money from defendant corporation on its seven past due promissory notes with principal amounts totaling P10,000,000.00, from defendants Alfredo Ching and Emilio Tañedo under a Continuing Guaranty providing for joint and several liability relative to the said promissory notes. The preliminary