

## SECOND DIVISION

[ G.R. No. 136729, September 23, 2003 ]

**ASTRO ELECTRONICS CORP. AND PETER ROXAS, PETITIONER,  
VS. PHILIPPINE EXPORT AND FOREIGN LOAN GUARANTEE  
CORPORATION, RESPONDENT.**

### D E C I S I O N

**AUSTRIA-MARTINEZ, J.:**

Assailed in this petition for review on certiorari under Rule 45 of the Rules of Court is the decision of the Court of Appeals in CA-G.R. CV No. 41274,<sup>[1]</sup> affirming the decision of the Regional Trial Court (Branch 147) of Makati, then Metro Manila, whereby petitioners Peter Roxas and Astro Electronics Corp. (Astro for brevity) were ordered to pay respondent Philippine Export and Foreign Loan Guarantee Corporation (Philguarantee), jointly and severally, the amount of P3,621,187.52 with interests and costs.

The antecedent facts are undisputed.

Astro was granted several loans by the Philippine Trust Company (Philtrust) amounting to P3,000,000.00 with interest and secured by three promissory notes: PN NO. PFX-254 dated December 14, 1981 for P600,000.00, PN No. PFX-258 also dated December 14, 1981 for P400,000.00 and PN No. 15477 dated August 27, 1981 for P2,000,000.00. In each of these promissory notes, it appears that petitioner Roxas signed twice, as President of Astro and in his personal capacity.<sup>[2]</sup> Roxas also signed a Continuing Surety ship Agreement in favor of Philtrust Bank, as President of Astro and as surety.<sup>[3]</sup>

Thereafter, Philguarantee, with the consent of Astro, guaranteed in favor of Philtrust the payment of 70% of Astro's loan,<sup>[4]</sup> subject to the condition that upon payment by Philguarantee of said amount, it shall be proportionally subrogated to the rights of Philtrust against Astro.<sup>[5]</sup>

As a result of Astro's failure to pay its loan obligations, despite demands, Philguarantee paid 70% of the guaranteed loan to Philtrust. Subsequently, Philguarantee filed against Astro and Roxas a complaint for sum of money with the RTC of Makati.

In his Answer, Roxas disclaims any liability on the instruments, alleging, *inter alia*, that he merely signed the same in blank and the phrases "in his personal capacity" and "in his official capacity" were fraudulently inserted without his knowledge.<sup>[6]</sup>

After trial, the RTC rendered its decision in favor of Philguarantee with the following dispositive portion:

WHEREFORE, in view of all the foregoing, the Court hereby renders judgment in favor or (sic) the plaintiff and against the defendants Astro Electronics Corporation and Peter T. Roxas, ordering the then (sic) to pay, jointly and severally, the plaintiff the sum of P3,621.187.52 representing the total obligation of defendants in favor of plaintiff Philguarantee as of December 31, 1984 with interest at the stipulated rate of 16% per annum and stipulated penalty charges of 16% per annum computed from January 1, 1985 until the amount is fully paid. With costs.

SO ORDERED.<sup>[7]</sup>

The trial court observed that if Roxas really intended to sign the instruments merely in his capacity as President of Astro, then he should have signed only once in the promissory note.<sup>[8]</sup>

On appeal, the Court of Appeals affirmed the RTC decision agreeing with the trial court that Roxas failed to explain satisfactorily why he had to sign twice in the contract and therefore the presumption that private transactions have been fair and regular must be sustained.<sup>[9]</sup>

In the present petition, the principal issue to be resolved is whether or not Roxas should be jointly and severally liable (solidary) with Astro for the sum awarded by the RTC.

The answer is in the affirmative.

Astro's loan with Philtrust Bank is secured by three promissory notes. These promissory notes are valid and binding against Astro and Roxas. As it appears on the notes, Roxas signed twice: first, as president of Astro and second, in his personal capacity. In signing his name aside from being the President of Astro, Roxas became a co-maker of the promissory notes and cannot escape any liability arising from it. Under the Negotiable Instruments Law, persons who write their names on the face of promissory notes are makers,<sup>[10]</sup> promising that they will pay to the order of the payee or any holder according to its tenor.<sup>[11]</sup> Thus, even without the phrase "personal capacity," Roxas will still be primarily liable as a joint and several debtor under the notes considering that his intention to be liable as such is manifested by the fact that he affixed his signature on each of the promissory notes twice which necessarily would imply that he is undertaking the obligation in two different capacities, official and personal.

Unnoticed by both the trial court and the Court of Appeals, a closer examination of the signatures affixed by Roxas on the promissory notes, Exhibits "A-4" and "3-A" and "B-4" and "4-A" readily reveals that portions of his signatures covered portions of the typewritten words "personal capacity" indicating with certainty that the typewritten words were already existing at the time Roxas affixed his signatures thus demolishing his claim that the typewritten words were just inserted after he signed the promissory notes. If what he claims is true, then portions of the typewritten words would have covered portions of his signatures, and not vice versa.

As to the third promissory note, Exhibit "C-4" and "5-A", the copy submitted is not