

ANTONIO G. DIAZ AND ELSIE B. DIAZ PLAINTIFFS-APPELLANTS, VS. FRANCISCO S. GAISANO, DSG SONS GROUP, INC., ATTY. JESUS G. DUREZA, ATTY. ALUDIA P. GADIA, WITH HER HUSBAND, INCUMBEN...

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/0f8f7eb1f300/>

BORJA, J.,:

This treats of the motion for reconsideration filed by plaintiffs-appellants of the January 21, 2013 Decision of this Court affirming in toto the assailed October 28, 2008 Decision of the Regional Trial Court.

Plaintiffs-appellants essentially contend that: (1) the conditional sale was not valid; (2) there was no constructive delivery of the subject certificates of title to the defendant-appellee DSG Sons Group, Inc.; and (3) the subsequent transfer of the title to defendant-appellee DSG Sons Group, Inc. was irregular.

The Court in its January 21, 2013 Decision already ruled that:

It is patent to this Court that the stipulation under paragraph 3 of the Conditional Deed of Sale is a condition imposed merely on the performance of obligation of DSG Sons and not a condition on the perfection of their contract.

XXX

Stated otherwise, the non-fulfilment of the condition under paragraph 3 of the Conditional Deed of Sale does not void the contract. What it does is give DSG Sons the option of not proceeding with the contract or of waiving the condition.

XXX

The subsequent execution of the Affidavits of Waiver of Rights and Relinquishment of Interest by the parties indicated in no uncertain terms that DSG Sons opted to waive the performance of the condition and to proceed with the contract. The common provisions of the two separate Affidavits executed by the parties emphasized that: (1) they “had no existing financial/monetary or other obligation” with each other; (2) they had waived “any and all claims/rights or causes of action” against each other; and (3) they had “cleared” one another from “any financial or other form of obligation” from their business transactions prior to the execution of the Affidavits.

Thus the contention of the appellants that the Conditional Deed of Sale expired upon their non-fulfilment of paragraph 3 condition cannot be sustained.

XXX

Apparently, DSG Sons opted to waive the performance of the condition under paragraph 3 of the Conditional Deed of Sale and proceeded with the contract. Hence, the appellants, as sellers of the of the subject lots, were bound to adhere with the contract of sale.

XXX

In this case, it was shown that the subject lots were mortgaged with Banco Filipino and the titles of the lots

were in the custody of the latter. In fact, Banco Filipino had already taken steps for the extrajudicial foreclosure of the real estate mortgage of the lots. For this reason, the appellants failed to deliver the titles to DSG Sons. When DSG Sons negotiated for the settlement of appellants' obligation with Banco Filipino, it did so under the authority of the appellants. Under the January 7, 1999 SPA, the appellants authorized DSG Sons "to compromise and fully settle" the appellants' obligations with Banco Filipino. Eventually, DSG Sons settled the appellants' obligation with Banco Filipino in the amount of P25,100,000.00. It appears, therefore, that DSG Sons paid the appellants' obligation with Banco Filipino primarily to save the subject lots from the effects of extra-judicial foreclosure and to finally obtain the titles of the subject lots. Clearly, the acts of DSG Sons were in furtherance of its contract of sale with the appellants. Hence, DSG Son's receipt of the titles of the subject lots from Banco Filipino was a fulfilment of the supposed condition under paragraph 3 of the Conditional Deed of Sale, that is, the delivery of the titles of the subject lots free from liens and encumbrances. It amounted to the consummation of the parties' contract of sale.

Further, the Court upholds the validity of the transfer of the titles of the subject lots under the name of DSG Sons.

XXX

At the outset, the letter dated November 17, 1999 of the Land Registration Authority (LRA) Administrator Alfredo R. Enriquez addressed to Atty. Ellen D. Vesa, counsel for DSG Sons, informed that the LRA "finds the issuance of TCT Nos. T-30958 and T-30959 in favor of DSG Sons Group, Inc. regular, assuming that all the registration fees and taxes have been paid". xxx

XXX

The non-payment of capital gains taxes was, however, explained by the evidence on record. In a letter dated April 11, 2000, the BIR Chief of the Special Investigation Division, Evelyn A. Sardido, informed the DSG Sons that the subject transaction "is not subject to Capital Gains Tax inasmuch as the real properties transferred are ordinary assets of the seller; however, it is subject to Creditable Withholding Tax and Documentary Stamp Tax, pursuant to Sec. 4 (b) and Sec. 5 of the Revenue Regulations No. 8-98 and Sec. 196 and 200 of the Tax Reform Act of 1997". In the same letter, the BIR assessed DSG Sons a deficiency tax of P4,669,644.96. On June 6, 2000, the BIR issued a certification stating that DSG Sons had paid, on even date, the deficiency tax of P4,669,644.96.

The Court thus upholds the validity of TCT Nos. T-30958 and T-30959.

ACCORDINGLY, the motion for reconsideration is DENIED.

SO ORDERED.

Jacob and [*]Badelles, JJ., concur.

ABOUT BATAS.ORG

Study smarter at BATAS.org

The Philippine bar review and law-school companion built around how your brain actually remembers.

The complete Philippine law library - free for everyone.

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

Audio case-brief lectures.

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

Bar review built on the science of memory.

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

The full law-school curriculum.

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

Mock exams that tell you where you stand.

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

A study planner that keeps you on pace.

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

Start free at <https://batas.org>

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.