

**SPOUSES RAMON DOROMAL, SR., AND ROSARIO SALAS, AND
SPOUSES RAMON DOROMAL, JR., AND GAUDELIA VEGA,
PETITIONERS, VS. HON. COURT OF APPEALS AND FILOMENA
JAVELLANA, RESPONDENTS.**

G.R. No. L-36083. September 05, 1975

Ponente: BARREDO, J.

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BARREDO, J.:

Petition for review of the decision of the Court of Appeals in CA-G.R. No. 47945-R entitled *Filomena Javellana vs. Spouses Ramon Doromal, Sr., et al.* which reversed the decision of the Court of First Instance of Iloilo that had in turn dismissed herein private respondent Filomena Javellana's action for redemption of a certain property sold by her co-owners to herein petitioners for having been made out of time.

The factual background found by the Court of Appeals and which is binding on this Court, the same not being assailed by petitioners as being capricious, is as follows:

"IT RESULT" ING: That the facts are quite simple; Lot 3504 of the cadastral survey of Iloilo, situated in the poblacion of La Paz, one of its districts, with an area of a little more than 2-112 hectares was originally decreed in the name of the late Justice Antonio Horilleno, in 1916, under Original Certificate of Title No. 1314, Exh. A; but before he died, on a date not particularized in the record, he executed a last will and testament attesting to the fact that it was a co-ownership between himself and his brothers and sisters, Exh. C; so that the truth was that the owners or better stated, the co-owners were; beside Justice Horilleno,

'Luis, Soledad, Fe, Rosita, Carlos and Esperanza,'

all surnamed Horilleno, and since Esperanza had already died, she was succeeded by her only daughter and heir herein plaintiff. Filomena Javellana, in the proportion of 1/7 undivided ownership each; now then, even though their right had not as yet been annotated in the title, the co-owners led by Carlos, and as to deceased Justice Antonio Horilleno, his daughter Mary, sometime since early 1967, had wanted to sell their shares, or if possible if Filomena Javellana were agreeable, to sell the entire property, and they hired an acquaintance Cresencia Harder, to look for buyers, and the latter came to interest defendants, the father and son, named Ramon Doromal, Sr. and Jr., and in preparation for the execution of the sale, since the brothers and sisters Horilfeno were scattered in various parts of the country, Carlos in Ilocos Sur, Mary in Baguio, Soledad and Fe, in Mandaluyong, Rizal, and Rosita in Basilan City, they all executed various powers of attorney in favor of their niece, Mary H. Jimenez Exh. 1-8, they also caused preparation of a power of attorney of identical tenor for signature by plaintiff, Filomena Javellana, Exh. M, and sent it with a letter of Carlos, Exh. 7 dated 18 January, 1968 unto her thru Mrs. Harder, and here, Carlos informed her that the price was P4.00 a square meter, — although it now turns out according to Exh. 3 that as early as 22 October, 1967, Carlos had received in check as earnest money from defendant Ramon Doromal, Jr., the sum of P5,000.00 and the price therein agreed upon was five (P5.00) pesos a square meter, — as indeed in another letter also of Carlos to Plaintiff in 5 November, 1967, Exh. 6, he had told her that the Doromals had given the earnest money of P5,000.00 at P5.00 a square meter, — at any rate, plaintiff not being agreeable, did not sign the power of attorney, and the rest of

the co-owners went ahead with their sale of their 6/7, Carlos first seeing to it that the deed of sale by their common attorney in fact, Mary H. Jimenez be signed and ratified as it was signed and ratified in Candon, Ilocos Sur, on 15 January, 1968, Exh. 2, then brought to Iloilo by Carlos in the same month, and because the Register of Deeds of Iloilo refused to register right away, since the original registered owner, Justice Antonio Horilleno was already dead, Carlos had to ask as he did. hire Atty. Teotimo Arandela to file a petition within the cadastral case, on 26 February, 1968, for the purpose, Exh. C, after which Carlos returned to Luzon, and after compliance with the requisites of publication, hearing and notice, the petition was approved, and we now see that on 29 April, 1968, Carlos already back in Iloilo went to the Register of Deeds and caused the registration of the order of the cadastral court approving the issuance of a new title in the name of the co-owners, as well as of the deed of sale to the Doromals, as a result of which on that same date, a new title was issued TCT No. 23152, in the name of the Horillenos to 6/7 and plaintiff Filomena Javellana to 1/7, Exh. D, only to be cancelled on the same day under TCT No. 23153, Exh. 2, already in the names of the vendees Doromals for 6/7 and to herein plaintiff, Filomena Javellana, 1/7, and the next day 30 April, 1968, the Doromals paid unto Carlos by check, the sum of P97,000.00 Exh. 1, of Chartered Bank which was later substituted by check of Phil. National Bank, because there was no Chartered Bank Branch in Ilocos Sur, but besides this amount paid in check, the Doromals according to their evidence still paid an additional amount in cash of P18,250.00 since the agreed price was P5.00 a square meter; and thus was consummated the transaction, but it is here where complications set in.

On 10 June, 1968, there came to the residence of the Doromals in Dumangas, Iloilo, plaintiffs lawyer, Any. Arturo H. Villanueva, bringing with him her letter of that date, reading.

'P.O. Box 189, BacolodCity
June 10. 1968

Mr. & Mrs. Ramon Doromal, Sr.
and Mr. and Mrs. Ramon Doromal, Jr.

'Dumangas, Iloilo

Dear Mr. and Mrs. Doromal:

The bearer of this letter is my nephew, Atty. Arturo H. Villanueva, Jr., of this City. Through him, I am making a formal offer to repurchase or redeem from you the 6/7 undivided share in Lot No. 3504, of the Iloilo Cadastre, which you bought from my erstwhile co-owners, the Horillenos, for the sum of P30,000.00, Atty. Villanueva has with him the sum of P30,000.00 in cash, which he will deliver to you as soon as you execute the contract of sale in my favor.

Thank you very much for whatever favorable consideration you can give this request.

Very truly yours,

(SIGNED)

Mrs. FILOMENA JAVELLANA'

p. 26, Exh. 'J', Manual of Exhibits.

and then and there said lawyer manifested to the Doromals that he had the P30,000.00 with him in cash, and tendered it to them, for the exercise of the legal redemption, the Doromals were aghast, and refused, and the very next day, as has been said, 11 June, 1968, plaintiff filed this case, and in the trial, thru oral and documentary proofs, sought to show that as co-owner, she had the right to redeem at the price stated in the deed of sale, Exh. 2, namely P30,000.00 of the same; but defendants in answer, and in their evidence, oral and documentary sought to show that plaintiff had no more right to redeem., and that if ever she should have, that it should be at the true and real price by them paid, namely, the total sum of P115,250.00, and trial judge, after hearing the evidence, believed

defendants, that plaintiff had no more right, to redeem, because,

'Plaintiff was informed of the intended sale of the 6/7 share belonging to the Horillenos.'

and that,

'The plaintiff have every reason to be grateful to Atty. Carlos Horilleno because in the petition for declaration of heirs of her late uncle Antonio Horilleno in whose name only the Original Certificate of Title covering the Lot in question was issued, her uncle Atty. Carlos Horilleno included her as one of the heirs of said Antonio Horilleno. Instead, she filed this case to redeem the 6/7 share sold to the Doromals for the simple reason that the consideration in the deed of sale is the sum of P30,000.00 only instead of P115,250.00 approximately which was actually paid by the defendants to her co-owners, thus she wants to enrich herself at the expense of her own blood relatives who are her aunts, uncles and cousins. The consideration of P30,000.00 only was placed in the deed of sale to minimize the payment of the registration fees, stamps, and sales tax.' pp. 77-78, R.A.,

and dismissed and further condemned plaintiff to pay attorney's fees, and moral and exemplary damages as set forth in few pages back, it is because of this that plaintiff has come here and contends, that Lower Court erred:

I. ... in denying plaintiff-appellant, as a co-owner of Lot No. 3504, of the Iloilo Cadastre, the right of legal redemption under Art. 1620, of the Civil Code.

II. ... as a consequence of the above error, in refusing to order the defendants-appellees, the vendees of a portion of the aforesaid Lot No. 3504. which they bought from the co-owners of the plaintiff-appellant, to reconvey the portion they purchased to the herein plaintiff-appellant.

III. ... in admitting extrinsic evidence in the determination of the consideration of the sale, instead of simply adhering to of the purchase price of P30,000.00, set forth in the pertinent Deed of Sale executed by the vendors and co-owners of the plaintiff-appellant in favor of the defendants-appellees.

IV. ... in dismissing the complaint filed in this case.' pp. 1-3, Appellant's Brief, which can be reduced to the simple question of whether or not on the basis of the evidence and the law, the judgment appealed from should be maintained;" (Pp. 16-22, Record.)

Upon these facts, the Court of Appeals reversed the trial court's decision and held that although respondent Javellana was informed of her co-owners' proposal to sell the land in question to petitioners she was, however, "never notified . . . least of all, in writing," of the actual execution and registration of the corresponding deed of sale, hence, said respondent's right to redeem had not yet expired at the time she made her offer for that purpose thru her letter of June 10, 1968 delivered to petitioners on even date. The intermediate court further held that the redemption price to be paid by respondent should be that stated in the deed of sale which is P30,000 notwithstanding that the preponderance of the evidence proves that the actual price paid by petitioners was P115,250. Thus, in their brief, petitioners assign the following alleged errors:

I

"IT IS ERROR FOR THE COURT OF APPEALS TO HOLD THAT THE NOTICE IN WRITING OF THE SALE CONTEMPLATED IN ARTICLE 1623 OF THE CIVIL CODE REFERS TO A NOTICE IN WRITING AFTER THE EXECUTION AND REGISTRATION OF THE INSTRUMENT OF SALE, HENCE, OF THE DOCUMENT OF SALE.

II

THE COURT OF APPEALS ERRED IN NOT HOLDING THAT THE INSCRIPTION OF THE SALE IN THE REGISTRY OF PROPERTY TAKES EFFECT AS AGAINST THIRD PERSONS INCLUDING

CLAIMS OF POSSIBLE REDEMPTIONERS.

III

ASSUMING, ARGUENDO, THAT PRIVATE RESPONDENT HAS THE RIGHT TO REDEEM, THE COURT OF APPEALS ERRED IN HOLDING THAT THE REDEMPTION PRICE SHOULD BE THAT STATED IN THE DEED OF SALE." (Pp. 1-2, Brief for Petitioner, page 74-Rec.)

We cannot agree with petitioners.

Petitioners do not question respondent's right to redeem, she being admittedly a 1/7 co-owner of the property in dispute. The thrust of their first assignment of error is that for purposes of Article 1623 of the Civil Code which provides that:

"ART. 1623. The right of legal pre-emption or redemption shall not be exercised except within thirty days from the notice in writing by the prospective vendor, or by the vendor, as the case may be. The deed of sale shall not be recorded in the Registry of Property, unless accompanied by an affidavit of the vendor that he has given written notice thereof to all possible redemptioners.

The right of redemption of co-owners excludes that of adjoining owners."

the letters sent by Carlos Horilleno to respondent and dated January 18, 1968, Exhibit 7, and November 5, 1967, Exhibit 6, constituted the required notice in writing from which the 30-day period fixed in said provision should be computed. But to start with, there is no showing that said letters were in fact received by respondent and when they were actually received. Besides, petitioners do not pinpoint which of these two letters, their dates being more than two months apart, is the required notice. In any event, as found by the appellate court, neither of said letters referred to a consummated sale. As may be observed, it was Carlos Horilleno alone who signed them, and as of January 18, 1968, powers of attorney from the various co-owners were still to be secured. Indeed, the later letter of January 18, 1968 mentioned that the price was P4.00 per square meter whereas in the earlier letter of November 5, 1967 it was P5.00, as in fact, on that basis, as early as October 21, 1967, Carlos had already received P5,000 from petitioners supposedly as earnest money, of which, however, mention was made by him to his niece only in the later letter of January 18, 1968, the explanation being that "at later negotiation it was increased to P5.00 per square meter." (p. 4 of petitioners' brief as appellees in the Court of Appeals quoting from the decision of the trial court.) In other words, while the letters relied upon by petitioners could convey the idea that more or less some kind of consensus had been arrived at among the other co-owners to sell the property in dispute to petitioners, it cannot be said definitely that such a sale had even been actually perfected. The fact alone that in the later letter of January 18, 1968 the price indicated was P4.00 per square meter while in that of November 5, 1967, what was stated was P5.00 per square meter negatives the possibility that a "price definite" had already been agreed upon. While P5,000 might have indeed been paid to Carlos in October, 1967, there is nothing to show that the same was in the concept of the earnest money contemplated in Article 1482 of the Civil Code, invoked by petitioner, as signifying perfection of the sale. Viewed in the backdrop of the factual milieu thereof extant in the record, We are more inclined to believe that the said P5,000 were paid in the concept of earnest money as the term was understood under the Old Civil Code, that is, as a guarantee that the buyer would not back out, considering that it is not clear that there was already a definite agreement as to the price then and that petitioners were decided to buy 6/7 only of the property should respondent Javellana refuse to agree to part with her 1/7 share.

In the light of these considerations, it cannot be said that the Court of Appeals erred in holding that the letters aforementioned sufficed to comply with the requirement of notice of a sale by co-owners under Article 1623 of the Civil Code. We are of the considered opinion and so hold that for purposes of the co-owner's right of redemption granted by Article 1620 of the Civil Code, the notice in writing which Article 1623 requires to be

made to the other co-owners and from receipt of which the 30-day period to redeem should be counted is a notice not only of a perfected sale but of the actual execution and delivery of the deed of sale. This is implied from the latter portion of Article 1623 which requires that before a register of deeds can record a sale by a co-owner, there must be presented to him, an affidavit to the effect that the notice of the sale had been sent in writing to the other co-owners. A sale may not be presented to the register of deeds for registration unless it be in the form of a duly executed public instrument. Moreover, the law prefers that all the terms and conditions of the sale should be definite and in writing. As aptly observed by Justice Gatmaitan in the decision under review, Article 1619 of the Civil Code bestows unto a co-owner the right to redeem and "to be subrogated under the same terms and conditions stipulated in the contract," and to avoid any controversy as to the terms and conditions under which the right to redeem may be exercised, it is best that the period therefor should not be deemed to have commenced unless the notice of the disposition is made after the formal deed of disposal has been duly executed. And it being beyond dispute that respondent herein has never been notified in writing of the execution of the deed of sale by which petitioners acquired the subject property, it necessarily follows that her tender to redeem the same made on June 10, 1968 was well within the period prescribed by law. Indeed, it is immaterial when she might have actually come to know about said deed, it appearing she has never been shown a copy thereof through a written communication by either any of the petitioners-purchasers or any of her co-owners-vendees. (Cornejo et al. vs. CA, et al., 16 SCRA 775.)

The only other pivotal issue raised by petitioners relates to the price which respondent offered for the redemption in question. In this connection, from the decision of the Court of Appeals, We gather that there is "decisive preponderance of evidence" establishing "that the price paid by defendants was not that stated in the document, Exhibit 2, of P30,000 but much more, at least P97,000, according to the check, Exhibit 1, if not a total of P115,250.00 because another amount in cash of P18,250 was paid afterwards." It is, therefore, the contention of petitioners here that considering said finding of fact of the intermediate court, it erred in holding nevertheless that "the redemption price should be that stated in the deed of sale."

Again, petitioners' contention cannot be sustained. As stated in the decision under review, the trial court found that "the consideration of P30,000 only was placed in the deed of sale to minimize the payment of the registration fees, stamps and sales tax." With this undisputed fact in mind, it is impossible for the Supreme Court to sanction petitioners' pragmatic but immoral posture. Being patently violative of public policy and injurious to public interest, the seemingly wide practice of understating considerations of transactions for the purpose of evading taxes and fees due to the government must be condemned and all parties guilty thereof must be made to suffer the consequences of their ill-advised agreement to defraud the state. Verily, the trial court fell short of its devotion and loyalty to the Republic in officially giving its stamp of approval to the stand of petitioners and even berating respondent Javellana as wanting to enrich herself "at the expense of her own blood relatives who are her aunts, uncles and cousins." On the contrary, said "blood relatives" should have been sternly told, as We here hold, that they are *pari-delicto* with petitioners in committing tax evasion and should not receive any consideration from any court in respect to the money paid for the sale in dispute. Their situation is similar to that of parties to an illegal contract.[1]

Of course, the Court of Appeals was also eminently correct in its considerations supporting the conclusion that the redemption in controversy should be only for the price stipulated in the deed, regardless of what might have been actually paid by petitioners. In that style inimitable and all his own, Justice Gatmaitan states those considerations thus:

"CONSIDERING: As to this that the evidence has established with decisive preponderance that the price paid by defendants was not that stated in the document, Exh. 2 of P30,000.00 but much more, at least P97,000.00 according to the check, Exh. 1 if not a total of P115,250.00 because another amount in cash of P18,250.00 was

paid afterwards, perhaps it would be neither correct nor just that plaintiff should be permitted to redeem at only P30,000.00, that at first glance would practically enrich her by the difference, on the other hand, after some reflection, this Court can not but have to bear in mind certain definite points.

1st — According to Art. 1619 'Legal redemption is the right to be subrogated, upon the same terms and conditions stipulated in the contract, in the place of one who acquires a thing by purchase or dation in payment, or by any other transaction whereby ownership is transmitted by onerous title.' pp. 471 -472, New Civil Code,

and note that redemptioner right is to be subrogated ,

"upon the same terms and conditions stipulated in the contract and here, the stipulation in the public evidence of the contract, made public by both vendors and vendees is that the price was P30,000.00;

2nd — According to Art. 1620,

'A co-owner of a thing may exercise the right of redemption in case the share of all the other co-owners or any of them, are sold to a third person. If the price of the alienation is grossly excessive, the redemptioner shall pay only a reasonable one.' p. 472, New Civil Code,

from which it is seen that if the price paid is 'grossly excessive' redemptioner is required to pay only a reasonable one; not that actually paid by the vendee, going to show that the law seeks to protect redemptioner and converts his position into one not that of a contractually but of a legally subrogated creditor as to the right of redemption, if the price is not 'grossly excessive,' what the law had intended redemptioner to pay can be read in Art. 1623.

'The right of a legal pre-emption or redemption shall not be exercised except within thirty (30) days from the notice in writing by the prospective vendor, or by the vendor as the case may be. The deed of sale shall not be recorded in the Registry of Property, unless accompanied by an affidavit of the vendor that he has given written notice thereof of all possible redemptioners.' p. 473, New Civil Code,

if that be so that affidavit must have been intended by the lawmakers for a definite purpose, to argue that this affidavit has no purpose is to go against all canons of statutory construction, no law mandatory in character and worse, prohibitive should be understood to have no purpose at all, that would be an absurdity, that purpose could not but have been to give a clear and unmistakable guide to redemptioner, on how much he should pay and when he should redeem; from this must follow that notice must have been intended to state the truth and if vendor and vendee should have instead, decided to state an untruth therein, it is they who should bear the consequences of having thereby misled the redemptioner who had the right to rely and act thereon and on nothing else; stated otherwise, all the elements of equitable estoppel are here since the requirement of the law is to submit the affidavit of notice to all possible redemptioners, that affidavit to be a condition precedent to registration of the sale therefore, the law must have intended that it be by the parties understood that they were there asking a solemn representation to all possible redemptioners, who upon faith of that are thus induced to act, and here worse for the parties to the sale, they sought to avoid compliance with the law and certainty refusal to comply cannot be rewarded with exception and acceptance of the plea that they cannot be now estopped by their own representation, and this Court notes that in the trial and to this appeal, plaintiff earnestly insisted and insists on their estoppel;

3rd — If therefore, here vendors had only attempted to comply with the law, they would have been obligated to send a copy of the deed of sale unto Filomena Javellana, — and from that copy, Filomena would have been notified that she should if she had wanted to redeem, offered no more, no less, that P30,000.00, within 30 days, it would have been impossible for vendors and vendees to have inserted in the affidavit that the price was truly P97,000.00 plus P18,250.00 or a total of P115,250.00; in other words, if defendants had only complied with the law, they would have been obligated to accept the redemption money of only P30,000.00;

4th — If it be argued that foregoing solution would mean unjust enrichment for plaintiff, it need only be remembered that plaintiff's right is not contractual, but a mere legal one, the exercise of a right granted by the law, and the law is definite that she can subrogate herself in place of the buyer,

'upon the same terms and conditions stipulated in the contract,'

in the words of Art. 1619, and here the price,

"stipulated in the contract"

was P30,000.00, in other words, if this be possible enrichment on the part of Filomena, it was not unjust but just enrichment because permitted by the law; if it still be argued that plaintiff would thus be enabled to abuse her right, the answer simply is that what she is seeking to enforce is not an abuse but a mere exercise of a right; if it be stated that just the same, the effect of sustaining plaintiff would be to promote not justice but injustice, the answer again simply is that this solution is not unjust because it only binds the parties to make good their solemn representation to possible redemptioners on the price of the sale, to what they had solemnly averred in a public document required by the law to be the only basis for that exercise of redemption;" (Pp. 24-27, Record.)

WHEREFORE, the decision of the Court of Appeals is affirmed, with costs against petitioners.

Fernando, Makasiar, Esguerra, Aquino, and Martin, JJ., concur.

Makalintal C. J., did not take part.

Castro, J., concurs in the above opinion of Mr. Justice Barredo as well as in the concurring opinion of Mr. Justice Teehankee.

Teehankee, J., concurs in a separate opinion.

Muñoz Pahna, J., no part.

Antonio and Concepcion, Jr., JJ., are on leave.

[1] See Rodriguez. 20 SCRA 908, 917; Bough and Bough vs. Cantiveros and Hanopol, 40 Phil. 209.

CONCURRING OPINION

TEEHANKEE, J.:

The legal (and moral) right of private respondent Filomena Javeilana as (1/7) pro-indiviso co-owner to exercise the right granted her by the Civil Code of legal redemption of the pro-indiviso 6/1 share of the property which was sold by her erstwhile co-owners to the Doromals as interested third persons for the stipulated contractual price of P30,000.00 is unassailable.

It is admitted in the record (from the Doromals' own evidence and the trial court's factual findings) that the Doromals (buyers) and the co-owners (sellers) had criminally understated and falsified the contractual price in the deed of sale as registered with the Register of Deeds to be P30,000.00 instead of P115,250.00 as "actually paid" by the Doromals, admittedly for the illegal and criminal purpose "to minimize the payment of the registration fees, stamps and sales tax." [1] (It may be added that such gross understatement of the actual price was resorted to obviously to minimize the resultant tax liability of the co-owners for income tax or capital gains from the sale of the property as well as to minimize, if not conceal, the sources and assets of the Doromals as buyers and make it

falsely appear that their capital outlay for the purchase was only one-fourth (1/4) of the actual price — which is a device notoriously availed of by tax evaders to willfully and criminally evade the payment of taxes justly due to the government).

This criminal and illegal conduct in no way entitles the Doromals to claim callously as against respondent redemptioner who is merely exercising her legal right of redemption "to be subrogated, upon the same terms and conditions stipulated in the contract, in the place" of the Doromals as third-person buyers [Articles 1619 and 1620, Civil Code] that she may only redeem the property from them by paying the larger amount of P115,250.00 that they had actually paid the co-owners for their 6/7 share of the property. Such criminal tax evasion can in no way be abated if the courts and the law would yet pay

heed to the plea of the tax evaders that they had falsely understated the contract price and that the courts should order the redemptioner to pay them — not the contract price — but the larger amount they had actually paid but illegally understated in order to evade the taxes justly due to the Government. A party to an illegal contract cannot come to court and ask it to help carry out his illegal objects.[2]

For the tax evaders to invoke in court their very act of tax evasion and to ask the courts to sanction the same by declaring that the understated stipulated price was only for purposes of tax evasion but that for the exercise of the legal right of redemption, respondent must be ordered by the courts to pay them the larger amount they had actually paid but falsely understated in the deed would be to put a premium on criminal conduct and frank cynicism in gross derogation of the law, morals, good customs and public policy.

When the Doromals falsely understated the contractual price of their purchase from respondent's co-owners, they did so at their own risk and with full knowledge of respondent's right to redeem the property for the price stated in the contract.

By virtue of the rule of *in pari delicto*, they cannot even seek recourse against the co-owners to refund to them the difference between the redemption price (of P30,000.00) and the much larger amount (of PI 15,250.00) that they actually paid the co-owners.

If, say, there were no question of redemption but that they had a valid cause for rescission of their purchase and brought suit therefor, (so that the case were strictly one between the Doromals and their sellers), the courts would order the return of only the price as officially stated in the deed and not the larger amount (of PI 15,250.00) that they had actually paid (but understated for tax evasion purposes) — since the law will not aid either party *in pari delicto* but will leave the parties where it finds them, or more accurately, where they have placed themselves. Manifestly the law will not aid the Doromals as against respondent-redemptioner who had no part in their illegal and criminal conduct.

Finally, if such notorious tax evasion is to be effectively curbed, and the facts of record in the case at bar are duly established in the appropriate proceedings, the Doromals and the co-owners-sellers should be criminally charged for falsification of public documents besides being held liable by the proper authorities for the full amount of taxes, income and capital gains, documentary stamps, registration fees, etc, that they had admittedly willfully evaded by the false understatement of the real and actual price in the deed of sale executed between them.

[1] Decision of the CM, Rec. on Appeal, pp. 77-78.

[2] *Ex dolo malo non oritur actio* and *in pari delicto potior est conditio defendentis*

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