

DELIA TATAD-CAINGLET ASSISTED BY HER HUSBAND BERT CAINGLET, SPS. LORENZO AND DARIA CAMPANILLA, SPS. FLORENCIO AND SALUD BANLUTA, SPS. ALBERTO SAJULAN AND ESTRELLITA SAJULAN, AND...

Ponente: INGLES, G. T., J.

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INGLES, G. T., J.:

THE CASE

This is an appeal to the Joint Judgment[1] dated 1 April 2009 of the Regional Trial Court, 7[th] Judicial Region, Branch 49, City of Tagbilaran in Civil Case Nos. 6403 and 6633, the dispositive portion whereof reads,

"WHEREFORE, judgment is hereby rendered:

- In CIVIL CASE NO. 6403, ordering:

a)

The dismissal of the case with costs against the plaintiffs;

b)

Plaintiffs to pay jointly and severally to defendant-spouses Boler Binamira and Shirley Binamira the amount of Php100,000.00 as moral damages; Php10,000.00 as actual litigation expenses and Php25,000.00 as attorney's fees.

- In CIVIL CASE NO. 6633. ordering:

a)

the dismissal of the case with costs against the plaintiffs;

b)

PLAINTIFFS to pay jointly and severally to defendant-spouses Boler Binamira and Shirley Binamira in the amount of Php100,000.00 as moral damages; Php10,000.00 as actual litigation expenses and Php25,000.00, as attorney's fees;

c)

PLAINTIFFS to pay jointly and severally the defendant RIZAL COMMERCIAL BANKING CORPORATION the amount of Php10,000.00 as litigation expenses and Php20,000.00 as attorney's fees.

SO ORDERED."

The subject matter of the instant controversy are portions of Lot No. 6745 (formerly Lot No. 775-D) located in the City of Tagbilaran originally covered by Original Certificate of Title (OCT) No. D-54[2] of the Register Deeds of Tagbilaran City under the names of the heirs of Hilarion [C]aragan, namely: Bonifacia, Vicente and Januaria. OCT No. D-54 was entered pursuant to Decree No. N-211529 issued in the Decisions dated August 26, 1992 and August 24, 1993 of the Regional Trial Court of Bohol, 7th Judicial Region, Branch 1, City of Tagbilaran in Cadastral Case No. 6, LRA Cadastral Record No. Rec. No. 1083. Subsequently, Transfer Certificate of Title No. T-40483 was issued over Lot No. 6745 (formerly Lot No. 775-D) under the names of Spouses Boler Binamira and Shirley Loquillano Binamira. The said spouses caused the subdivision of Lot No. 6745 into eleven (11) lots and the issuance of corresponding certificates of title.

THE ANTECEDENTS

Civil Case No. 6403

On 23 April 1979, Restituto, Anastacio, Policarpo and Martina, all surnamed Caragan, sold[3] to Sps. Alberto and Estrellita Sajulan a portion of Lot No. 6745 designated as Lot No. 6745-F containing 218 square meters.

On 6 November 1979, Restituto Caragan with his wife's consent sold[4] to Sps. Florencio and Salud Banluta another portion of Lot No. 6745 designated as Lot No. 6745-H containing 207 square meters.

On 29 February 1980, Restituto Caragan with the consent of his wife sold another portion of Lot No. 6745 designated as Lot No. 6745-E containing 274 square meters thereof to the late Margarito Tatad survived by his wife Delia (now Cainglet).

On 6 September 1980, Restituto Caragan with his wife's consent sold[5] another portion of Lot No. 6745 designated as Lot No. 6745-A containing 400 square meters to Felisa Partosa Dinsay.

Then, again, on 1 December 1981, Restituto Caragan with the consent of his wife sold[6] another portion designated as Lot No. 6745-J-1 containing 100 square meters to Spouses Lorenzo Campanilla and Daria Sarahina Campanilla.

On 14 April 1992, Manuel A. Caragan, Policarpo D. Caragan, Perfecta D. Caragan, Martina D. Caragan and Anastacio Caragan executed an "Extrajudicial Settlement of Estate Among Heirs with Simultaneous Sale".[7] The said deed pertinently states, that,

"WHEREAS, on the 24[th] day of June 1975, BONIFACIA CARAGAN died intestate in the City of Tagbilaran, on the 3[rd] day of October 1942 VICENTE CARAGAN died intestate in the City of Tagbilaran; and on the 24th day of November, 1971, JANUARIA CARAGAN died intestate in the City of Tagbilaran leaving a certain parcel of land, more particularly bounded and described as follows:

x x x x

WHEREAS, Manuel A. Caragan is the only child of the late Bonifacia Caragan of her single blessedness; Policarpo, Perfecta and Martina all surnamed Caragan are the only children of the late spouses Vicente Caragan and Sebastiana Diez; and while Anastacio Caragan, is the only child of the late Januaria Caragan also of single blessedness, are the sole and only heirs of the above named deceased persons;

WHEREAS, the above-described parcel of land designated as Lot No. 775-D covered by Tax Dec. No. 3-823 has a pending petition for issuance of Decree and Title filed with the Regional Trial Court of Bohol;

WHEREAS, it is to the best interest of said heirs; who are all of legal ages, to settle the estate of the deceased

among themselves extra-judicially, in the form and manner hereinafter set forth;

NOW THEREFORE, for and in consideration of the premises and invoking the provisions of Section 1, Rule 74 of the Rules of Court, said heirs above named do by these presents a a[g]ree to settle the estate of the deceased extra-judicially and to this effect do hereby partition and adjudicate the same among themselves equally, the foregoing inheritance to be subject, however, to the liabilities imposed by Sec. 4, Rule 74 of the Rules of Court;

AND WITNESSETH FURTHER

That for and in consideration of the sum of FORTY-FIVE THOUSAND PESOS (P45,000.00), Philippine Currency, the receipt whereof i[s] hereby acknowledged, said HEIRS/VENDORS do by these presents SELL, CEDE, TRANSFER and CONVEY, unto the VENDEES, Spouses BOLER B. BINAMIRA and SHIRLEY LOQUILLANO BINAMIRA, both of legal age, Filipinos and residents of Burgos St., Tagbilaran City, Philippines, the above described parcel of land inherited by them, a[g]reeing further to warrant and forever defend to whatsoever claim by any other persons;

x x x x."

This extra-judicial settlement with simultaneous sale was annotated in the Original Certificate of Title No. D-54[8]. Pursuant to this extra-judicial settlement, etc., Transfer Certificate of Title No. T-40483[9] was issued over Lot No. 6745 (formerly Lot No. 775-D) under the names of Spouses Boler B. Binamira and Shirley Loquillano Binamira.

Subsequent transfer certificates of title were issued to the Spouses Binamira over some portions of Lot No. 6745, to wit: TCT No. T-48455[10] over Lot No. 6745-F; TCT No. T-48457[11] over 6745-H; TCT No. 48454[12] over 6745-E; TCT No. 48450[13] over Lot No. 6745-A and TCT No. T-48459[14] over Lot No. 6745-J.

A complaint was filed with Barangay Poblacion III by Delia Cainglet, Gene Amistoso, Lorenzo and Daria Campanilla, Florencio Banluta, Alberto Sajulan and Fe Ecamen against Boler Binamira for "Land Dispute Lot No. 6745, Psd 25359" docketed as Barangay Case No. 54-99.

After failure by the herein parties to amicably settle before the barangay, a Certification to File Action[15] was issued on 4 August 1999. By virtue of this certification, Delia Tatad-Cainglet assisted by her husband, Bert Cainglet, Sps. Lorenzo and Daria Campanilla, Sps. Florencia and Salud Banluta, Sps. Alberto Sajulan and Estrellita Sajulan, Heirs of Felisa Partosa Dinsay, and Manuel Caragan filed on September 2, 1999 a complaint for "Annulment of Extra-judicial Settlement with Deed of Absolute Sale and the Corresponding Titles, Quieting of Titles, Damages and Preliminary Injunction and Damages" against Sps. Boler Binamira and Shirley Binamira before the Regional Trial Court docketed as Civil Case No. 6403.

On 27 September 1999, the defendant-spouses filed their Answer with Affirmative Defense and Counterclaim.[16]

The parties then filed their respective pre-trial brief.

Subsequently, the plaintiffs amended[17] their complaint with prayer for preliminary injunction to implead a fellow plaintiff Manuel [C]Karagan as defendant.

In their amended complaint, the plaintiffs impleaded Manuel Caragan, a fellow plaintiff in the original complaint, as defendant reasoning that Manuel Caragan suddenly turned hostile while the instant case was progressing. They reiterated their main allegation that long before the issuance of OCT No. D-54, they have already presented to defendant Atty. Boler Binamira their respective claim of ownership over the portions they purchased from the

heirs of the co-owners as shown in the deeds of sale attached thereto. They continued that despite his knowledge of their respective claim over the portions of the subject property, defendant Atty. Boler Binamira still went on to purchase the entire subject property from the heirs/vendors Policarpio, Perfecta, Manuel, Martina and Anastacio, all surnamed Caragan. The plaintiffs added that the defendant-spouses caused the subdivision of Lot No. 6745 into eleven (11) lots – some of which have already been sold to the following: Sps. Sajulan (Lot No. 6745-F), Sps. Banluta (Lot No. 6745-H), Sps. Silos/Cainglet (Lot No. 6745-E), F. Dinsay (Lot No. 6745-A) and Sps. Campanilla (Lot No. 6745-J-1). The plaintiffs averred that the defendant-spouses have already sought assistance from government agencies to eject plaintiff-spouses Bert Cainglet and Delia Cainglet from the lot they purchased and to demolish their house erected thereon way back in 1984. Finally, they prayed to reconvey the subject lots to the plaintiffs and accordingly, annul/revoke the transfer certificates of title issued therefor, to pay damages, and to issue a writ of preliminary injunction.

By Order[18] dated 15 June 2000, the RTC, inter, alia, admitted the amended complaint and directed the defendant-spouses to manifest whether or not they would adopt the answer they filed to the original complaint.

The plaintiffs moved[19] to declare Manuel Caragan in default but the RTC in its Order[20] dated 20 November 2000 denied the motion for non-compliance with Section 3, Rule 9 of the Rules. However, on reconsideration, the RTC in its Order[21] dated 29 January 2001 granted the plaintiffs' motion.

After the pre-trial conference, it was agreed that the following are the issues to be resolved, to wit:

"1.

Whether or not plaintiffs have a valid cause of action against the defendants in instituting this instant case;

2.

Whether or not the contending parties are entitled to their respective claim for damages."[22]

By Notice,[23] Atty. Alberto Y. Bautista withdrew as counsel for the defendant-spouses.

Upon the parties' agreement, the RTC a quo ordered[24] the joint reception of evidence in Civil Case Nos. 6403 and 6633. will be heard jointly.

Civil Case No. 6633

On 11 April 1979, Restituto Caragan, Policarpo Caragan, Martina Caragan, Perfecta Caragan and Anastacio Caragan sold[25] two (2) portions of Lot No. 6745 (formerly (Lot No. 775-D) to Josefina Maputol of Guindulman, Bohol, denominated as Lot No. 6745-B measuring 239 sq. m. and Lot No. 6745-G measuring 286 sq. m., totaling to (525) square meters.

On 16 October 1986, Restituto Caragan sold[26] to Spouses Abraham Chiu, Sr. and Evelyn Partosa Chiu another portion of Lot 6745 denominated as Lot No. 6745-J-2 consisting of two hundred four (204) square meters.

On 14 April 1992, Manuel Caragan in representation of his late father, Restituto Caragan, Policarpo Caragan, Martina Caragan, Perfecta Caragan and Anastacio Caragan executed a deed of extrajudicial settlement of the estate of Hilarion Caragan with sale (in favor of the defendant-spouses) over Lot No. 6745 (formerly Lot No. 775-D).

Pursuant to the decision dated 26 August 1992, Original Certificate of Title No. D-54 was issued over Lot No. 6745 (formerly Lot No. 775-D) under the names of Bonifacia Caragan, Vicente Caragan and Januaria Caragan – heirs of Hilarion Caragan.

Subsequently, Transfer Certificate of Title No. 40483 was issued over Lot No. 6745 (formerly Lot No. 775-D) under the names of the defendant-spouses. This lot was eventually subdivided, two of which lots are the subject matter of this case, namely: TCT No. T-48451[27] over Lot No. Lot No. 6745-B; TCT No. T-48456[28] over Lot No. 6745-G; TCT No. 48452[29] over Lot No. 6745-C; and TCT No. 48459[30] over Lot No. 6745-J-2.

Josefina Maputol Jacinto represented by Evelyn M. Racho filed a complaint[31] for "Reconveyance, Cancellation of Title, Recovery of Ownership" against defendant Boler Binamira with the Barangay Poblacion III docketed as Barangay Case No. 50-01.

On the ground that the barangay has no jurisdiction over the complaint, the barangay issued a Certification to File Action.[32] By virtue of the said certification, Josefina M. Jacinto and her husband, Jacinto Jacinto, and Spouses Abraham Chiu, Sr. and Evelyn Chiu filed a complaint[33] for "Annulment of Extrajudicial Settlement with Deed of Absolute Sale and Certificates of Title, Reconveyance, Quieting of Title, Annulment of Real Estate Mortgage & Damages" against Sps. Boler Binamira and Shirley L. Binamira, Rizal Commercial and Banking Corporation, represented by herein Mr. Dioscoro Uy with the Regional Trial Court , 7th Judicial Regional, Branch 4 docketed as Civil Case No. 6633. In the complaint, they alleged that even before the issuance of the original certificate of title over Lot No. 6745, portions thereof were already sold to them. They averred that appellee Boler Binamira already knew about this matter but the latter still bought the entire Lot No. 6745. They maintained that as soon as they learned about the issuance of the transfer of certificates of title over the lots they purchased, they immediately filed the instant case.

Defendant-spouses Binamira filed their Answer[34] alleging in the main that the subject parcel of land, Lot No. 6745, portions of which are subject matter of this case, was sold to them by the heirs of Hilarion Caragan – who extra-judicially settled among themselves Lot No. 6745 (formerly Lot No. 775-D). That, the allegation that the loan they obtained from the defendant-RCBC was done in haste and bad faith is unfounded and baseless. That, the notarized deed of extrajudicial settlement with sale prevails over Manuel Caragan's denial that the signature therein is his. By his affirmative defenses, the defendant-spouses alleged that the plaintiffs have no cause of action, the latter not being the heirs of the original owner and not being adjoining owners of the subject parcels of land. That, the plaintiff's cause of action, if there be any, has been proscribed by prior judgment, prescription and laches, and barred by the Statute of Limitations, That, the filing of the instant complaint is tainted with malice and evident bad faith. Finally, the plaintiffs should be made liable for moral damages, attorney's fees and litigation expenses and exemplary damages.

On 30 October 2001, the plaintiffs filed a "Motion to Consolidate and Unload Case"[35] seeking to consolidate the instant case to Civil Case No. 6403.

By Order[36] dated 30 October 2001, the RTC granted the "Motion to Consolidate or Unload Case" filed by Atty. Florendo D. Columnas, counsel for the plaintiffs, to Civil Case No. 6403.

Upon motion[37] by the plaintiffs in Civil Case No. 6633, the RTC in its Order[38] dated 28 November 2001 declared defendant RCBC in default. Which order was reconsidered and accordingly set aside[39] upon motion[40] by the defendant RCBC.

Then, the defendant-RCBC filed its "Answer with Affirmative Defenses and Counterclaim"[41]The defendant-RCBC alleged in the main that there was no encumbrance or any existing claim over the lots subject of the mortgage.[42] That, the RTC acquired no jurisdiction over it since the summons was not served on the persons enumerated in Section 11, Rule 14 of the 1887 Rules of Civil Procedure but on the secretary of the president. That, under the torrens system of land registration, it need not go beyond the certificate of title. That, it has a superior right and lien over the mortgaged properties. That, the RTC acquired no jurisdiction over the case in the

absence of any allegation in the complaint that the assessed value of the subject properties is within the amount over which the RTC has jurisdiction.

In the Pre-Trial Order[43] dated 29 August 2002, the RTC took note of the parties' manifestation, i.e., that the issues to be resolved are those mentioned in their respective pre-trial brief and in addition thereto, the issues of whether or not the signature of Manuel Caragan appearing in the Extra-Judicial Settlement of Estate Among the Heirs of Hilarion Caragan is his.

Joint trial on the merits ensued.

The plaintiffs presented the testimonies of the following, namely: (1) Florencio Banluta; (2) Manuel Caragan; (3) Delia Tatad-Cainglet; (4) Engr. Jose Yu; (5) Daria Campanilla; (6) Alberto Sajulan; (7) Nena Loquillano; (8) Genie Frances P. Amistoso; and (9) Marilyn Evelyn Maputol Racho.

On the side of the defendant-spouses, the testimonies of the following were presented, namely: (1) Atty. Boler Binamira; and (2) Boler Binamira, Jr.

On the other hand, defendant-RCBC presented the testimonies of: (1) Paulino Biloy, Jr.; (2) Helena Antonieta Veloso; and (3) Remedios Lamoste.

THE JOINT JUDGMENT OF THE REGIONAL TRIAL COURT

In ruling against the plaintiffs, the RTC ratiocinated, that,

"The court observes that at the time of the purported sale to plaintiffs, Lot 6745 was still undivided. There was no partition or extra-judicial settlement executed by the heirs and therefore the property remained pro indiviso.

Yet, of the total area of 2,906 square meters, it appears that Restituto Caragan, on his own and to the exclusion of the other heirs, sold a total of 1,199 square meters to different buyers. Assuming that Restituto Caragan, representing Bonifacio Caragan, whether as a legitimate son or not, is entitled to 1/3 of the whole property, his share would only be 968.6 square meters as in fact adverted to in the complaint. As a result, it can immediately be shown that he actually sold an excess of 230.22 square meters. A dilemma would, therefore, arise as to how the excess will be apportioned. Obviously, each of the buyer-claimants will assert their own better rights as against the others, and that would drag them further into legal confusion which ought not be allowed – such a disjunctive and absurd situation.

The conveyances by Restituto Caragan to the plaintiffs cannot really be considered valid. For one thing, he had no authority to do so from the other heirs. Moreover, there is no extra-judicial agreement to support each independent conveyance. Equally important is the fact that the portions being sold are not or cannot be defined and ascertained because the property was still undivided. What the buyers can do in these conveyances is to go against Restituto, but not in these instant actions.

The Court also notes that none of the heirs of Hilarion Caragan are impleaded, either as plaintiffs or as defendants except Manuel Caragan who was first included as party-plaintiff but subsequently, was excluded by co-plaintiffs themselves. This fact militates against the action of the plaintiffs.

These cases may well be brought within the context and purview of a 'double sale'. Here is a certain piece of property, with certain portions thereof sold to the plaintiffs; but the same property is also sold to the defendants. Under this situation, the doctrine of priority in rights, the well-accepted maxim 'prior tempore potior jure' or who is the first in time is preferred in right, will apply. Under Article 1544 of the New Civil Code, it is provided that ownership shall belong to the person acquiring it in good faith first recorded it in the Registry of Property. Defendants had theirs registered while plaintiffs have not.

But, the most important factor in these cases that the Court considered is the settled rule that a purchaser of a

piece of land is not necessarily required or expected to go beyond the torrens title because such title is already conclusive evidence of ownership.

The Original Certificate of Title in the name of the Heirs of Hilarion Caragan was issued on May 25, 1995. No adverse claims, notice of lis pendens or encumbrances were registered or annotated on the title when it was passed and was transferred to the defendants. In the absence of anything to excite suspicion, one is not under obligation to go beyond the certificate.

A land registration proceeding is 'in rem' and therefore, the decree of registration is binding upon and conclusive against all persons including the government and its branches, irrespective of whether or not they were personally notified of the filing of the application for registration or have appeared and filed an Answer to said application because all interested parties are considered as notified by the publication required by law. (SOROÑGON, ET. AL. VS. MAKALINTAL, ET. AL., 80 PHIL. 295, PD 1529, SEC, 31).

Once registration is decreed by a court of competent jurisdiction, the title to the land thus determined is already a res judicata [a]nd binding on the whole world, the procedure being in rem. (DURAN VS. OLIVA, 113 PHIL. 144; LAHORA VS. DAYANGHIRANG, JR., 37 SCRA 346)

Where the innocent third persons, relying in the correctness of the Certificate of Title thus issued acquired rights over the property, the court cannot disregard such rights and order the cancellation of the certificate. The effort of such an outright cancellation would be to impair public confidence in the certificate of title, for everyone dealing with property registered under the Torrens System would have to inquire in every instance as to whether the title has been regularly or irregularly issued by the Court. And this is contrary to the evident purpose of the law; every person dealing with registered land may safely rely on the correctness of the certificate to determine the condition of the property (ASTORGA, ET. AL. VS. COURT OF APPEALS, ET. AL., 133 SCRA 748).

One of the principal features of the Torrens System of registration is that all encumbrances on land or special estates therein shall be shown, or at least intimated upon the certificate of title and a person dealing with the owner of the registered land is not bound to go beyond the certificate and inquire into transaction, the existence of which is not therein intimated. Consequently and true to that rule, it has been held that where there was nothing in the certificate of title to indicate any cloud or vice of ownership of the property, or any encumbrance thereon, the purchaser is not required to explore further than what the torrens title upon its face indicates in quest for any hidden defect or inchoate right that may subsequently defeat his right thereto. If the rule were otherwise, the efficacy and conclusiveness of the certificate of title which the torrens system seeks to ensure would entirely be futile and nugatory. In short, a purchaser in good faith of realty acquires a good title as against all the transferees thereof whose right is not recorded in the Registry of Deeds at that time of the sale (QUIMSON VS. SUAREZ, 45 PHIL. 901).

It must be taken into consideration also that a torrens title cannot be collaterally attacked. The issue on validity of the title can only be raised in an action expressly instituted for that purpose.

If a decree of registration has been obtained by fraud, the aggrieved party may file within one (1) year from the date of issuance and entry of the decree of registration, a petition for review of the proceedings with the court that issued the decree in order to have the latter set aside. Provided that it must be filed with the Regional Trial Court of the city or province where the land lies, within one (1) year after the date of the entry of the decree, and provided that no innocent purchaser for value has acquired an interest therein. Upon the expiration of said term of one (1) year, every decree or certificate of title issued in accordance therewith becomes incontrovertible (ACT 494, SEC. 38).

The proper recourse of plaintiffs now would be against the Heirs of Hilario[n] Caragan for selling the property to defendants Binamira after the sales were already made to them. Defendants are no longer the proper party because they cannot be deemed to be, otherwise than being innocent purchasers for value.

As regards the defendant bank RCBC in Civil Case No. 6633, there is no cause of action against said party as it was only acting in accordance with proper banking procedures as provided for by law. However, the inclusion of the bank as a co-defendant resulted to the untimely foreclosure of the collaterals giving undue prejudice to the defendants, for which plaintiffs should be made answerable.

On the basis of all the foregoing, this Court finds that the actions of plaintiffs in these cases are bereft of legal merits. Plaintiffs are guilty of negligence and laches, and are now estopped from resorting to these actions. The title registered in the name of the Heirs of Hilarion Caragan has become indefeasible after one (1) year from the issuance of the Original Certificate of Title. The said certificate of title did not contain any adverse claims, notice of lis pendens or encumbrances, when it was transferred and conveyed to defendants who must therefore, be deemed to be bona fide buyers for the value of the property. Any action against the title by third parties at this point in time, particularly the actions of the plaintiffs in these cases have prescribed and can no longer be maintained."

Hence, this appeal wherein the plaintiffs now appellants make the following assignment of errors, to wit:

"1.

The Honorable Trial Court seriously erred in finding that defendant-appellees are innocent purchasers for value;

2.

The Honorable Trial Court seriously erred in finding that plaintiff-appellants are guilty of negligence and laches;

3.

The Honorable Trial Court seriously erred in awarding exorbitant moral damages in favor of the defendant-appellees and Rizal Commercial Banking Corporation."

ARGUMENTS

The plaintiff-appellants'

Defendant-appellee Boler Binamira knew very well that they purchased the subject lots, he, being the attorney-in-fact of the Heirs of Hilarion Caragan.

On the basis of *Sps. Emmanuel, et. al. v. Msgr. Soriano* (G.R. No. 150066, April 13, 2007) and *Sps. Raymundo, et. al. v. Sps. Bandong, et. al.*, (G.R. No. 171250, July 4, 2007), defendant-appellees are not purchasers in good faith, they having prior knowledge that the plaintiff-appellants have respective claim over the subject subdivided lots. In fact, the statements of plaintiff-appellants Florencio Banluta and Delia Cainglet are clear and unequivocal, and uncontroverted.

That, in not more than three (3) months from the issuance of certificates of title they filed the instant complaint. Thus, is not considered to be late to constitute laches. "The essence of laches is the failure or neglect, for an unreasonable and unexplained length of time, to do that which, through due diligence, could have been done earlier, thus giving rise to a presumption that the party entitled to assert it had either abandoned or declined to assert it. (*Kings Properties Corp. vs. Canuto A. Galido*, G.R. No. 170023, 2009 Nov. 27).

That, while it may be true that they did not register their deeds of absolute sale, the same will not affect their rights as they reposed their trust and confidence on appellee Boler, the attorney-in-fact of the heirs of Hilarion Caragan and the person authorized to process the titling.

Finally, there is no basis for the grant of moral damages as it has been established that appellee-spouses are buyers in bad faith.

The appellee-spouses'

Defendant-appellee Boler Binamira was not commissioned nor has volunteered to process the titling of the lots supposedly purchased by the plaintiff-appellants. To add, at the time he was allegedly commissioned or he volunteered, he was still a full-time bank employee, hence, did not have the luxury of time to privately practice as a lawyer. Nary any evidence was presented by the plaintiff-appellants to prove such a commission or voluntary work.

That, the plaintiff-appellants are neither their relatives or neighbors, and they barely know them. That is why, it would be highly improbable to know the going-ons in their lives especially transactions respecting the land in litigation.

Proceedings for the issuance of a land title is one in rem hence binding to the whole world. This being so, the judgment rendered by the cadastral court directing the issuance of a certificate of title pursuant to the decree issued therein binds not only the petitioners themselves, in this case, the heirs of Hilarion Caragan, but the whole world or the public, as well.

That, there was nothing in the tax declarations issued under the names of the heirs of Hilarion Caragan or in the Original Certificate of Title issued over Lot No. 6745 which would reflect the alleged previous sales in favor of the appellants. Such that, there is nothing that would make the appellee-spouses aware of the previous sale to other persons.

That, under the torrens system, in the absence of any suspicion, the buyer is not obligated to go beyond the certificate of title.

That, the certificate of title issued in their names went through a tedious and long process. During the time it was still being processed, nobody came forward to interpose any objection thereto. To add, the deed of extrajudicial settlement with sale was published, thus, the public was duly notified of such settlement and sale.

That, the appellants' vendor, Restituto Caragan, had no authority to sell the land which he does not entirely own.

That, granting the sale to the appellants are valid, then why is it that the appellants did not register these transactions so they could each be issued a certificate of title corresponding to what they purchased.

That, even granting without admitting that they knew about the previous sale to the appellants, the same cannot be taken against them because Restituto Caragan is not the absolute owner of the subject land but the heirs of Hilarion Caragan from whom they purchased the subject land.

Finally, award of damages is proper under the circumstances. The cases filed against them caused them so much hassles not to mention the sleepless nights and mental anguish they suffered.

THE ISSUES

Simply stated, the core issue is: who has better right over the lots subject of this case.

THIS COURT'S RULING

The appeal is partly meritorious.

After an examination of the evidence presented by the parties, we find for the appellants, mindful of the case of

Spouses Sabitsana v. Muertegui.[44] This case involves the double sale of an unregistered land. The first sale was to Domingo Muertegui, Sr. on September 2, 1981. The second sale to the Spouses Sabitsana on October 17, 1991. The sale to the Muerteguis was not notarized nevertheless they declared it for taxation purposes and paid the realty taxes due thereon. In addition, they took actual possession of the lot and planted it with coconut and ipil-ipil trees. On the other hand, the Spouses Sabitsana, despite having been informed by the Muerteguis of the sale, Atty. Sabitsana being the Muerteguis' lawyer, still purchased the same parcel of land, registered the sale, and likewise, declared the said land for taxation purposes and paid the realty taxes due thereon. The Spouses Sabitsana introduced concrete improvements on the property, which, shortly thereafter, were destroyed by a typhoon. Upon the death of Domingo Muertegui, Sr. his heirs applied for the registration of the subject property and its coverage under the Public Land Act or Commonwealth Act No. 141. Atty. Sabitsana wrote the Department of Environment and Natural Resources' CENRO/PENRO office in Naval, Biliran opposing the Muertegui's application, claiming that he was the true owner of the lot. He asked that the application for registration be held in abeyance until the issue of conflicting ownership has been resolved. Juanito Muertegui, through his attorney-in-fact Domingo Jr., filed a complaint for quieting of title and preliminary injunction, against the Spouses Sabitsana, claiming that the latter purchased the lot in bad faith and are exercising acts of possession and ownership over the same, which acts constitute a cloud over his title. The complaint prayed, among others, that the Deed of Sale in favor of the Spouses Sabitsana and the tax declaration issued under their names be declared null and void and of no effect. The RTC ruled in favor of the Muerteguis, which ruling was affirmed by this court. The Supreme Court, likewise, ruled in favor of the respondent Muertegui, viz -

x x x x

Both the trial court and the CA are, however, wrong in applying Article 1544 of the Civil Code. Both courts seem to have forgotten that the provision does not apply to sales involving unregistered land. Suffice it to state that the issue of the buyer's good or bad faith is relevant only where the subject of the sale is registered land, and the purchaser is buying the same from the registered owner whose title to the land is clean. In such case, the purchaser who relies on the clean title of the registered owner is protected if he is a purchaser in good faith for value.

x x x x

What applies in this case is Act No. 3344, as amended, which provides for the system of recording of transactions over unregistered real estate. Act No. 3344 expressly declares that any registration made shall be without prejudice to a third party with a better right. The question to be resolved therefore is: who between petitioners and respondent has a better right to the disputed lot?

x x x x

The sale to respondent Juanito was executed on September 2, 1981 via an unnotarized deed of sale, while the sale to petitioners was made via a notarized document only on October 17, 1991, or ten years thereafter. Thus, Juanito who was the first buyer has a better right to the lot, while the subsequent sale to petitioners is null and void, because when it was made, the seller Garcia was no longer the owner of the lot. *Nemo dat quod non habet*.

The fact that the sale to Juanito was not notarized does not alter anything, since the sale between him and Garcia remains valid nonetheless. Notarization, or the requirement of a public document under the Civil Code, is only for convenience, and not for validity or enforceability. And because it remained valid as between Juanito and Garcia, the latter no longer had the right to sell the lot to petitioners, for his ownership thereof had ceased.

Nor can petitioners' registration of their purchase have any effect on Juanito's rights. The mere registration of a

sale in one's favor does not give him any right over the land if the vendor was no longer the owner of the land, having previously sold the same to another even if the earlier sale was unrecorded. Neither could it validate the purchase thereof by petitioners, which is null and void. Registration does not vest title; it is merely the evidence of such title. Our land registration laws do not give the holder any better title than what he actually has.

Specifically, we held in *Radiowealth Finance Co. v. Palileo* that:

Under Act No. 3344, registration of instruments affecting unregistered lands is 'without prejudice to a third party with a better right.' The aforequoted phrase has been held by this Court to mean that the mere registration of a sale in one's favor does not give him any right over the land if the vendor was not anymore the owner of the land having previously sold the same to somebody else even if the earlier sale was unrecorded.

Petitioners' defense of prescription, laches and estoppel are unavailing since their claim is based on a null and void deed of sale. The fact that the Muerteguis failed to interpose any objection to the sale in petitioners' favor does not change anything, nor could it give rise to a right in their favor; their purchase remains void and ineffective as far as the Muerteguis are concerned.

Just like so in the instant case.

In this instance, the earliest sale was made on 11 April 1979 by Restituto, Anastacio, Martina, Policarpo and Perfecta in favor of Josefina Maputol (now Jacinto). Next, is the sale on 23 April 1979 made by Restituto, Anastacio Caragan, Martina and Policarpo in favor of the Sps. Sajulan. Another sale in November 1979 was made by Restituto Caragan with the consent of his wife to appellant-spouses Banluta. Then, subsequent sales were again made by Restituto Caragan with the consent of his wife on different dates in 1980 to appellant Delia Tatad-Cainglet and her late husband Margarito Tatad, Felisa Partosa Dinsay, and spouses Abraham, Sr. and Evelyn Chiu; and in 1981 in favor of Spouses Campanilla.

To re-iterate, the disputed lots were still unregistered at the time the appellants and the appellee-spouses purchased the same. Aware of this fact, the appellee-spouses, especially appellee Boler who is a lawyer, as buyers thereof did so at their peril.

It may be well to stress that appellant Delia Tatad-Cainglet is already living on the lot she and her late husband, Margarito Tatad, purchased from Restituto Caragan. In other words, she is already in possession and occupation of the lot she purchased from Restituto.

Thus, in accordance with the Supreme Court ruling in *Sps. Sabitsana, supra*, Manuel, Martina, Perfecta, Policarpo and Anastacio (all surnamed Caragan) can only sell what they still own after deducting the different portions sold to the appellants or their predecessor-in-interest, as the case may be.

As reflected in the Original Certificate of Title No. D-54 issued over Lot No. 6745 pursuant to Decree No. N-211529 issued in Cadastral No. 6, LRA Cadastral Record No. 1083, the owners are the heirs of Hilarion Caragan, namely: Bonifacia Caragan, mother of Restituto; Vicente Caragan, father of Martina, Perfecta and Policarpo; and Januaria Caragan, mother of Anastacio Caragan. OCT No. D-54 shows that the subject property has a total area 2,906 square meters, more or less. Therefore, each registered owner shall own 968.67 square meters, more or less, of the subject property which according to the surveyor, Engr. Jose Yu,[45] he already surveyed and subdivided in 1979 upon the instance of Restituto for himself and as representative of the other heirs, which subdivision plan was approved in 1981.

Upon the death of their respective parents, Restituto and Anastacia each inherited 968.67 sq. m., and Martina, Perfecta and Policarpo each inherited 322.89 sq. m. of the subject property.

Re: share of Restituto

Records show that Restituto, with the consent of his wife, has already sold a total area of 1,185 square meters, broken down as follows:

1)

on November 6, 1980 to the Sps. Banluta measuring 207 sq. m. denominated as Lot No. 6745-H;

2)

on February 29, 1980 to the Sps. Margarito Tatad and Delia (Cainglet) measuring 274 sq. m. denominated as Lot No. 6745-E;

3)

on September 6, 1980 to Felisa Partosa Dinsay measuring 400 sq. m. denominated as Lot No. 6745-B and 6745-G;

4)

on December 1, 1981 to the Sps. Campanilla measuring 100 sq. m. denominated as Lot No. 6745-J-1; and

5)

on October 16, 1986 to the Sps. Abraham, Sr. and Evelyn Chiu measuring 204 sq. m. denominated as Lot No. 6745-J-2.

From his participation in the sale to Josefina Maputol (now Racho) on April 11, 1979, Restituto sold 105 sq. m. of his share, and to the Sps. Sajulan on 23 April 1979, 54.5 sq. m. The figures 105 sq. m. and 54.5 sq. m. were arrived at after dividing the areas sold to Josefina Maputol (now Jacinto) and to the Sps. Sajulan by the number of the heir-vendors who participated therein. To illustrate:

(1)

Lot No. 6745-H to Sps. Sajulan:

$218 \text{ sq. m.} / 4 = 54.5 \text{ sq. m.}$ sold by each of the four (4) vendors

(2)

Lot Nos. 6745-B and 6745-G to Josefina Maputol (now Jacinto):

$525 \text{ sq. m.} / 5 = 105 \text{ sq. m.}$ sold by each of the five (5) vendors

If we add 1,185 sq. m. to 54.5 sq. m. and 105 sq. m., Restituto already sold a total area of 1,344.5 sq. m. of the subject property, or an excess of 375.83 sq. m. Considering, however, the dates of purchase, only the following have valid claims with respect to Restituto's share in the subject property:

a)

Sps. Sajulan, insofar as the 54.5 sq. m. of the 218 sq. m.;

b)

Josefina Maputol (now Jacinto), insofar as 105 sq. m. of the 525 sq. m.;

c)

Sps. Banluta, 207 sq. m.;

d)

Margarito Tatad and Delia (now Cainglet), 274 sq. m.; and

e)

Felisa Partosa Dinsay, only 328.17 sq. m. as it is the only area left from the share of Restituto after the four earlier sales.

Adding the aforementioned five areas, the total is 968.67 square meters, which is equivalent to the inchoate share of Restituto in the subject property. Hence, after Restituto's sale to the late Felisa Partosa Dinsay, he no longer had any share left to sell to Sps. Chiu, Sps. Campanilla and the appellee-Spouses. Simply stated, Sps. Chiu, Sps. Campanilla and the appellee-spouses acquired nothing from Restituto. It is settled in our jurisdiction that "no one can give what he does not have."^[46]

Re: Anastacio's share

As earlier illustrated, Anastacio sold 54.5 square meters to Sps. Sajulan and 105 square meters to Josefina Maputol (now Jacinto), which shall be deducted from his share of 968.67 sq. m. in the subject property. Whatever is left after the deductions is the only area that can be conveyed or sold to the appellee-spouses.

original share: 968.67 sq. m.

less: 54.5 sq. m.

105.0 sq. m.

remaining share 809.17 sq. m.

Re: share of Martina and Policarpo

Martina and Policarpo each sold 54.5 sq. m. to the Sps. Sajulan and 105 sq. m. to Josefina Maputol (now Jacinto).

original share: 322.89 sq. m.

less: 54.5 sq. m.

105.0 sq. m.

remaining share 163.39 sq. m.

Thus, anent Martina and Policarpo, each is left an area of 163.39 sq. m., and this is what they can only convey or sell to the appellee-spouses.

Re: Perfecta's share

Perfecta conveyed a portion of her share to Josefina L. Maputol measuring 105 sq. m. Thus, her share in the subject property less 105 sq. m., the remaining area she can sell to the appellee-spouses measures 217.89 sq. m.

In light of the foregoing, the appellee-spouses could not have purchased and acquired the entire subject property from Manuel, Anastacio, Perfecta, Martina and Policarpo because, for one, Manuel's father, Restituto, as the figures would suggest has already sold more than his share in the subject property; and for another, Anastacio, Martina, Perfecta and Policarpo have already sold some portions of their respective share in the subject property. Thus, the appellee-spouses have only acquired the following aggregate areas:

1) 809.17 sq. m. from Anastacio;

2) 163.39 sq. m. from Martina;

3) 163.39 sq. m. from Policarpo; and

4) 217.89 sq. m. from Perfecta,

totaling to 1,353.84 square meters only and not 2,906 sq. m.

Reconveyance is proper

The appellee-spouses posit that they are not obliged to look beyond the the certificate of title issued in the names of the heirs of Hilarion Caragan. They continue that the issuance of a certificate of title under their names, without any opposition interposed thereto, is deemed notice to the public and to the appellants, as well, of the sale of the subject property in their favor. They posit that to cancel the certificates of title issued in their names would be to impair public confidence in the certificate of title. In other words, the appellee-spouses are claiming to be purchasers in good faith.

We do not subscribe to the appellee-spouses' theory.

To re-call the explanation of the Supreme Court in *Sabitsana v. Muertegui*, *supra*, viz -

Both the trial court and the CA are, however, wrong in applying Article 1544 of the Civil Code. Both courts seem to have forgotten that the provision does not apply to sales involving unregistered land. Suffice it to state that the issue of the buyer's good or bad faith is relevant only where the subject of the sale is registered land, and the purchaser is buying the same from the registered owner whose title to the land is clean. In such case, the purchaser who relies on the clean title of the registered owner is protected if he is a purchaser in good faith for value.

Verily, the defense of good faith is unavailing where what is involved is unregistered land. What is clear is this: firstly, Manuel, son of Restituto, no longer has any share left in the subject property he can still dispose of; and secondly, Anastacio, Policarpo and Martina can only sell to the appellee-spouses their respective remaining share in the subject property after deducting the prior sales made by them to the Sps. Sajulan and Josefina Maputol (now Jacinto). Elsewise stated, the sale to the appellee-spouses is valid but only with respect to the remaining shares of Anastacio, Martina, Perfecta and Policarpo in the subject property. Consequently, the sale involving Restituto's entire share in the subject property and the shares of Anastacio, Policarpo, Perfecta and Martina already sold and conveyed to the Sps. Sajulan and Josefina Maputol (now Jacinto) is void ab initio pursuant to the doctrine that no one can dispose something he/she does not own.

True, a certificate of title may no longer be assailed or impugned one year after its issuance. But "such title could not vest upon them ownership of the entire property; neither could it validate a deed which is null and void. Registration does not vest title; it is merely the evidence of such title. Our land registration laws do not give the holder any better title than what he actually has." [47]

Prescinding from the foregoing discussions, the lots purchased by Sps. Sajulan, Sps. Banlutan, the late Margarito Tatad and Delia Cainglet (widow of Margarito Tatad), and Felisa Partosa Dinsay (but only 301.94 square meters, more or less) should be reconveyed to them on the basis of the deed of sale executed in their favor.

Re: RCBC' s right as mortgagee

For the record, appellee RCBC did not file any brief. Nevertheless, there is a need to examine the questioned Joint Judgment to determine whether or not the bank has a superior right over the subject property, specifically over the lots purchased by appellant Josefina Maputol (now Jacinto), denominated as Lot No. 6745-B, consisting of 239 square meters, more or less, and Lot No. 6745-G consisting of 289 square meters, more or less. These lots are two of the five (5) lots given as security to the loan obligation obtained by the appellee-spouses with the said bank.

The only question to be resolved is whether or not RCBC is a mortgagee in good faith. The Supreme Court elucidated in *Bank of Commerce v. Sps. San Pablo*, [48] viz -

x x x as such, unlike private individuals, it is expected to exercise greater care and prudence in its dealings, including those involving registered lands. A banking institution is expected to exercise due diligence before entering into a mortgage contract. The ascertainment of the status or condition of a property offered to it as security for a loan must be standard and indispensable part of its operation.

We never fail to stress the remarkable significance of a banking institution to commercial transactions, in particular, and to the country's economy in general. The banking system is an indispensable institution in the modern world and plays a vital role in the economic life of every civilized nation. Whether as mere passive entities for the safekeeping and saving of money or as active instruments of business and commerce, banks have become an ubiquitous presence among the people, who have come to regard them with respect and even gratitude and, most of all, confidence. Consequently, the highest degree of diligence is expected, and high standards of integrity and performance are even required, of it.

In the present case, the lots purchased by Josefina Maputol (now Jacinto) are registered to the appellee-spouses. The certificates of title covering these lots bear no annotation of any lien or mortgage and appear clean and valid on their face. There was nothing in the certificates of title in the names of the appellee-spouses and even in the Original Certificate of Title in the names of the heirs of Hilarion Caragan, namely: Bonifacia, Vicente and Januaria which should have put RCBC on guard of some defect or of some notice that other persons have laid claim thereto.

The records, likewise, show that RCBC sent its representative, Paulino Biloy, Jr. to the premises of the parcels of land subject of the mortgage to inspect the same. Paulino Biloy, Jr. attested that nobody from among those residing in the houses nearby approached him while he was conducting the inspection and asked him what he was doing there or questioned the appellee-spouses' title thereto. Thus, he testified as follows:

"Q:

When you went to the area where these five (5) lots were located, were you able to talk with persons in the area?

A:

During the inspection, sir?

Q:

Yes, during the inspection.

A:

Yes, we usually do that. And during my ocular inspection no one approached me to question my ocular inspection, sir.

Q:

You found houses near the lots?

A:

Yes, there were neighboring houses in the area, residential house, sir.

Q:

You asked the persons in the neighboring houses?

A:

Yes, Sir.

Q:

You mentioned awhile ago that none of them questioned the title of the Atty. Boler Binamira and his wife?

A:

Yes, Sir.[49]

Not satisfied with the ocular inspection, Paulino Biloy, Jr. went to the City Assessor's Office to verify the authenticity of the subdivision plan and to the City Register of Deeds to verify the authenticity of certificates of title covering the five (5) parcels of land subject of the mortgage and of the Original Certificate of Title. He testified, thus,

"Q:

After you conducted your ocular inspection of the premises of the lots, what did you do?

A:

The day after I went directly to the City Assessor's Office to verify the authenticity of the subdivision I found out that there were subdivided lots. And then I went to the City Register of Deeds to verify the authenticity of the original certificate of title and the five (5) parcels of lot there were no incumbrances annotated at the back of the title, Sir.

Q:

Among those lots subject of the present case now Civil Case 6633 is Lot No. 6745-B registered and covered under TCT No. T-48452 issued by the Register of Deeds of Tagbilaran City was this parcel of land among those which you investigated, recorded and examined at the City Assessor's Office and at the City Register of Deeds?

A:

Yes, Sir."[50]

To RCBC, the only truth upon which it had to rely on is that the appellee-spouses are the registered owners of the lots earlier sold to Josefina Maputol (now Jacinto) as is shown on the face of the certificates of title issued in the names of the appellee-spouses. This being so, RCBC is and should be considered a mortgagee in good faith and is entitled to protection. In view thereof, we are constrained to dismiss the appeal of Josefina Maputol (now Jacinto).

But Josefina Maputol (now Jacinto) is not without recourse. "The right of an innocent purchaser for value must be respected and protected, even if the seller obtained his title through fraud. The remedy of the person prejudiced is to bring an action for damages against those who caused or employed the fraud, and if the latter are insolvent, an action against the Treasurer of the Philippines may be filed for recovery of damages against the Assurance Fund."[51]

WHEREFORE, the Joint Judgment dated 1 April 2009 of the Regional Trial Court, 7th Judicial Region, Branch 49 of the City of Tagbilaran in Civil Case Nos. 6403 and 6633 is AFFIRMED with MODIFICATION, to wit:

- To declare the Extra-judicial Settlement of Estate Among Heirs with Simultaneous Sale dated 14 April 1992 void ab initio but only insofar as the lots sold to the Josefina Maputol Jacinto, Sps. Alberto and Estrellita Sajulan, Sps. Florencio and Salud Banluta, Delia Tatad Cainglet and the late Felisa Partosa Dinsay (only 328.17 square meters of the lot) are concerned.

- To direct Sps. Boler and Shirley Binamira to effect the following reconveyance:

1)

to the Sps. Sajulan, Lot No. 6745-F;

2)

to the Sps. Banluta, Lot No. 6745-H;

3)

to Delia Tatad-Cainglet, Lot No. 6745-E; and

4)

to the heirs of Felisa Partosa Dinsay, a portion of Lot No. 6745-A measuring 328.17 sq. m.

- To direct the Register of Deeds of Tagbilaran City to cancel:

1)

Transfer Certificate of Title No. T-48455 over Lot No. 6745-F;

2)

Transfer Certificate of Title No. 48457 over Lot No. 6745-H;

3)

Transfer Certificate of Title No. 48454 over Lot No. 6745-E; and

4)

Transfer Certificate of Title No. 48450 over Lot No. 6745-A only with respect to the area measuring 328.17 square meters thereof.

Costs against the appellee-spouses.

SO ORDERED.

Francisco, R.C., and Lopez, J.Y.,[*] JJ., concur.

[*] Acting Junior Member in lieu of J. Pamela Ann Abella Maxino who is on Wellness Leave as per Office Order No. 24-14-GTI dated 23 September 2014.

[Ø] Impleaded as defendant in the Amended Complaint.

[1] Original Records of Civil Case No. 6403 and 6633, pp. 383-390.

[2] Annex "F", Original Records of Civil Case Nos. 6403 and 6633, pp. 15-16.

[3] Exhibit "P", Original Records of Civil Case Nos. 6403 and 6633, p. 9 and p.79.

[4] Annex "B", Original Records of Civil Case Nos. 6403 and 6633, pp. 10-11 and pp. 80-81.

[5] Annex "D", Original Records of Civil Case Nos. 6403 and 6633, p. 13 and p. 83.

- [6] Exhibit "O", Original Records of Civil Case Nos. 6403 and 6633, p. 14.
- [7] Annex "G", Original Records of Civil Case Nos. 6403 and 6633, p. 17; Exhibit "A", p. 87.
- [8] Annex "F", Original Records of Civil Case Nos. 6403 and 6633, pp. 15-16.
- [9] Annex "H", Original Records of Civil Case Nos. 6403 and 6633, p. 18.
- [10] Annex "I", Original Records of Civil Case Nos. 6403 and 6633, pp. 19-20 and pp. 89-90.
- [11] Annex "J", Original Records of Civil Case Nos. 6403 and 6633, pp. 21-22 and pp. 91-92.
- [12] Annex "K", Original Records of Civil Case Nos. 6403 and 6633, pp. 23-24 and pp. 93-94.
- [13] Annex "L", Original Records of Civil Case Nos. 6403 and 6633, pp. 25-26 and pp. 95-96.
- [14] Annex "M", Original Records of Civil Case Nos. 6403 and 6633, pp. 27-28 and pp. 97-98.
- [15] Exhibit "K", Original Records of Civil Case Nos. 6403 and 6633, p. 29.
- [16] Original Records of Civil Case Nos. 6403 and 6633, pp. 42-46.
- [17] Original Records of Civil Case Nos. 6403 and 6633, pp. 71-78.
- [18] Original Records of Civil Case Nos. 6403 and 6633, p. 102.
- [19] Original Records of Civil Case Nos. 6403 and 6633, p. 106.
- [20] Original Records of Civil Case Nos. 6403 and 6633, p. 107.
- [21] Original Records of Civil Case Nos. 6403 and 6633, p. 110.
- [22] Pre-Trial Order dated June 8, 2001, Original Records of Civil Case Nos. 6403 and 6633, pp. 113-115.
- [23] Original Records, of Civil Case Nos. 6403 and 6633, p. 117.
- [24] Omnibus Order, Original Records of the Civil Case Nos. 6403 and 6633, p. 146.
- [25] Exhibit "V", Original Records of Civil Case No. 6633, p. 11.
- [26] Deed of Absolute Sale, Annex "A", Original Records of Civil Case No. 6633, pp. 12-13.
- [27] Exhibit "1-RCBC", Original Records of Civil Case No. 6633, pp. 347-348.
- [28] Exhibit "3-RCBC", Original Records of Civil Case No. 6633, p. 343.
- [29] Annex "H", Original Records of Civil Case No. 6633, pp. 19-20.
- [30] Annex "N", Original Records of Civil Case No. 6633, pp. 23.
- [31] Annex "N", Original Records of Civil Case No. 6633, p. 21-22.
- [32] Ibid.
- [33] Original Records of Civil Case No. 6403, pp. 1-8.
- [34] Original Records of Civil Case No. 6633, pp. 40-45.
- [35] Original Records of Civil Case No. 6633, p. 47.
- [36] Original Records of Civil Case No. 6633, p. 42.

- [37] Original Records of Civil Case No. 6633, pp. 53-54.
- [38] Original Records of Civil Case No. 6633, p. 58.
- [39] Original Records of Civil Case No. 6633, p. 65.
- [40] Original Records of Civil Case No. 6633, pp. 59-61.
- [41] Original Records of Civil Case No. 6633, pp. 84-87.
- [42] Exhibit "3-RCBC", Original Records of Civil Case Nos. 6403 and 6633, p. 343.
- [43] Original Records of Civil Case No. 6633, pp. 98-99.
- [44] Spouses Clemencio C. Sabitsana, Jr. and Ma, Rosario M. Sabitsana v. Juanito F. Muertegui, represented by his Attorney-in-Fact Domingo A. Muertegui, Jr., G.R. No. 181359, August 5, 2013.
- [45] TSN dated September 20, 2002, pp. 11-12.
- [46] Spouses Manuel and Salvacion Del Campo v. Hon. Court of Appeals and Heirs of Regalado, Sr., G.R. No. 108228, February 1, 2001. Citing *Nufable v. Nufable*, 309 SCRA 692 (1999).
- [47] Heirs of Rosa Dumaliang and Cirila Dumaliang, represented by Nicanor B. Guiab, et. al. v. Damiano Serban, et. al., G.R. No. 155133, February 21, 2007. Citing *Salomon v. Intermediate Appellate Court*, G.R. No. 70263, May 14, 1990, 185 SCRA 352, citing *Baranda v. Baranda*, No. L-73275, May 20, 1987, 150 SCRA 59.
- [48] *Bank of Commerce v. Sps. Prudencio San Pablo, Jr. and Natividad O, San Pablo*, G.R. No. 167848, April 27, 2007. Citing *Cruz v. Bancom Finance Corporation*, 429 Phil. 225, (2002); and *Metropolitan Bank and Trust Company v. Cabilzo*, G.R. No. 154469, December 6, 2006 & *Bank of the Philippine Islands v. Casa Montessori Internationale*, G. R, No. 149454, May 28, 2004, 430 SCRA 261.
- [49] TSN of June 9, 2005, pp. 7-9.
- [50] TSN of June 9, 2005, pp. 8-9.
- [51] *Francisco A. Veloso v. Court of Appeals, Aglaloma B. Escario assisted by her husband Gregorio L. Escario, the Register of Deeds for the City of Manila*, G.R. No. 102737, August 21, 1996. Citing *Tenio-Obsequio v. Court of Appeals*, G.R. 107967, March 1, 1994.

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