

FELICIANO NITO, PETITIONER, VS. COURT OF APPEALS, CONRADO VILLARAMA, AGRICULTURAL CREDIT ADMINISTRATION/LAND BANK, CANDIDO MILAN AND SPS. RENATO & ANGELITA S. CARLOS, RESPONDENTS.

G.R. No. 102657. August 09, 1993

Ponente: QUIASON, J.

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QUIASON, J.:

This is an appeal by certiorari from the decision of the Court of Appeals in CA-G.R. CV No. 24511, which affirmed the decision of the Regional Trial Court, Branch 19, Malolos, Bulacan, in Civil Case No. 1676-V-82 dismissing petitioner's complaint.

There being no dispute as to the findings of fact of the trial court, the Court of Appeals adopted the same in toto. The facts are summarized as follows:

The former Agricultural Credit Administration (ACA), now the Land Bank, owned three parcels of land in Bangkal, Meycauayan, Bulacan. Petitioner used to lease a portion of the said lots. When the lease expired, ACA put up the parcels of land for sale at a public bidding scheduled on March 22, 1979.

Conrado Villarama, Renato Carlos, Soledad de Guzman, Rosita de Leon, Lamberto Angeles, Pedro Nicolas, Crisanta Miranda, Encarnacion Eribal, Bonifacio Pascual, and Andrea Pascual expressed interest in participating in the bidding. The ACA told them to organize themselves as a group and to appoint their representative because it did not deal with individuals. After forming their alliance to deal with ACA, they appointed private respondent Conrado Villarama to be their representative. Each member also contributed money to raise P133,000.00 which was deposited as the bid bond. Petitioner was included in the group because he also occupied a portion of the ACA property. He, however, did not contribute to the bid bond.

On March 22, 1979, Villarama was the only bidder at the public bidding. The Bids and Awards Committee advised him to negotiate directly with the ACA Central Office in Manila. Subsequently, the bid bond was withdrawn and was redeposited as performance bond. The group also formalized their alliance in a manifesto, wherein they also authorized Villarama to negotiate with ACA for the purchase of the property. Petitioner was not a signatory to the manifesto. On September 10, 1979, he gave Villarama a cash deposit amounting to P10,000.00.

Villarama and ACA agreed to a purchase price of P1,600,000.00 to be paid in full on or before March 16, 1982, lest the cash deposit would be forfeited as liquidated damages. Accordingly, the group met to discuss the results of the negotiation. The group agreed to meet again on March 16, 1982.

The group's counsel, Atty. Irineo Guardiano, sent petitioner a letter dated March 8, 1982, asking for full payment of the lot he intended to purchase and informing him that his failure to pay for his share would be construed as lack of interest to purchase the lot. Petitioner was advised that the group would be compelled to look for a substitute buyer in case he failed to pay (Exhibit "1", Index of Exhibits).

As agreed, the members of the group met on March 16, 1982 and paid Villarama their respective shares. Petitioner did not attend the meeting; neither did he pay his share. The reason he gave for his non-payment was that he wanted a lot with a frontage of 32 meters but he was only being given a lot with a 12-meter frontage. Instead of coursing his payment through Villarama, petitioner went to ACA and tendered P125,000.00 in check as payment for his lot. ACA did not accept the payment but instead told him to give the same to Villarama.

Acting upon the group's request, ACA extended the deadline for payment until March 17, 1982.

In the evening of March 16, 1982, the group, through Villarama, offered to private respondent Candido Milan the lot allocated to petitioner for P125,000.00 in the event petitioner would not pay for his share. Milan accepted the proposal.

On March 17, 1982, the group waited for petitioner until 5:00 P.M. to give him a chance to pay but he failed to appear. So the group used Milan's money to help pay the full purchase price minus the cash deposit of P133,500.00. Afterwards, ACA issued the Deed of Sale to Villarama, who caused the resurvey of the property and the issuance of the corresponding deeds of sale and certificates of title to the individual buyers.

Charging fraud and breach of trust, petitioner filed a complaint for reconveyance of property with damages before the Regional Trial Court. The case was dismissed in a decision, the dispositive portion of which, reads as follows:

"WHEREFORE, the complaint is hereby dismissed for insufficiency of evidence. On the counterclaims, the award of damages prayed for by the defendants are likewise dismissed for lack of legal and/or factual basis in the absence of any indication that the complaint is grossly malicious or filed merely for purposes of harassment.

Defendant Candido Milan is hereby ordered to reimburse the plaintiff the sum of P10,000.00 with corresponding legal rate of interest effective March 17, 1982 until the same is fully paid.

Plaintiff Feliciano Nito and/or any person claiming right under him is (sic) hereby ordered to vacate the premises under litigation.

Notice of lis pendens inscribed in Transfer Certificate of Title No. T-59.387(m) of defendants, spouses Renato Carlos and Angelita S. Carlos by virtue of this case is hereby cancelled" (Rollo, p. 22).

Petitioner appealed to the Court of Appeals, which affirmed in toto the decision of the trial court. Hence, this petition.

In support of his claim that he is entitled to a reconveyance of the property, petitioner argues:

- (1) That his deposit of P10,000.00 to Villarama as partial payment for the parcel of land he intended to purchase made Villarama his trustee in accordance with Article 1452 of the Civil Code;
- (2) That by virtue of his deposit, he became a co-purchaser or co-owner of the property, thus his non--payment of his full share on the purchase price amounting to P135,000.00 should not result in the forfeiture of his right as co-purchaser and that any act of the group should redound to his benefit; and
- (3) That as a co-owner of an individual share, the group cannot deprive him thereof and give it to Milan. According to petitioner, the only recourse that the group had was to ask him to contribute to the expenses for the preservation of the property and the purchase price.

The petition is anchored on Article 1452 of the Civil Code of the Philippines, which provides:

"If two or more persons agree to purchase property and by common consent the legal title is taken in the name of one of them for the benefit of all, a trust is created by force of law in favor of the others in proportion to the

interests of each."

Article 1452 presupposes the concurrence of two requisites before an implied or resulting trust can be created. First, that two or more persons agree to purchase a property and second, that they consent that one should take the title in his name for everyone's benefit.

The evidence on record does not show that petitioner had agreed to join the group organized to purchase the parcels of land from ACA. Rather, the evidence shows that while petitioner was offered to join the group, he rejected the offer because of a disagreement on the frontage of the portion to be allotted to him and he preferred to negotiate directly with ACA.

Petitioner did not contribute his share to the amount deposited with ACA as bid bond. He did not sign the manifesto, the formal agreement to organize the group, to negotiate with ACA in the purchase of the parcels of land.

On March 8, 1982, petitioner was informed in writing that he should pay the full price of the portion allotted to him before March 16, 1982, the deadline for payment set by ACA. He was warned that his failure to pay in full said amount would compel the group to look for his substitute. It was implicit in this letter to petitioner that failure on the part of the group to pay the full amount of the purchase price within the deadline set by ACA would mean the cancellation of the sale of the property to the group and the forfeiture of its cash deposit. When petitioner did not give the equivalent of the purchase price of the property allotted to him, he placed the entire group in jeopardy of having the sale cancelled and its cash deposit forfeited. These due consequences of his dealing directly with the ACA never entered his mind.

Because of petitioner's failure to deliver his full payment, the group asked for an extension until the next day to make the payment. On March 17, 1982, the group waited for petitioner the whole day. It was only after 5:00 P.M. of that day when the group decided to use the money given by Milan in order to complete the payment to ACA. Without Milan's contribution, the sale of the ACA property would not have been consummated.

While it is true that petitioner gave Villarama P10,000.00 as deposit, the deposit was conditioned on his being given a lot with a frontage of 32 meters, not one with a frontage of only 12 meters as was offered to him by the group.

Petitioner's claim that he did not receive the letter of the group asking for payment of his share is belied by the return card signed by his wife (Exh. "1--A"). This issue involves a finding of fact of the trial court and the Court of Appeals which we shall not disturb. As aptly observed by the Court of Appeals:

"It is not correct, therefore, for appellant to state that there was no formal demand for him to pay the balance of the purchase price. While the letter is couched as a request rather than a demand, the meaning is the same - that appellant should pay the amount of P137,705.00 by March 12, 1982, and his failure to do so would mean lack of interest in the purchase of the 1,000 square meters allotted to him. Appellant failed to meet the deadline, thus the group headed by appellee Villarama, had no other recourse but to give the area allotted for appellant to the Milans and Carloses or else lose their right to buy the entire property. By appellant's failure to meet the deadline, he waived his right to purchase the 1,000 square meters" (Rollo, p. 30).

WHEREFORE, the petition is DENIED for lack of merit. The decision appealed from is hereby AFFIRMED. Costs against petitioner.

SO ORDERED.

Cruz, (Chairman), Griño-Aquino, Davide, Jr., and Bellosillo, JJ., concur.

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