AURELIA S. LLANA, PASCUAL LLANA AND PRIMITIVO SALES, PETITIONERS, VS. COURT OF APPEALS, NICANOR PAGDILAO AND ANDRES BAUTISTA, RESPONDENTS.

G.R. No. 104802. July 11, 2001*

Ponente: KAPUNAN, J.

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KAPUNAN, J.:

This is a petition for review on certiorari of the Decision of the Court of Appeals, dated March 23, 1992 in CA-G.R. CV No. 02647[1] affirming the Decision, dated September 2, 1982 of the then Court of First Instance of Ilocos Norte, Branch IV which declared private respondents Nicanor Pagdilao, et al. as the owners of the lots in question.

The facts of the case are as follows:

In 1974, private respondents filed with the Court of First Instance of Ilocos Norte an action to quiet title against petitioners Aurelia Llana, et al. The case was raffled to Branch IV of said court. In their first cause of action, private respondents alleged that they were the owners of the following parcels of land:

> - A parcel of commercial lot situated at Gareta No. 2, Badoc, Ilocos Norte, with an area of 434 square meters, more or less, assessed at P690.00 under Tax Declaration No. 22095 in the name of Nicanor Pagdilao, et al.;
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> - A parcel of irrigated riceland situated at Oidaoidan, Badoc, Ilocos Norte, with an area of 1,875 square meters, more or less, assessed at P190.00 under Tax Declaration No. 28090 in the name of Nicanor Pagdilao, et al.;
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> - A parcel of irrigated riceland situated at Oidaoidan, Badoc, Ilocos Norte, with an area of 5,911 square meters, more or less, assesed at P540.00 under Tax Declaration No. 28089 in the name of Nicanor Pagdilao, et al.;
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> - A parcel of irrigated riceland situated at Oidaoidan, Badoc, Ilocos Norte, with an area of 1,250 square meters, more or less, assessed at P120.00 under Tax Declaration No. 28093 in the name of Nicanor Pagdilao, et al.;
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> - A parcel of pastureland situated at Morong, No. 6 Badoc, Ilocos Norte, with an area of 3,400 square meters, more or less, assessed at P70.00 under Tax Declaration No. 34491 in the name of Nicanor Pagdilao; and
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> - A parcel of pastureland situated at Morong, No. 6 Badoc, Ilocos Norte, with an area of 9,372 square meters, more or less, assessed at P280.00 under Tax No. 34492 in the name of Nicanor Pagdilao.[2]

It appears that private respondents purchased the aforementioned lots from petitioners. On July 22, 1966, petitioners executed a deed of sale of the three parcels of land in Barangay Oidaoidan in favor of Andres Bautista, Lucina Rosario and Nicanor Pagdilao. These lots (along with two other lots in Barangay Nagbacsayan) were sold to the latter for Nine Thousand Pesos (P9,000.00)[3] A deed of sale of the lot at Gareta No. 2, dated August 29, 1966, was likewise executed by petitioners in favor of Andres Bautista and Nicanor Pagdilao. The lot was sold for Eight Thousand Five Hundred Pesos (P8,500.00).[4] Petitioners also executed a deed of sale over the two lots at Barangay Morong in favor of Nicanor Pagdilao on December 15, 1966. These lots were sold by petitioners for

Four Thousand Pesos (P4,000.00).[5]

Private respondents further averred that petitioners, claiming to be the owners of the aforementioned lots, entered the same and tried to acquire possession thereof by force, but did not succeed.

In their second cause of action, private respondents claimed that Bonifacio Llana, deceased husband of petitioner Aurelia Llana, obtained a loan of Five Thousand Pesos (P5,000.00) from private respondent Nicanor Pagdilao. The loan was payable in five years, at ten percent (10%) interest per annum. Private respondents alleged that the loan became due on February 10, 1973, but Bonifacio had not yet paid the same.

Petitioners, on the other hand, averred that they remained the owners of the lots in question. They maintained that there was no sale nor transfer of possession of the six parcels of land in favor of private respondents, and that they executed the deeds of sale in favor of private respondents upon the misrepresentations of Nicanor Pagdilao. They explained that sometime in March, 1966, Bonifacio Llana was arrested in connection with a case for homicide filed against him, and was released from detention upon setting up a property bond raised partly by his family and by his good friend, Nicanor Pagdilao. Nicanor recommended that the properties in Bonifacio's name be disposed of so that said properties would not be attached to answer for Bonifacio's civil liability should he be convicted of the homicide charge. Nicanor also suggested that some of the properties in Bonifacio's name be transferred in his name and in the name of his father-in-law, Andres Bautista.[6] According to petitioners, the transfer of the properties from Bonifacio's name to Nicanor and Andres would only be on paper, i.e., no actual transfer of ownership would take place and that the transfer would only be for the purpose of preventing the lots in question from being attached should Bonifacio be found civilly liable in the homicide case.

Anent private respondents' claim that Bonifacio had not yet paid his debt of P5,000.00 plus 10% interest to Nicanor from the time said debt became due in 1973, petitioners contend that Bonifacio had already paid the same in 1966 by conveying to Nicanor two parcels of land situated at Barangay Nagbacsayan, Badoc, Ilocos Norte, by the execution of the deed of sale dated July 22, 1966.[7]

On September 2, 1982, the CFI rendered its Decision in favor of private respondents. The dispositive portion thereof states:

BY THE FOREGOING, and hereby makes pronouncements as follows:

> - Declaring plaintiffs as owners of the lots in suit in the First Cause of Action;
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> - Ordering defendants to deliver possession of the lots in suit in the First Cause of Action free from any lien and encumbrances;
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> - Hereby issuing, in the First Cause of Action, a Writ of Injunction against defendants, their hirelings, agents, mandatories, prohibiting each and anyone of them forever from invading, entering and trespassing on said lots above-described in par. II, Amended Complaint;
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> - Ordering defendants to pay plaintiffs in the First Cause of Action the amount of P1,620.00 (lot rentals and palay produce) annually to begin in the year 1973 until delivery of possession of lots in suit;
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> - On the second Cause of Action, ordering defendant Bonifacio Llana to pay the plaintiff Nicanor Pagdilao the amount of P5,000.00 with 10% interest per year computed from October 10, 1968 until paid; and finally,
>
> Defendants to pay the costs of the proceedings.[8]

On appeal, the Court of Appeals affirmed in toto the findings of the trial court. The appellate court noted that petitioners failed to adduce clear and convincing proof that the deeds of sale of the lots in question were simulated; thus, it upheld the CFI's ruling that said deeds are presumed to be valid, especially since said

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documents were duly notarized.[9]

Hence, this petition. Petitioners raise the following issues:

> I.
>
> THE HONORABLE COURT OF APPEALS GRAVELY ERRED IN GIVING CREDENCE TO THE ABSOLUTE DEEDS OF SALE WHEN PAROL TESTIMONY HAD PROVEN THAT THE DOCUMENTS IN QUESTION DOES NOT REFLECT THE TRUE INTENTION OF THE PARTIES.
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> II.
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> THE HONORABLE COURT OF APPEALS GRAVELY ERRED IN NOT DISMISSING THE SECOND CAUSE OF ACTION.[10]

The Court finds no cogent reason to reverse the decision of the Court of Appeals.

Petitioners in effect are asking this Court to review the factual findings of the CFI and the appellate court. It must be emphasized, however, that the Supreme Court is not a trier of facts. Only errors of law, not of facts, are reviewable by this Court in a petition for review under Rule 45 of the Revised Rules of Court. It is a settled rule that factual findings of the Court of Appeals are conclusive on the parties and carry even more weight when the said court affirms the factual findings of the trial court.[11] In the case at bar, the factual findings of the Court of Appeals are in agreement with those of the CFI.

Based on the evidence on record, both the CFI and the appellate court found that the conveyance of the lots in question from petitioners to private respondents were covered by deeds of sale dated August 29, 1966,[12] July 22, 1966,[13] and December 15, 1966.[14] These documents were signed by both parties and were duly notarized and registered.[15]

As a general rule, when the terms of an agreement have been reduced to writing, such written agreement is deemed to contain all the terms agreed upon and there can be, between the parties and their successors-in-interest, no evidence of such terms other than the contents of the written agreement.[16] As an exception thereto, parol evidence may be presented to modify, explain or add to the terms of the written agreement when the validity of the agreement itself is an issue.[17] Since the validity of the deeds of sale dated August 29, 1966, July 22, 1966, and December 15, 1966 are at issue, the CFI was correct in allowing petitioners to present parol evidence to support their allegations.

However, as found by the appellate court, all that petitioners presented to impugn the validity of the said deeds of sale was the testimony of petitioner Aurelia Llana who said that the deeds of sale were simulated, that it was never their intention to convey the lots in question to private respondents and that the simulated transfer of ownership was made to prevent the lots from being attached to answer for Bonifacio's civil liability.

This Court has previously held that a document acknowledged before a notary public enjoys the presumption of regularity.[18] It is a prima facie evidence of the facts therein stated.[19] To overcome this presumption, there must be presented evidence which is clear, convincing and more than merely preponderant.[20] Absent such evidence, the presumption must be upheld.

In this case, petitioners failed to present clear and convincing evidence to overcome the presumption of validity of the deeds of sale conveying the properties to private respondents. The testimony of petitioner Aurelia Llana denying the validity of the sale of the lots in question, being made a party who has an interest in the outcome of the case, is not as reliable as written or documentary evidence.[21] Moreover, self-serving statements are inadequate to establish one's claims. Proof must be presented to support the same.[22]

Having failed to adduce clear and convincing proof that the deeds of sale dated August 29, 1966, July 22, 1966, and December 15, 1966 are simulated, the validity of these documents must be upheld.

Neither is there evidence other than Aurelia's testimony to prove that Bonifacio had paid his debt of P5,000.00 plus interest to Nicanor. There is nothing in the deed of sale dated July 26, 1966 which indicates that the two lots in Barangay Nagbacsayan were indeed conveyed to Nicanor in payment of said debt.

WHEREFORE, the petition is hereby DISMISSED, and the Decision of the Court of Appeals in CA-G.R. CV No. 02647 is hereby AFFIRMED.

SO ORDERED.

Davide, Jr., C.J., (Chairman), Puno, Pardo, and Ynares-Santiago, JJ., concur.

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[*] This case was transferred to the ponente to the resolution in AM No. 00-9-03-SC. Re: Creation of Special Committee on Case Backlog dated February 27, 2001.

[1] Nicanor Pagdilao, et al., Plaintiffs-Appellees, vs. Aurelia Llana et al., Defendants-Appellants.

[2] See Decision of the Court of Appeals, Rollo, pp. 38-39, Petition, Id., at 14.

[3] Petition, Id., at 15.

[4] Ibid.

[5] Id., at 16.

[6] Id., at 15-16.

[7] Id., at 15; see also Decision of the Court of Appeals, Id., at 39.

[8] Id., at 37-38.

[9] Rollo, pp. 47-48.

[10] Id., at 18.

[11] Borromeo vs. Sun, 317 SCRA 176, 182 (1999); Lagrosa vs. Court of Appeals, 312 SCRA 298, 310 (1999); Boneng vs. People, 304 SCRA 252, 257 (1999).

[12] Exhibit "A."

[13] Exhibit "B."

[14] Exhibit "C."

[15] Decision of the Court of Appeals, Rollo, p. 47.

[16] Section 9, Rule 130, Revised Rules of Court.

[17] Ibid.

[18] Caoili vs. Court of Appeals, 314 SCRA 345, 361 (1999).

[19] Section 23, Rule 132, Revised Rules of Court.

[20] Caoili vs. Court of Appeals, supra; Inciong vs. Court of Appeals, 257 SCRA 578, 586 (1996).

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[21] See Ortanez vs. Court of Appeals, 266 SCRA 561, 565 (1997).

[22] See Chico vs. Court of Appeals, 284 SCRA 33,37 (1998).

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