

**HERMINIA L. RAMOS AND HEIRS OF HERMINIO RAMOS,
PETITIONERS, VS. HON. COURT OF APPEALS, SPOUSES HILARIO
CELESTINO AND LYDIA CELESTINO, RESPONDENTS.**

G.R. No. 108121. May 10, 1994

Ponente: DAVIDE, JR., J.

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DAVIDE, JR., J.:

Invoking Rule 45 of the Rules of Court, petitioners seek the review and reversal of the decision of the Court of Appeals of 30 September 1991[1] and its Resolution of 15 December 1992[2] in CA--G.R. CV. No. 26544.[3] The challenged decision affirmed the joint decision[4] of Branch 95 of the Regional Trial Court (RTC) of Quezon City in Civil Case No. Q-49272 and LRC Case No. Q--3387(86), the dispositive portion of which reads as follows:

"WHEREFORE, in LRC Case No. Q-3387(86), the Court hereby renders judgment dismissing said case with the petition and claims therein for lack of jurisdiction thereover; and in Civil Case No. Q-49272, the Court hereby renders judgment dismissing defendant's counterclaim for lack of merit and declaring plaintiffs to be the lawful owners of the subject parcel of land designated as Lot 25, Block 86 of the subdivision plan Psd-68807, with an area of 400 square meters, more or less, situated in Sikatuna Village, Diliman, Quezon City, and covered by Transfer Certificate of Title No. 204173 of the Registry of Deeds for Quezon City, as well as ordering defendants: (a) to execute a deed of absolute sale in favor of plaintiffs, conveying and transferring the ownership of said parcel of land; (b) to remove whatever improvements defendants have erected on said parcel of land; (c) to vacate said parcel of land and deliver possession thereof to plaintiffs; and, (d) jointly and severally to pay plaintiffs the sum of P20,000.00 as attorney's fees, as well as to pay the costs of suit. Further, finding no satisfactory warrant therefor, the Court also hereby dismisses the rest of plaintiff's claims."[5]

Civil Case No. Q-49272 was an action for reconveyance filed by the spouses Hilario and Lydia Celestino against Herminia Ramos and the heirs of Herminio Ramos praying that the plaintiffs be declared the lawful owners of Lot No. 25, Block 86 of the subdivision plan Psd-68807 located at Sikatuna Village, Diliman, Quezon City, and that the defendants be ordered to execute a deed of absolute sale over the lot in favor of the plaintiffs, remove whatever improvements they have constructed thereon, vacate the lot and deliver its possession to the plaintiffs, and to pay actual, moral, and exemplary damages, attorney's fees, and the costs of the suit.[6] LRC Rec. Case No. Q-3387(86) was a petition to declare void the order issued on 22 August 1985 by Branch 104 of the RTC of Quezon City in LRC Case No. Q-3150(85)[7] ordering the cancellation of Transfer Certificate of Title (TCT) No. 204173 upon petition of Herminia Ramos.

The facts, as found by the trial court and adopted by the respondent Court of Appeals, are as follows:

"From the evidence adduced at the joint trial of these related cases, the Court finds that petitioner/plaintiff Lydia Celestino (referred to as Lydia hereinafter), married to plaintiff Hilario Celestino, was employed in the economic research department of the Central Bank of the Philippines from 1949 to 1983, while the late

Herminio Ramos (Herminio, hereinafter) -- the deceased spouse of respondent/defendant Herminia L. Ramos (Herminia hereinafter) and predecessor-in-interest of Herminia and the rest of defendants -- was employed during his lifetime in the same department of the Central Bank until his retirement sometime in 1972.

Sometime in 1961, the now defunct People's Homesite & Housing Corporation (PHHC) awarded the rights to buy certain parcels of land to employees of the Central Bank. As a Central Bank employee, Herminio was awarded the rights to buy the parcel of land designated as Lot 25, Block 86 of the subdivision plan Psd-68807, with an area of some 400 square meters, and situated in what is now known as Sikatuna Village in Diliman, Quezon City. For the price of P3,800.00 payable in installments, Herminio then sold and transferred to Lydia his said rights to buy said property, and Lydia paid said price in several installments, the last installment being paid on May 21, 1962 (Exhs. A thru C). Having acquired the rights to buy the property, Lydia assumed the obligation of paying to the PHHC the purchase price thereof. Thus, Lydia paid to the PHHC the monthly amortizations of P34.11 per month over a period of some 10 years ending sometime in 1974 when she paid the last monthly amortization, thereby effecting the full payment of the purchase of the subject land. During said period and thereafter, Lydia's friend, Cynthia Camacho, who was then residing at the back of the subject property, acted as the property's caretaker for Lydia, even as Lydia also had the land fenced.

When the corresponding transfer certificate of title -- Transfer Certificate of Title (TCT) No. 204173 of the Registry of Deeds for Quezon City -- was issued after the full payment of the purchase price, the certificate was in the name of 'HERMINIO T. RAMOS, of legal age, Filipino, married to Herminia L. Ramos' (Exhs. 1-A & 6-A). Herminio and Herminia knew of and consented to the delivery to Lydia of said title certificate's owner's duplicate copy (Exh. D, also Exh. 1), and said copy since then has been in Lydia's possession and custody. On or about November 26, 1974, Herminio, together with Herminia, executed in Lydia's favor an irrevocable special power of attorney (Exh. E), in sum empowering Lydia to sell, mortgage, or lease the subject property and to dispose of the proceeds thereof in any manner she wants. Said special power of attorney was executed upon the advice of a realty expert, one Isidro Gonzales, as a practical means of giving assurance to Lydia that Herminio, together with his spouse Herminia, was in good faith and recognized the existing implied trust relationship between them over the subject land, particularly in view of the restriction annotated on the title certificate in sum to the effect that within one year from said certificate's issuance no transfer or alienation of the property shall be made without the PHHC's written consent (Exh. 1-B).

On August 22, 1985, Branch 104 of the Regional Trial Court of the National Capital Judicial Region in Quezon City (referred to as RTC Branch 104 hereinafter) issued in its LTC Case No. Q-3150 (85) an Order (Exh. 9), in sum cancelling and declaring null and void 'the owner's duplicate copy of Transfer Certificate of Title No. 204173 that was lost' and ordering the Register of Deeds of Quezon City 'to issue, upon payment of the required fees, another owner's duplicate copy which shall contain annotations in, and memorandum of the fact that it is issued in the place of the lost certificate of title, in all respect be entitled to like faith and credit as the original duplicate for all purposes of Presidential Decree No. 1529' and, accordingly, another owner's duplicate copy of TCT No. 204173, with a memorandum of said Order of RTC Branch 104 was issued by the Register of Deeds of Quezon City (Exhs. 6 and 6-B). Said Order was issued upon Herminia's petition, in sum claiming that the original owner's duplicate copy was lost and missing.

After having belatedly learned of the issuance of said Order of RTC Branch 104, Lydia on March 21, 1986 filed her petition herein, docketed as LRC Case No. Q--3387 (86), in sum praying that said Order of August 22, 1985 in LRC Case No. Q-3150 (85) be declared null and void and without legal effect and that the new owner's duplicate copy issued and delivered to Herminia be cancelled, on the ground that Herminia secured such new owner's duplicate copy thru fraud and misrepresentation because she well knew that the supposedly 'lost' owner's duplicate copy was in Lydia's possession and custody.

Sometime later, after having verified that Herminio had passed away in the early part of 1985 and that Herminia and his successors-in-interest were disputing the ownership of the subject property and building thereon, Lydia together with her spouse Hilario Celestino filed the complaint herein, docketed as Civil Case

No. Q-49272, engaging the services of counsel for the prosecution thereof."[8]

The trial court's decision is premised on the following findings and conclusion:

"The Court, upon the evidence adduced, finds that an implied or resulting trust was created by operation of law when the subject property was sold by the PHHC, with the legal title being vested in Herminio as the corresponding TCT was issued in his name, but with the beneficial title, however, being vested in Lydia as she was the one who paid the purchase price of the property out of her funds after Herminio had earlier sold and transferred to her his rights to buy the property and she had fully paid him the purchase price for said rights; accordingly, it appearing that instead of recognizing and abiding by said trust, Herminia and the other defendants (who as Herminio's successor-in-interest merely stepped into his shoes upon his death) have repudiated the trust by claiming the property for themselves soon after Herminio's death in 1985, Lydia and her spouse Hilario were fully warranted in bringing their said complaint herein, seeking as it does, the enforcement of the trust thru defendants' execution of the corresponding conveyance deed to the end that the true beneficial title may be reflected in the corresponding title certificate; and, again, since it was because of defendant's unwarranted repudiation of the trust that plaintiffs were compelled to bring their complaint in Civil Case No. Q-49272 and engage their counsel's services therefor, the Court finds that aside from the principal relief sought in the complaint and the costs, recovery by plaintiffs from defendants of the sum of P20,000.00 as reasonable attorney's fees is just and equitable x x x.

The fact that Herminia knew of and consented to the subject transaction between Herminio and Lydia is amply indicated by the special power of attorney, Exh. E, executed in Lydia's favor by Herminio and Herminia sometime on November 26, 1974. No reasonable explanation can be gleaned from the evidence adduced for Herminio's and Herminia's execution of said special power of attorney other than the fact that they recognized that it was Lydia who paid the purchase price of the subject property to the PHHC out of her own funds and that she was the beneficial owner thereof. Of course, Herminia would have the Court find that the signature appearing over her printed name in Exh. E is not her signature. But, certainly, Herminia's bare claim cannot prevail against the notary public's certificate in the acknowledgment portion of the document, in sum asserting that both Herminio and Herminia personally appeared before the notary public, that they are the same persons who execute the special power of attorney, and that they acknowledged to the notary public that they understood the contents of the document and that they executed the same as their voluntary act and deed; and, indeed, Herminia's specimen signatures (Exh. 2 thru 5), presented at the trial, cannot properly be described as bearing no marked similarity, nay, identity, with the signature appearing over her printed name Exh. E.

Then, again, the fact that Herminia apparently secured the tax declarations and paid the realty taxes and penalties on the subject property only after Herminio's death in 1985 (Exhs. 7 thru 8-1), tends to indicate that Herminia herself never regarded Herminio and herself as the subject property's owners in fee simple but, rather, merely as trustees for Lydia -- that is, until Herminia, together with the other defendants, repudiated the trust soon after Herminio's death in 1985."[9]

The defendants appealed from the decision to the Court of Appeals which docketed the appeal as CA-G.R. CV No. 26544. In their brief, the defendants-appellants contended that the trial court erred in holding that (1) Herminia Ramos knew of and consented to the transaction between her husband and Lydia Celestino as evidenced by the special power of attorney; (2) the alleged special power of attorney showed that the Ramos spouses recognized that it was Lydia Celestino who paid the purchase price of the lot to the PHHC out of her own funds; (3) an implied or resulting trust was created when the property was sold by the People's Homesite and Housing Corporation (PHHC) and issued to Herminio Ramos with the beneficial title vesting in Lydia Celestino since she was the one who paid the purchase price out of her own funds; (4) the plaintiff's action for reconveyance had not prescribed or been barred by laches; (5) the plaintiffs are the lawful owners of the lot, and the defendants are obligated to execute a deed of absolute sale in favor of the former, remove their improvements on the lot, and vacate the premises and deliver the possession of the lot to the former; and (6) attorney's fees are due the

plaintiffs.[10]

In connection with the first three assigned errors, the appellants maintained in the alternative that even assuming for the sake of argument that Herminio Ramos sold his rights over the lot in question to Lydia Celestino, the transaction was unenforceable or void ab initio and no trust was created in view of the following considerations: the alleged sale was not evidenced by any document, note, or memorandum as required by the Statute of Frauds (Article 1403(2)(e), Civil Code); no document was introduced to prove the alleged express trust as required in Article 1443 of the Civil Code; the transaction in question did not give rise to an implied trust under the Civil Code; Lydia Celestino is not qualified to acquire the lot in question from the PHHC, a fact she admitted in her testimony; the PHHC did not give its consent to the alleged sale, contrary to the conditions annotated at the back of TCT No. 204173 to the effect that the vendee (Herminio Ramos) cannot sell or encumber the said parcel of land or any part thereof without the written consent of the PHHC; the cause, object, or purpose of the alleged transaction (sale of right over the lot) is contrary to law or the public policy that the award of lands should only be to those who are not yet owners of land in Quezon City, or to morals since the transaction circumvented the policy; and Herminio Ramos had no right to sell the land or any portion thereof without the consent of his wife.[11]

As aforesaid, the Court of Appeals, in its Decision of 30 September 1991, affirmed the decision of the trial court. In rejecting the appellants' first three assigned errors, it held that (a) the petitioners were unable to overcome the presumption of the authenticity and genuineness of the special power of attorney, a public document duly acknowledged before a notary public;[12] (b) the Statute of Frauds applies only to executory contracts, while the action instituted by the appellees was "for reconveyance based on resulting trust arising from a fully executed sale with nothing left to be done except the formal execution of the deed of conveyance"; "the documentary evidence showing the sale of Herminia [sic] Ramos' right to purchase the lot is well-nigh conclusive";[13] (c) neither the private respondents nor the trial court made any reference to an express trust under Article 1437 of the Civil Code; what is present in this case is a resulting trust under Article 1448[14] of the Civil Code wherein "the legal title to the lot was taken and given to Herminia Ramos and Herminio Ramos; while the beneficial ownership thereof remained with the plaintiff";[15] and (d) "restriction of the sale of the property without the approval of the PHHC within one year from the issuance of the title does not militate against and is not an element of a resulting trust." [16]

As regards the fourth assigned error, the Court of Appeals ruled that the appellees' cause of action for reconveyance had not yet prescribed for "the trust was a continuing and subsisting one" which the special power of attorney recognized; the rule of prescription of implied or resulting trust does not apply where a fiduciary relation exists and the trustee recognizes the trust; and if at all, there was a repudiation of the trust, it "came about only after the death of Herminio when defendants tried to claim the property for themselves in 1985." [17]

The appellants then filed a Motion for Reconsideration and for Leave to Submit Additional Evidence, dwelling at length on the admissibility and authenticity of the special power of attorney by reiterating that Herminia Ramos' signature thereon is a forgery and alleging that the copy thereof was not admissible in evidence as it was a mere photocopy and therefore not the best evidence; and that they were able to obtain a certification from the Clerk of Court of the RTC of Manila that Atty. Ulpiano P. Mosalla, before whom the special power of attorney was acknowledged, was not a duly commissioned notary public for and in the City of Manila. They further reiterated the issues of prescription, the absence of marital consent on the part of Herminia Ramos to the sale of her husband's right over the lot, and the disqualification of Lydia Celestino to purchase the lot.[18]

In its Resolution of 15 December 1992,[19] the Court of Appeals denied the aforesaid motion for reconsideration with leave to submit additional evidence.

Hence this petition which was filed on 28 December 1992.

On 13 December 1993, after the submission of the comment to the petition, the reply thereon, and the rejoinder to the latter, we gave due course to the petition and directed the parties to submit their simultaneous memoranda, which they complied with.

Petitioners (defendants-appellants below) maintain that the Court of Appeals erred in holding that (a) petitioner Herminia Ramos' signature on the special power of attorney is genuine; (b) there was an implied trust in this case; and (c) the action for reconveyance had not yet prescribed.

As we see it, the second assigned error unravels the core and decisive issue in this case, i.e., the validity of the transaction involving the lot in question between Herminio Ramos and Lydia Celestino. The petitioners reiterate their thesis before the trial court and the Court of Appeals that no trust was established in this case because (1) there is a restriction expressly imposed by the PHHC in the sale of the land to Herminio Ramos, to wit:

"Within a period of one year from the issuance of TCT by virtue of this deed no transfer or alienation whatsoever of the property subject thereof whether in whole or in part shall be made or registered w/out the written consent of the vendor and such transfer or alienation may be made only in favor of person qualified to acquire land under the laws of the Philippines." [20]

and (2) even assuming arguendo that Herminio Ramos sold his rights over the lot, the sale was null and void for being contrary to the public policy of awarding PHHC lots to Central Bank employees who are not residential landowners. Private respondent Lydia Celestino, Herminio's vendee, was disqualified to acquire any PHHC lot because she already owned a residential lot in Quezon City. This issue was raised in the petitioners' special and affirmative defenses in their answer, [21] but the trial court did not meet or resolve it squarely. It assumed that the transaction was valid. The Court of Appeals likewise did not tackle this issue in its Decision of 30 September 1991 and Resolution of 15 December 1992. Just like the trial court, it merely assumed the validity of the transaction.

The assumption, however, is without basis. As correctly pointed out by the petitioners, which the private respondents failed to rebut, Lydia Celestino had candidly admitted in her testimony that although she was a Central Bank employee, she was not qualified to acquire any PHHC lot under the agreement entered into between the PHHC and the Central Bank because she is already the owner of a lot in Quezon City. Thus, on cross-examination she declared:

"Q Mrs. witness, you stated that the lots what you call Central Bank Village were awarded to the employees of the Central Bank but you were not one of the awardees. Why?

A I have here in Quezon City a property in my name and we are not allowed to get another property.

Q So in other words, you are not qualified?

A Yes, sir." [22]

On further cross-examination, she elaborated on her disqualification. Thus:

"ATTY. ESPONAS (continuing):

Q You previously testified that the reason you are not one of the awardees of a lot in that subdivision of the Central Bank, the reason was you were not qualified, is it not?

A I was not qualified.

Q And the reason why you were not qualified is because you already own a property in Quezon City, is it not?

A I was only telling the truth. Yes.

Q And again the qualification in order to be qualified or be entitled to an award in that subdivision of the central bank, you must not be an owner of a lot in Quezon City.

x x x

A Yes, sir, you must not be an owner.

Q And up to now you are an owner of a lot in Quezon City?

A Yes, the same house that I claimed then.

x x x

Q Up to now you are still not qualified to own a lot in that subdivision?

x x x

WITNESS:

I am not qualified up to now."[23]

Her disqualification is the probable reason why she did not submit for approval by the PHHC the transfer in her favor of Herminio Ramos' right to buy the lot in question. The PHHC's approval was necessary for the validity of the transfer. In *Ibay vs. Intermediate Appellate Court*, [24] which also involved a transfer of the right of an awardee of a PHHC lot to a party disqualified to acquire a PHHC lot, this Court stated:

"There is no need to quibble on or belabor further this point. As squarely ruled by the respondent Court, Exhibit "1" is not to be considered a deed of sale of the property but merely a transfer of Rosita Abando's rights as an applicant to one-half (1/2) of the lot. This is so because at the date of its execution, Rosita was not yet the owner of the lot. The document itself explicitly states that the PHHC is the registered owner of the property. The approval of the PHHC is necessary for the transfer to be valid and effective. In the case at bar, not only did the transfer lack the requisite approval, the same was categorically disapproved by the latter, per its letter of 15 February 1960, because petitioner, under the policy of the PHHC, is no longer qualified to acquire another PHHC lot. Resolution No. 82 of the PHHC, adopted by its Board of Directors on 23 May 1951, provided that 'the sale of more than one lot per person shall not be permitted.' [25] This policy is supported by the law. One of the purposes of the PHHC was to acquire, develop, improve, subdivide, lease and sell lands and construct, lease and sell buildings or any interest therein in the cities and populous towns in the Philippines with the object of providing decent housing for those who may be found unable otherwise to provide themselves therewith."

The same awareness of the fatal flaw of the transfer is the most logical explanation why Lydia Celestino took no further action to secure a new transfer certificate of title despite the fact that she had always been in the possession of TCT No. 204173 which was issued to Herminio Ramos on 21 November 1974 yet. [26] Instead of requiring Herminio Ramos to execute a deed of sale in her favor and to obtain the PHHC's conformity thereto, she was satisfied with the special power of attorney, executed five days after the issuance of the title, or on 26 November 1974, authorizing her to "SELL, MORTGAGE, LEASE, LET, or RENT" this lot. [27] Such authority is inconsistent with Lydia Celestino's claim of ownership because the grantor therein, Herminio Ramos, solemnly declared that he is "the owner in fee simple" of the lot described in TCT No. 204173.

Finally, it was only on 21 March 1986, more than fifteen years after Herminio Ramos allegedly sold to her his rights over the lot and about twelve years after the certificate of title on the lot was issued to Herminio Ramos, when Lydia Celestino first publicly revealed, by filing LRC Case No. Q-3387(86), that Herminio sold to her his

rights thereon. All these merely suggest that Lydia did everything to hide her disqualification to own the lot until she could no longer avoid the dangerous precipice where she was brought by her clandestine transaction with Herminio Ramos.

The inevitable conclusion then is that Lydia Celestino, knowing of her disqualification to acquire a lot from the PHHC at the subdivision reserved for qualified Central Bank employees, tried to get one through the backdoor. Otherwise stated, she wanted to get indirectly that which she could not do so directly. Having acted with evident bad faith, she did not come to court with clean hands when she asked for the reconveyance of the property on the basis of a resulting trust under Article 1448 of the Civil Code.

A resulting trust is an "intent-enforcing" trust, based on a finding by the court that in view of the relationship of the parties their acts express an intent to have a trust, even though they did not use language to that effect. The trust is said to result in law from the acts of the parties. However, if the purpose of the payor of the consideration in having title placed in the name of another was to evade some rule of the common or statute law, the courts will not assist the payor in achieving his improper purpose by enforcing a resulting trust for him in accordance with the "clean hands" doctrine. The court generally refuses to give aid to claims from rights arising out of an illegal transaction, such as where the payor could not lawfully take title to land in his own name and he used the grantee as a mere dummy to hold for him and enable him to evade the land laws,[28] e.g., an alien who is ineligible to hold title to land, who pays for it and has the title put in the name of a citizen.

Otherwise stated, as an exception to the law on trusts, "[a] trust or a provision in the terms of a trust is invalid if the enforcement of the trust or provision would be against public policy, even though its performance does not involve the commission of a criminal or tortious act by the trustee." [29] The parties must necessarily be subject to the same limitations on allowable stipulations in ordinary contracts, i.e., their stipulations must not be contrary to law, morals, good customs, public order, or public policy.[30] What the parties then cannot expressly provide in their contracts for being contrary to law and public policy, they cannot impliedly or implicitly do so in the guise of a resulting trust.

Although the contract should be voided for being contrary to public policy, we deem it equitable to allow the private respondents to recover what they had paid for the land with legal interest thereon commencing from the date of the filing of the complaint in Civil Case No. Q-49272. Thus, she is entitled to the return of the amount she had paid to Herminio in the sum of P3,800.00 and the refund of the installments she had paid to the PHHC (P34.11 monthly for a period of ten years), with legal interest thereon.

The foregoing discussions render unnecessary the resolution of the other issues raised by the parties.

WHEREFORE, the instant petition is GRANTED and the respondent Court of Appeals' Decision of 30 September 1991 and Resolution of 17 December 1992 in CA-G.R. CV No. 26544 as well as the joint decision of the Regional Trial Court of Quezon City, Branch 95, in Civil Case No. Q-49272 and LRC Case No. Q-3387(86) of 23 February 1990 are REVERSED and SET ASIDE. The latter two cases are ordered DISMISSED. However, the petitioners are ordered to refund to the private respondents within thirty days from the finality of this decision the sum of P3,800.00 and all the installments the latter had paid to the PHHC for the purchase price of the lot in question, with 6% per annum interest thereon computed from the date of the filing of the complaint in Civil Case No. Q-49272 until payment. Let a copy of this decision be furnished the National Housing Authority for its information and appropriate action as it may deem necessary in the premises.

SO ORDERED.

Cruz, (Chairman), Bellosillo, Quason, and Kapunan, JJ., concur.

[1] Annex "G" of Petition; Rollo, 133-148. Per Associate Justice Oscar M. Herrera, concurred in by Associate Justices Vicente M. Mendoza and Alicia V. Sempio-Diy.

[2] Annex "H" of Petition; Id., 149-155.

[3] Entitled "Spouses Hilario Celestino and Lydia Celestino vs. Herminia Ramos and Heirs of Herminio Ramos."

[4] Annex "C" of Petition; Rollo, 46-49. Per Judge Aloysius C. Alday.

[5] Rollo, 49.

[6] Original Records (OR), Civil Case No. Q-49272, 5.

[7] Id., LRC Case No. Q-3387(86), 1-5.

[8] OR, LRC Case No. Q-3387(86), 236-238; Rollo, 46-48.

[9] Rollo, 48-49.

[10] Defendants-Appellants's Brief; Annex "D" of Petition, 1-2; Rollo, 51--52.

[11] Rollo, 67-68.

[12] Citing *El Hogar Filipino vs. Olviga*, 60 Phil. 17 [1934]; *Asido vs. Guzman*, 37 Phil. 652 [1918]; *Carandang-Collantes vs. Capuno*, 123 SCRA 652 [1983].

[13] Exhibits "A," "A-2" to "A-4," "B," and "C."

[14] It reads: "ART. 1448. There is an implied trust when property is sold, and the legal estate is granted to one party but the price is paid by another for the purpose of having the beneficial interest of the property. The former is the trustee, while the latter is the beneficiary. However, if the person to whom the title is conveyed is a child, legitimate or illegitimate, of the one paying the price of the sale, no trust is implied by law, it being disputably presumed that there is a gift in favor of the child."

[15] Rollo, 145.

[16] Id.

[17] Id., 146.

[18] Rollo, 150-151.

[19] Id., 149-155.

[20] Exhibit "1-B"; OR, 35.

[21] Rollo, 44.

[22] TSN, 1 August 1986, 9.

[23] TSN, 21 August 1987, 11-13.

[24] 209 SCRA 510, 517 [1992].

[25] Resolution No. 558, adopted on 16 April 1962, also expressly provided that "only one residential lot per family shall be allowed, it being understood that children of legal age and no longer dependent upon the applicant for support, shall not be considered members of that family for purposes of award." This restriction was "intended to distribute to as many needy families as possible the benefits of the government's assistance program through the PHHC."

[26] Exhibit "6"; Rollo, LRC Case No. Q-3387(86).

[27] Annex "C" of Complaint; OR, Civil Case No. Q-49272, 9.

[28] GEORGE T. BOGERT, TRUSTS § 74 (6th ed. 1987).

[29] RESTATEMENT (SECOND) OF TRUSTS § 62 (1959).

[30] Article 1306, Civil Code.

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