

JOSEFINA T. VDA. DE LACSON, ET AL., PLAINTIFFS AND APPELLANTS, VS. SANTIAGO GRANADA, ET AL., DEFENDANTS AND APPELLEES. VICTORINO FLORO, SUBSTITUTED BY PLACIDO FLORO, INTERVENOR ...

G.R. No. 12035. March 29, 1961

Ponente: BARRERA, J.

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BARRERA, J.:

This is an appeal filed directly with this Court, from the decision of the Court of First Instance of Negros Occidental (in Civil Case No. 530), upholding the validity of (1) the deed of sale dated April 4, 1944, executed by Balbinita T. de Lacson and Josefita T. Vda. de Lacson, the latter through her attorney-in-fact Ricardo C. Lacson, in favor of Santiago H. Granada, involving certain parcels of land known as "Hacienda San Jose", and (2) the pacto de retro sale with lease of the same properties, executed on the same day by Santiago H. Granada in favor of Victorino Floro.

The case commenced upon the filing by Balbinita T. de Lacson and Josefita T. Vda de Lacson of a complaint dated November 9, 1946, and amended on March 1, 1951, specifically praying for the annulment, for lack of sufficient consideration and, as additional ground with respect to Josefita, for lack of consent, of the deed of sale executed by them on April 4, 1944 in favor of defendant Santiago H. Granada, involving Lots Nos. 426, 429, 430, 1239 and 1358 of the Isabela (Negros Occidental) cadastre, known as "Hacienda San Jose".

Defendant Granada, in his answer, on the grounds therein stated, sustains the validity of the aforementioned acts and deeds.

With leave of court, Victorino Floro filed an answer in intervention, also sustaining the due execution of the questioned deeds, with cross-claim against the defendant Santiago Granada who, it was claimed, refused to surrender the corresponding certificates of title in order that the sale to him (Floro) may properly be registered.

After due hearing during which the parties adduced evidence, both testimonial and documentary, the court rendered judgment overruling plaintiffs' allegations and upholding the validity of the sale of the properties to defendant Granada and the subsequent transfer thereof by the latter to Victorino Floro. Passing upon the intervenor's crossclaim, the court ordered defendant Granada to surrender the corresponding certificates of title covering the same properties.

From the abovementioned decision, plaintiffs have appealed.

The records show that the parcels of land herein involved were originally owned by Granada's father. After a series of transactions, the properties appeared to have been purchased by Joseph Arcache who, by a deed of April 18, 1940, leased the same to Santiago Granada, with option to repurchase them for the agreed price of P60,000.00, Philippine currency. The period of repurchase was up to May 31, 1944.

On January 14, 1941, in consideration of P50,000.00 and subject to the abovementioned rights of Santiago Granada, Arcache sold the properties to Balbinita T. de Lacson and Josefita T. Vda. de Lacson who accepted the sale and assumed the obligations thereunder.

On April 4, 1944, exercising his option, Santiago Granada repurchased the aforementioned properties by paying the Lacsons the sum of P60,000.00, Japanese military notes, as a consequence of which certificates of title were issued in his name. On the same date, Granada sold the property to intervenor Victorino Floro for P110,000.00, also in Japanese script, with option to repurchase within eight (8) years thereafter. Hence, the filing of the instant case for the purpose already stated above.

Appellants contend in their appeal that the trial court erred:

- In declaring as legal and valid the contract of sale of April 4, 1944 (Exh. "C") ;
- In declaring as adequate the amount of P60,000.00 Japanese currency, as consideration of the said sale (Exh. "C") ; and
- In declaring that the power of attorney Exh. "B" executed by plaintiff Josefita T. Vda. de Lacson in favor of Ricardo C. Lacson, gives sufficient authority for the latter to execute the deed of sale (Exh. "C") ; and
- In dismissing the complaint with costs.

Appellants first raise, as ground for nullity of the sale, the question of the sufficiency or adequacy of the P60,000.00 in Japanese military notes, paid by appellee Granada, as purchase price of the lots involved herein. We find this contention of the inadequacy of the price paid to be untenable. The transaction is not an original sale. It is the exercise of an agreed option to repurchase at an agreed price fixed at P60,000.00 as early as April 18, 1940, when Granada was given the right to re-acquire the properties on or before May 31, 1944. In sales with option to repurchase, it is invariably the case that the price is deliberately fixed at a minimum precisely to make it easy for the vendor to repurchase his property. Consequently, the repurchase price is seldom equivalent to the real value of the property sold. Hence, a repurchase can not be set aside solely on the question of the inadequacy of the redemption price. The pertinent question in the instant case is whether the P60,000.00 in Japanese military notes paid by Granada satisfy the P60,000.00 consideration mentioned in the deed of April 18, 1940, for the repurchase of the properties. It may be true, as appellants contend, that the agreed price of P60,000.00 was specified to be in "Philippine Currency", whereas the amount paid by Granada was made in Japanese military notes which had a much lesser value. However, it can not be denied that in 1944 or at the time the repurchase was made, the Japanese military note was the legal tender in the Philippines,[1] and that no evidence was offered to show that the parties (to the contract of April 18, 1940) intended the repurchase price to be paid in a specific currency—that circulated or issued by the Commonwealth of the Philippines. To our mind, the inclusion of the phrase "Philippine currency" in the contract executed before the involvement of this country in the war was only to specify in what currency payment should be made considering that the dollar then was also legal tender in the Philippines. Following our ruling on this point,[2] therefore, the transaction in question must be declared valid.

It is also claimed that appellants' consent to the contract was vitiated by the fear that their refusal to accept the military notes being tendered by Granada would endanger their lives and those of their families. This is similarly untenable.

As we have repeatedly held, in order to cause the nullification of acts executed during the occupation, the duress or intimidation must be more than the "general feeling of fear" on the part of the occupied over the show of might by the occupant.[3] In other words, aside from such "general" or collective apprehension, there must be specific acts or instances of such nature and magnitude as to have, of themselves, inflicted fear or terror upon the subject

thereof that his execution of the questioned deed or act can not be considered voluntary. No such specific act of duress was cited—and none could be found—in the case at bar.

Appellant Josefita T. Vda. de Lacson, impugning the validity of the resale of her one-half share of the properties also claims that under the power of attorney, by virtue of which Ricardo C. Lacson was constituted as her attorney-in-fact, the latter directed to sell and dispose of her aforesaid rights and participation "at the best price obtainable", and P30,000.00, Japanese military notes, in 1944 is not the best price for one-half of the Hacienda San Jose. The contention, however, loses significance if we consider that, as declared by Ricardo Lacson himself, the special power of attorney was signed by Josefita to enable him (Ricardo) to act in her stead in the reconveyance of the properties to Granada. (Deposition of Ricardo Lacson, pp. 8-9). And, it can not be pretended that Josefita did not know that the stipulated repurchase price was P60,000.00 (for the entire Hacienda) since, as heretofore stated, the Lacsons (she and her sister Balbinita) purchased the properties subject to such right of Granada. The above condition in the power of attorney, under the circumstances, can not prevail over nor defeat the superior right of Granada to repurchase the property at P60,000.00.

We also find no reason to disturb the ruling of the lower court as to the validity of the transfer in favor of Victorino Floro.

In view of the foregoing considerations, the decision appealed from is hereby affirmed, with costs against the appellants. So ordered.

Bengzon, Acting C. J., Labrador, Concepcion, Reyes, J. B. L., Paredes, and Dizon, JJ., concur.

[1] *Haw Pia vs. China Banking Corp.* 80 Phil., 540.

[2] *Mialhe Desbarats vs. Mortera*, G. R. No. L-4915, May 25, 1956.

[3] *Liboro vs. Rogers*, 106 Phil., 404; 51 Off. Gaz., 713; *Fernandez vs. Brownell*, G.R. No. L-4436, Jan. 28, 1955; *People vs. Quilloy* 88 Phil., 63 and others.

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