

MARCELO CENTENO, (SUBSTITUTED AS PLAINTIFF BY HIS HEIR CORAZON CENTENO REYES), PETITIONER, VS. SPOUSES REYNALDO AND ELIZABETH VIRAY, SPS. MANUEL AND ERLINDA D. TANG AND REGISTRY...

G.R. No. 141592. November 21, 2002

Ponente: QUISUMBING, J.

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QUISUMBING, J.:

This petition for review assails the decision[1] dated February 12, 1999 and the resolution[2] dated December 29, 1999, of the Court of Appeals in CA-G.R. CV No. 47799. They affirmed the judgment dated September 22, 1993 of the Regional Trial Court, Branch 21 of Malolos, Bulacan, in Civil Case No. 8250-M, which (a) dismissed the complaint against spouses Manuel and Erlinda Dy Tang, (b) declared the Sheriff's Certificate of Sale to them, as well as the Deed of Sale and Transfer by them in favor of intervenor-respondent Arturo Tantoco, valid and effective, and (c) ordered the Viray spouses to pay petitioner Marcelo[3] Centeno, substituted by his heir Corazon Centeno Reyes, P66,000 as the value of the land subject of this case.

The facts, as found by both the trial and the appellate courts are as follows:

Spouses Marcelo and Pacita Centeno were the registered owners of a parcel of agricultural land consisting of 31,697 square meters, covered by Transfer Certificate of Title No. 57474, in Barrio Kinamatayang Kabayo, San Miguel, Bulacan. Their niece, Elizabeth Centeno Viray, somehow stole said TCT and forged the Centenos' signature in a Special Power of Attorney, enabling Elizabeth to mortgage the property to Manuel Dy Tang as security for her loan of P55,000 from him. In support of the mortgage, Elizabeth executed a Real Estate Mortgage, a promissory note, as well as an affidavit of non-tenancy over the subject property.

As Elizabeth failed to redeem the property, Dy Tang in a written request, asked the concerned Sheriff to extrajudicially foreclose the mortgage. Marcelo Centeno was furnished a copy of the request. Hearing no opposition from Marcelo, the Sheriff proceeded with the public auction where Dy Tang was the highest bidder. Consequently, a Certificate of Sale was executed in Dy Tang's favor. Dy Tang in turn executed a Deed of Assignment and Transfer in favor of intervenor-respondent Tantoco.

During the pendency of the one year redemption period, Marcelo Centeno filed a complaint for declaration of nullity of documents and for recovery of ownership of the subject land with the RTC of Malolos, Bulacan. It was docketed as Civil Case No. 8250-M. Meantime, neither Marcelo nor Elizabeth timely redeemed the property from Tantoco. Hence, Tantoco consolidated the title over the property in his name.

On September 22, 1993, the RTC of Malolos issued its decision, thus:

WHEREFORE, judgment is hereby rendered in favor of the Intervenor Arturo Tantoco and the defendant spouses Manuel and Erlinda Dy Tang and against the plaintiff (substituted by the heirs) as follows:

- (a) Dismissing the complaint insofar as the defendants spouses Manuel and Erlinda Dy Tang are concerned;
- (b) Declaring the Certificate of Sale dated November 20, 1985 as valid and effective;
- (c) Declaring the Deed of Sale and Transfer dated February 5, 1985 as valid and effective;
- (d) Ordering the cancellation of Transfer Certificate of Title No. T-57474 issued by the Registry of Deeds for the Province of Bulacan and the issuance in its stead of another Transfer Certificate of Title (over the same parcel of land) in the name of Arturo Tantoco;
- (e) Ordering the plaintiff (substituted by his heir Corazon Centeno) and/or those acting in his behalf or stead, particularly Urbano Reyes and Edgardo "Totoy" Azonsa who are tilling and/or supervising its tilling to surrender the harvest or to pay jointly and severally to Intervenor Arturo Tantoco, the money value thereof;
- (f) Ordering the plaintiff (substituted by his heir Corazon Centeno) to pay P5,000.00 attorney's fee to the Intervenor Arturo Tantoco;
- (g) Dismissing the counterclaim and crossclaim of the defendants Manuel and Erlinda Dy Tang for insufficiency of evidence;
- (h) Ordering the defendants spouses Reynaldo and Elizabeth Viray to pay the plaintiff the money value of the land in the amount of P66,000.00 which is the consideration stated in the Deed of Assignment and Transfer (Exhibit "L").

With costs against the defendants spouses Reynaldo and Elizabeth C. Viray.

SO ORDERED.[4]

Petitioner appealed to the Court of Appeals which, on February 12, 1999, affirmed the decision of the Regional Trial Court, as follows:

WHEREFORE, premises considered, the decision, dated September 22, 1993, of the Regional Trial Court (Branch 21) in Malolos, Bulacan in Civil Case No. 8250-m is hereby AFFIRMED, with costs against the plaintiff-appellant.

SO ORDERED.[5]

According to the Court of Appeals, a purchaser in good faith and for value is one who buys the property of another, without notice that some other person has a right to, or interest in such property and pays a full and fair price for the same at the time of such purchase, or before he has notice of the claims or interest of some other person in the property. Using this definition, the Court of Appeals declared that Dy Tang and Tantoco became the owner of the property in good faith, since they bought the subject property free from any lien or encumbrance or any notice of adverse claim. When Dy Tang agreed to the mortgage by Elizabeth, the former did not know of the defect in the Special Power of Attorney which the latter presented. Also, during the foreclosure of the mortgage, no opposition was heard from the registered owner of the land, despite prior notice. Thus, when Dy Tang purchased the property as the highest bidder in the public auction, he obtained title over it in good faith. Dy Tang, in turn, transferred said title to Tantoco who purchased the property and who, upon the lapse of one year period without the concerned persons redeeming it, consolidated the title in his name.

The Court of Appeals further said that it was Marcelo Centeno's negligence which caused the transfer to Tantoco, hence Marcelo should bear the consequences, and not Tantoco. Finally, the appellate court held that Tantoco was not divested of his right over the property when he assigned his right over the same to Jose Baltazar. This was so because the assignment was a mere equitable mortgage in which Tantoco reserved a right to repurchase the property.

Petitioner moved for a reconsideration but it was denied. Hence, this petition averring that the Court of Appeals erred in:

I. ...NOT DECLARING THAT PRIVATE RESPONDENT-INTERVENOR ARTURO TANTOCO CANNOT SEEK PROTECTION AS A “BUYER IN GOOD FAITH” WHEN HE PURCHASED THE SUBJECT REAL PROPERTY NOT FROM THE REGISTERED OWNER (PLAINTIFF MARCELO CENTENO) WHO, TO DATE, HAS REMAINED THE REGISTERED OWNER THEREOF.

II. ...NOT DECLARING THAT PRIVATE RESPONDENT-INTERVENOR ARTURO TANTOCO CANNOT INVOKE BEING A “BUYER IN GOOD FAITH” WHEN HE PURCHASED THE SUBJECT REAL PROPERTY ON FEBRUARY 5, 1985 OR EVEN PRIOR TO THE START OF THE 1-YEAR REDEMPTION PERIOD FROM THE REGISTRATION OF THE CERTIFICATE OF SALE ON FEBRUARY 13, 1985.

III. ...NOT FINDING THAT PRIVATE RESPONDENT-INTERVENOR ARTURO TANTOCO IS DIVESTED OF HIS RIGHT, IF ANY, OVER THE SUBJECT PROPERTY WHEN HE AGAIN ASSIGNED IN HASTE THE SAME TO JOSE BALTAZAR WHILE THE TITLE THEREOF WAS UNDER PLAINTIFF MARCELO CENTENO AND REMAINS SO UP TO THE PRESENT.

IV. ...NOT RESOLVING THAT PRIVATE RESPONDENT-INTERVENOR ARTURO TANTOCO COULD NOT HAVE A BETTER RIGHT THAN HIS PREDECESSOR, DEFENDANT MANUEL DY TANG, WHO ALSO FALSELY CLAIMS TO BE A “BUYER IN GOOD FAITH” BUT, LIKE DEFENDANT ELIZABETH VIRAY, DID NOT ADDUCE ANY EVIDENCE IN COURT AGAINST THE ASSERTION AND DECLARATION OF PLAINTIFF MARCELO CENTENO THAT THEY, DEFENDANTS ELIZABETH VIRAY AND MANUEL DY TANG, CONNIVED WITH ONE ANOTHER IN THE FALSIFICATION OF DOCUMENTS.

V. ...NOT DECLARING THE NULLITY OF THE QUESTIONED SPECIAL POWER OF ATTORNEY, DEED OF REAL ESTATE MORTGAGE, PROMISSORY NOTE ALL DATED JANUARY 24, 1984, THE ASSIGNMENT AND TRANSFER BY DEFENDANT MANUEL DY TANG IN FAVOR OF PRIVATE RESPONDENT-INTERVENOR ARTURO TANTOCO AND THE LATTER’S ASSIGNMENT IN FAVOR OF JOSE BALTAZAR.[6]

In sum the issues for our consideration are:

- 1) Is intervenor-respondent Tantoco a buyer in good faith and for value?
- 2) Has Tantoco divested his rights over the subject property?
- 3) Did the Court of Appeals err in not declaring the nullity of the documents which ultimately transferred the subject land to Jose Baltazar?

At the outset, we note that the first two issues are factual. It is a basic rule that factual issues are beyond the province of this Court in a petition for review, for it is not the Court’s function to weigh the evidence all over again.[7] There are exceptions to this general rule, but petitioner did not show that this case is one of them.[8] Factual findings of the trial courts, when adopted and confirmed by the Court of Appeals, are binding and conclusive upon us and, generally, will not be reviewed on appeal.[9]

As to the third issue, Tantoco’s status as purchaser in good faith is settled. It is immaterial to determine whether the Special Power of Attorney, as well as the other documents instrumental to the transfer of the property from petitioner to Dy Tang and Tantoco, was invalid, because it will not cause the reversion of the property to petitioner. Nor can we disregard Tantoco’s right over the property as its purchaser in good faith and for value.[10]

Thus, we are constrained to affirm the decision of the Court of Appeals which, as earlier stated, had sustained the judgment of the trial court.

WHEREFORE, the instant petition is DENIED. The assailed decision of the Court of Appeals dated February 12, 1999 in CA-G.R. CV No. 47799, and its resolution dated December 29, 1999, are AFFIRMED.

Costs against petitioner.

SO ORDERED.

Bellosillo (Chairman), Mendoza, and Callejo, Sr., JJ., concur.

Austria-Martinez, J., on leave.

[1] Rollo, pp. 32-51.

[2] Id. at 53.

[3] Also spelled as “Mercelo” elsewhere in the records.

[4] Rollo, pp. 121-122.

[5] Id. at 51.

[6] Id. at 23-24.

[7] Ma. Consolacion Lazaro vs. Court of Appeals and Spouses Teresita and Josefino Borja, G.R. No. 122275, December 14, 2001, p. 3.

[8] Baricuatro, Jr. vs. Court of Appeals, et al., G.R. No. 105902, 325 SCRA 137, 145 (2000).

[9] W-Red Construction and Development Corporation vs. Court of Appeals, et al., 338 SCRA 341, 345 (2000).

[10] Republic, etc. vs. Court of Appeals, et al., G.R. No. 116111, 301 SCRA 366, 379 (1999).

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