

MANUEL LUIS SANCHEZ PETITIONER, V.S. MAPALAD REALTY CORPORATION, RESPONDENT.

G.R. No. 148516. December 27, 2007

Ponente: REYES, R.T., J.

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REYES, R.T., J.:

KAPAG ang isang kasunduan ng bilihan ay may kaakibat na pandaraya at napatunayang huwad, ang bumili ay walang nakamit na titulo ng pag-aari. Ang bentahan ng apat na parsela ng mamahaling lupa sa Roxas Boulevard na isinuko ng dating kasamahan ng Pangulong Marcos sa pamahalaang Aquino ay nagtataglay ng mga palatandaan ng isang malakihang pandaraya na isinagawa mismo ng mga taong hinirang ng Presidential Commission on Good Government (PCGG) upang pangalagaan ang pag-aari ng isang na-sequester na kumpanya.

Ang mga ito ay dapat ibalik sa pamahalaan hanggang di pa tiyak ang tunay na may-ari. Hindi kanais-nais na nagpakahirap ang PCGG sa pagbawi ng nasabing pag-aari para lamang mawala ito dahil sa manipulasyon ng isang di mapagkakatiwalaang opisyal.

Where a deed of sale was attended by fraud and proved to be fictitious, the buyer acquired no title to the subject property. The sale of four parcels of prime land along Roxas Boulevard surrendered by a former associate of President Marcos to the Aquino government bears the earmarks of a grand scam perpetrated by the very same persons appointed by the Presidential Commission on Good Government (PCGG) to safeguard the assets of the sequestered companies.[1]

They must be restored to the custody of the government until their true owner is finally determined. It would be odious to have the PCGG work so hard to recover them only to have them lost due to manipulation of an unscrupulous official.

This petition for review on certiorari seeks a reversal of the Decision [2] of the Court of Appeals (CA) which reversed and set aside that[3] of the Regional Trial Court (RTC), Branch 135, Makati City in an action for annulment of deed of sale and reconveyance[4] filed by respondent Mapalad Realty Corporation (Mapalad, for brevity).

Petitioner Manuel Luis Sanchez, who bought the properties during the pendency of the case at the trial court, intervened in the appeal before the CA.

The Facts

The facts, as gleaned from the records, are as follows:

Respondent Mapalad was the registered owner of four (4) parcels of land located along Roxas Boulevard, Baclaran, Parañaque. The properties, covered by Transfer Certificates of Title (TCT) Nos. S-81403, S-81404, S-81405 and S-81406 have a total land area of 4,038 square meters.[5]

On March 21, 1986, shortly after the February 1986 EDSA Revolution, Jose Y. Campos executed an affidavit [6] admitting, among others, that Mapalad was one of the companies he held in trust for former President Ferdinand

E. Marcos. Campos turned over all assets, properties, records and documents pertaining to Mapalad to the new administration led by then President Corazon C. Aquino.

On March 23, 1986, the PCGG issued writs of sequestration for Mapalad and all its properties.[7]

On August 2, 1992, the PCGG appointed Rolando E. Josef as Vice President/Treasurer and General Manager of Mapalad. He immediately conducted an inventory of the assets of the corporation. This was when it was discovered that four (4) TCTs were missing, namely, TCT Nos. S-81403, S-81404, S-81405, and S-81406.

Josef inquired on the whereabouts of these missing TCTs from Luis R. Narciso, an employee of Port Center Development Corporation, a sister company of Mapalad. Josef was informed that Mapalad's former director and general manager, Felicito L. Manalili (GM Manalili) took the said missing TCTs sometime in July 1992.

On September 8, 1992, Narciso executed an affidavit[8] stating that the missing TCTs were taken from him by GM Manalili.

Josef personally talked to GM Manalili to inquire about what happened to the titles he took from Narciso. GM Manalili promised to return the titles as soon as he found them. He never did, despite repeated demands on him.

On November 16, 1992, Felimon Oliquiano, Jr., president of Nordelak Development Corporation (Nordelak, for brevity), filed a notice of adverse claim[9] over the subject properties based on a deed of sale purportedly executed on November 2, 1989 by Miguel Magsaysay in his capacity as president and board chairman of Mapalad, selling the four lots to Nordelak for the total purchase price of P20,190,000.00. This deed of sale was notarized by Elpidio T. Clemente as Document No. 121, Page 26, Book No. 82 Series of 1989. [10]

Josef notified the Register of Deeds (RD) of Parañaque by three successive letters dated November 18, December 7 and 8, 1992 that the owner's duplicate copies of four (4) TCTs in the name of Mapalad were missing, and requested the RD not to entertain any transaction, particularly any attempt to transfer ownership thereof, or annotate any encumbrance or lien of any kind on these four TCTs.

Since Josef's letters to the RD were not verified, the RD instructed him to submit a verified petition or cancellation of adverse claim; Josef complied.

On December 22, 1992, Mapalad filed with the RD a verified petition for cancellation of adverse claim annotated on its titles by Nordelak. [11] The petition also included a notice of loss of the owners' duplicate copies of the TCTs concerned. This was annotated on the titles as Entry No. 154431 on the next day.

On January 14, 1993, Mapalad discovered, after verification with the records of the RD, that its titles to the four (4) properties were cancelled as early as December 22, 1992. In lieu of them, TCT Nos. 68493, 68494, 68495, and 68496 in the name of Nordelak were issued[12] by virtue of another deed of sale also dated November 2, 1989 and purportedly signed by the same Miguel Magsaysay in his capacity as president and chairman of the board of Mapalad.

Although this document was also notarized by the same Elpidio T. Clemente, bearing the same Document No. 121, Page 26, Book No. 82, Series of 1989, the amount indicated in this deed of sale as total purchase price was P7,268,400.00 instead of P20,190,000.00 as earlier annotated in the title per the adverse claim on November 16, 1992. In other words, there were two deeds of absolute sale, bearing the same dates, involving the same parties, the same parcel of land, and notarized by the same Notary Public under identical notarial entries, with different considerations or purchase price.

Way back October 13, 1978, A. Magsaysay, Inc., a corporation controlled by Miguel Magsaysay, acquired

ownership of all shares of stock of Mapalad.[13]

On December 3, 1982, however, A. Magsaysay, Inc. sold all its shares to Novo Properties, Inc.[14] Miguel Magsaysay also sold his one and only share to Novo Properties, Inc., thus completely terminating any and all rights or interest he used to have over the properties of Mapalad.

Immediately upon learning of the cancellation of Mapalad's four TCTs, Josef conferred with Miguel Magsaysay to find out whether the latter indeed signed the purported deeds of absolute sale both dated November 2, 1989.

Magsaysay denied having signed those deeds.

On January 19, 1993, the PCGG asked the Parañaque RD to immediately recall, revoke and cancel the four (4) titles that were issued in favor of Nordelak.[15]

On January 22, 1993, the PCGG issued a writ of injunction, enjoining and restraining the Parañaque RD from entertaining and processing any document or transaction relative to the titles in the name of Nordelak. This PCGG injunction was annotated on the titles as Entry No. 93-14786.

On January 25, 1993, the RD in turn requested Nordelak to surrender the titles issued in its name, but Nordelak refused to comply.

On February 3, 1993, Mapalad commenced, before the RTC, Makati City, the present action for annulment of deed of sale and reconveyance of title with damages against Nordelak, that is now the subject of this petition.

Mapalad's complaint alleged that: (a) the deed of sale is falsified and a forgery; (b) defendant Felicito L. Manalili[16] conspired and confederated with the other defendants to defraud Mapalad by fabricating a fictitious, spurious and falsified deed of sale; and (c) there is another deed of absolute sale with the same date of November 2, 1989 and also bearing the purported signature of Miguel Magsaysay, but the two deeds of sale differ in the amounts of consideration, one for P20,190,000.00 and the other for P7,268,400.00, which was used in the transfer of Mapalad's titles in favor of Nordelak.

Mapalad prayed for judgment: (a) declaring the two (2) deeds of absolute sale null and void; (b) ordering Nordelak to reconvey the four (4) parcels of land in favor of Mapalad; (c) ordering the Register of Deeds to cancel TCT Nos. 68493, 68494, 68495, and 68496, and in lieu thereof, to issue replacement titles in the name of Mapalad; and (d) ordering Nordelak to pay exemplary damages, attorney's fees and costs of suit.

On February 22, 1993, a notice of lis pendens was annotated as Entry No. 93-91718 on the TCTs in Nordelak's name.[17]

On March 4, 1993, the RD, through the Office of the Solicitor General, filed its answer alleging that when the requirements of registration are complied with, the duty of the register of deeds becomes simply ministerial.

On April 26, 1993, Nordelak and its president, Oliquiano filed their answer with special and affirmative defenses, alleging that Nordelak is a buyer in good faith, and that it never dealt with defendant Manalili in the purchase of the subject properties.

Defendant Manalili, however, failed to file any answer within the reglementary period. The RTC declared him in default despite Section 14, Rule 18 of the Rules of Court stating that "when a complaint states a common cause of action against several defendants, some of whom answer, and the others fail to do so, the court shall try the case against all upon the answers thus filed and render judgment upon the evidence presented x x x."

On October 24, 1994, while the case was still pending before the RTC, Nordelak sold the subject properties for

P50,000,000.00 to a certain Manuel Luis S. Sanchez, now petitioner before Us.

RTC Judgment

On December 6, 1994, ruling that Mapalad failed to adduce positive proof of forgery, the RTC upheld the validity of the deed of absolute sale as a notarial document and rendered judgment[18] with the following fallo:

WHEREFORE, premises considered, for failure of plaintiff to establish preponderance of evidence to support its herein Complaint, the above-entitled case is ordered DISMISSED for lack of cause of action and for being without merit.

On the other hand, judgment is hereby rendered in favor of defendants against the plaintiff by way of counterclaim, for the latter to pay actual and compensatory damages in favor of private defendants (excluding public defendant Register of deeds of Parañaque herein represented by the Office of the Solicitor General) the sum of P50,000.00; attorney's fees in the sum of P30,000.00; and the costs of the proceedings.

Furthermore, Entry No. 15431 re a Verified Petition for cancellation of the adverse claim annotated at the back of TCT Nos. S-81403, S-81404, S-81405, and S-81406, (Exhs. "O," "P," "Q," and "R") filed by Rolando E. Josef, V/P-General Manager of Mapalad Realty Corporation inscribed on December 17, 1992 is ordered CANCELLED.

SO ORDERED.[19]

On December 19, 1994, upon Nordelak's manifestation, the RTC issued a Supplemental Decision cancelling the notice of lis pendens annotated as Entry No. 93-91718 at the back of Nordelak's TCTs Nos. 68493, 68494, 68495, and 68496, and also lifting the restraining order issued by the PCGG annotated on the said titles as Entry No. 93-14786.

On December 29, 1994 and January 2, 1995, Mapalad filed a motion for reconsideration and supplemental motion for reconsideration, respectively, to which an opposition was filed by Nordelak on January 13, 1995.

On January 2, 1995, the RTC issued an order denying the twin motions for reconsideration. Mapalad then seasonably appealed to the CA.

Having previously bought the properties from Nordelak during the pendency of the case with the RTC, petitioner Sanchez moved to be joined with Nordelak as party defendant-appellee before the CA. The CA granted the motion to intervene.

CA Disposition

Finding merit in the appeal, the CA disposed of it, as follows:

WHEREFORE, premises considered, the assailed decision is REVERSED and SET ASIDE and a new one entered –

- DECLARING as null and void the deed of absolute sale dated 02 November 1989 executed by and between Mapalad Realty Corporation and Nordelak Development Corporation;

- DECLARING as null and void the deed of absolute sale dated 24 October 1994 executed by and between Nordelak Development Corporation and Manuel Luis S. Sanchez;

- ORDERING the Register of Deeds of Parañaque to cancel TCT Nos. 68493, 68494, 68495, and 68496 and in lieu thereof, to issue new certificates of title covering the subject properties in the name of Mapalad Realty Corporation.

Further, appellee Nordelak is ordered to pay appellant P100,000.00 as attorney's fees.

SO ORDERED.[20]

This ruling was arrived at after the CA's re-evaluation of the entire records, finding clear evidence of fraud in obtaining the certificates of title over the disputed properties, to wit:

First. Miguel A. Magsaysay was no longer appellant Mapalad's President and Chairman of the Board when the subject deed of absolute sale was executed on 02 November 1989. The evidence shows that by virtue of a Deed of Sale of Shares of Stock dated 03 December 1982, Miguel Magsaysay ceded and sold his one and only share of stock in Mapalad Realty Corporation in favor of Novo Properties, Inc. x x x. And in his testimony, Miguel Magsaysay denied having affixed his signature on the questioned deed of sale and categorically stated that he ceased to be connected with appellant Mapalad after the sale of his share in 1982.

x x x x

Second. The Deed of Absolute Sale indicating a consideration of P7,268,400.00, which was the basis for the issuance of Transfer Certificates of Title Nos. 68493, 68494, 68495, and 68496 in the name of appellee Nordelak is dated 02 November 1989 but was only registered more than three (3) years later. This bolsters the testimony of Luis R. Narciso that the owner's duplicate original of appellant Mapalad's titles were taken from him by defendant Felicito Manalili in July 1992 and were never returned. Obviously, Manalili got the titles for the purpose of registering the fictitious deed of absolute sale because under the Property Registration Decree (P.D. 1529), no voluntary instrument shall be registered by the Register of Deeds unless the owner's duplicate is presented with the instrument of transfer.

Third. Atty. Elpidio T. Clemente, the Notary Public who notarized the questioned Deed of Absolute Sale, did not submit a copy of said deed in the Notarial Section of the Regional Trial Court of Manila.

x x x x

x x x. As pointed out by appellant Mapalad in its brief, the notary public notarized two separate deeds of sale "referring to the same parcels of land on the very same day, and made only one and the same entry for the two documents in his notarial registry. In fact, NOT ONE witness was ever presented by defendants-appellees to explain these highly anomalous documentations.

Fourth. There was no consideration for the deed of sale. On this point, Rolando Josef testified that appellant Mapalad did not receive any amount with respect to the alleged transaction involving the sale of its properties. This was not disputed by the appellees. Since the alleged consideration is in the millions of pesos, it can be assumed that payment was made by check. It was easy enough for appellee Nordelak to have presented the cancelled check. Its failure to do so speaks volumes of truth of Josef's testimony. x x x.

Fifth. In the questioned deed of sale, Nordelak was represented by one Felimon R. Oliquiano, Jr., in his capacity as President of the corporation. Thus, he was in the best position to testify on the validity of the questioned deed of sale and categorically state that it was Magsaysay who signed the deed of sale and refute Magsaysay's testimony. But he was never presented and the failure to present him was never explained. In fact, no one was presented to testify having negotiated with and concluded the transaction with Magsaysay or that he personally saw Magsaysay sign the deed of sale. Defendant-appellee Nordelak presented only two witnesses both of whom were not connected Nordelak and, in fact, did not know Mapalad.

x x x x

We therefore find that the execution of the deed of absolute sale was attended by fraud, hence, a nullity. Thus, appellee Nordelak never acquired title over the subject properties. And given the evidence on record, We are left to wonder in no small measure how the court a quo could have upheld the validity of the questioned deed of sale. The transaction has all the earmarks of a grand scam perpetrated by the very same persons appointed by PCGG to safeguard the assets of sequestered companies.[21]

The CA further ruled that petitioner Sanchez, who was a transferee pendente lite, was not a buyer in good faith,

having purchased the property with an annotation of a notice of lis pendens.

Without prior motion for reconsideration of the CA decision, intervenor-appellee Sanchez elevated the case to Us, raising the following assignment of errors:

I

CONTRARY TO THE EXPRESS FINDINGS OF THE TRIAL COURT THAT THE QUESTIONED DEED OF SALE IS GENUINE, VALID AND SUBSISTING, THE COURT OF APPEALS RULED THAT THERE WAS FRAUD ON THE PART OF NORDELAK IN OBTAINING THE CERTIFICATES OF TITLES OVER THE DISPUTED PROPERTY, AND CONSEQUENTLY THE QUESTIONED DEED IS FICTITIOUS.

II

COROLLARILY, CONTRARY TO THE EXPRESS FINDINGS OF THE TRIAL COURT THAT NORDELAK IS A BUYER IN GOOD FAITH AND FOR VALUE, THE COURT OF APPEALS RULED OTHERWISE. (Underscoring supplied)

Issues

Two critical issues are plainly posed for our determination. First, on whether or not there was a valid sale between Mapalad and Nordelak. Second, whether or not petitioner Sanchez acquired valid title over the properties as innocent purchaser for value despite a defect in Nordelak's title.

A procedural issue was raised by the Solicitor General in his Comment, too: whether or not petitioner may raise questions of fact in the present petition.

We shall resolve them in the reverse order, dealing with the procedural ahead of the substantive question.

Our Ruling

I. The case falls within the exception to the rule that factual issues may not be entertained by this Court.

In petitions for review on certiorari such as in the present case, the findings of fact of the CA are generally conclusive on this Court, save for the following admitted exceptions:table

- (1) the factual findings of the Court of Appeals and the trial court are contradictory;
- (2) the findings are grounded entirely on speculation, surmises or conjectures;
- (3) the inference made by the Court of Appeals from its findings of fact is mainly mistaken, absurd or impossible;
- (4) there is grave abuse of discretion in the appreciation of facts;
- (5) the appellate court, in making its findings, goes beyond the issues of the case and such findings are contrary to the admissions of both appellant and appellee;
- (6) the judgment of the Court of Appeals is premised on a misapprehension of facts;
- (7) the Court of Appeals fails to notice certain relevant facts which, if properly considered, will justify a different conclusion; and

(8)

the findings of fact of the Court of Appeals are contrary to those of the trial court or are mere conclusions

without citation of specific evidence, or where the facts set forth by the petitioner are not disputed by respondent, or where the findings of fact of the Court of Appeals are premised on the absence of evidence but are contradicted by the evidence on record.[22]

We note that the basis for the trial court's disposition in favor of Nordelak is Mapalad's apparent failure to adduce sufficient evidence to prove that Miguel Magsaysay's signatures on the two deeds of sale by Mapalad in favor of Nordelak were forged.

The CA, however, went beyond the mere determination of whether the signatures of Miguel Magsaysay were forged or not. It looked into the validity of the deed of absolute sale as a whole, based on the testimonies of Miguel Magsaysay himself, quoted in its decision, as follows:

Atty Calabio: x x x I am showing to you this Deed of Absolute Sale marked as Exhibit "D," there is here appearing on page 3 above the typewritten name Miguel A. Magsaysay, is this your signature?

A: No, definitely not, so far away from my signature, not even in forgery; and besides I am not the president when it was sold already.

Q: So on the date herein November 2, 1989, you were no longer president, Sir?

A: No, I have nothing to do with them, of the corporation, after the sale in 1982.

Atty. Calabio: Likewise, showing to you the Deed of Absolute Sale, also dated November 2, 1989, previously marked as Exhibit "F," specifically on page 3, Sir, there is a signature also above the typewritten name, Miguel Magsaysay?

A: Definitely, this is not my signature, and besides I am not the president anymore. It looks exactly like the other one.

Atty. Calabio: Which for purposes of identification, Your Honor, may I respectfully request that his also be encircled and marked as Exhibit "F-1"? [23]

Aside from categorically denying under oath that the signatures appearing on the deeds of absolute sale were his, witness Miguel Magsaysay gave another reason why it was impossible for those signatures to be his. According to him, he was no longer connected in any way whatsoever with Mapalad, when it supposedly sold the properties. He divested himself of all his interests in Mapalad way back in 1982. There was no reason for him to sign the subject deeds of absolute sale as president and chairman of the board of Mapalad in 1989. This was another basis for Mapalad to convince the appellate court that the signatures purporting to be those of Magsaysay on the questioned deeds of sale were not written by him.

We sustain the CA finding and conclusion.

While there have been guidelines cited in the petition[24] used by this Court in determining what constitutes sufficient proof to establish whether a signature was forged, it does not preclude a party from adducing other possible proofs to establish whether a particular signature is genuine or not.

In the case at bench, not only did Magsaysay disown the signatures appearing on the deed of sale, he cited a valid legal reason for him not to have signed such document at all. He had no more power and authority to sign for and in behalf of Mapalad because as early as 1982, he had already divested himself of all his interests in said corporation. His testimonies in this case constitute sufficient basis for the Court to conclude that the signatures appearing on the two deeds of sale (Exhibits "D" and "F") were not his signatures.

This factual determination on the genuineness or forgery of the signatures purporting to be those of Miguel

Magsaysay on the subject deeds of sale is most crucial. When compared with this one, all other factual issues raised in the petition become immaterial, such as: whether the owner's duplicate copies of the TCT were voluntarily delivered to, or surreptitiously taken from Mapalad's custodian of such documents; whether the deeds of sale were in fact notarized by Atty. Elpidio Clemente considering that these documents do not exist in the archives or files in the notarial registry; or even whether there were two or only one document purporting to be the deed of absolute sale dated November 2, 1989.

There is, therefore, no cogent reason for this Court to delve further into these other factual matters.

II. There can be no valid contract of sale between Mapalad and Nordelak.

A contract is defined as a juridical convention manifested in legal form, by virtue of which one or more persons bind themselves in favor of another, or others, or reciprocally, to the fulfillment of a prestation to give, to do, or not to do. There can be no contract unless the following concur: (a) consent of the contracting parties; (b) object certain which is the subject matter of the contract; (c) cause of the obligation which is established. [25]

Specifically, by the contract of sale, one of the contracting parties obligates himself to transfer ownership of and to deliver a determinate thing and the other party to pay therefor a price certain in money or its equivalent. [26]

The essential requisites of a valid contract of sale are:

- (1) Consent of the contracting parties by virtue of which the vendor obligates himself to transfer ownership of and to deliver a determinate thing, and the vendee obligates himself to pay therefor a price certain in money or its equivalent.
- (2) Object certain which is the subject matter of the contract. The object must be licit and at the same time determinate or, at least, capable of being made determinate without the necessity of a new or further agreement between the parties.
- (3) Cause of the obligation which is established. The cause as far as the vendor is concerned is the acquisition of the price certain in money or its equivalent, which the cause as far as the vendee is concerned is the acquisition of the thing which is the object of the contract.[27]

Contracts of sale are perfected by mere consent, which is manifested by the meeting of the offer and the acceptance upon the thing and the cause which are to constitute the contract.[28]

Consent may be given only by a person with the legal capacity to give consent. In the case of juridical persons such as corporations like Mapalad, consent may only be granted through its officers who have been duly authorized by its board of directors.[29]

In the present case, consent was purportedly given by Miguel Magsaysay, the person who signed for and in behalf of Mapalad in the deed of absolute sale dated November 2, 1989. However, as he categorically stated on the witness stand during trial, he was no longer connected with Mapalad on the said date because he already divested all his interests in said corporation as early as 1982. Even assuming, for the sake of argument, that the signatures purporting to be his were genuine, it would still be voidable for lack of authority resulting in his incapacity to give consent for and in behalf of the corporation.

On this score, the contract of sale may be annulled for lack of consent on the part of Mapalad.

The CA also noted that the alleged contract of sale on November 2, 1989 had no consideration. There was no

payment effected by Nordelak for this transaction. Josef testified that no funds were infused into Mapalad's coffers on account of this transaction. This testimony remained uncontroverted. In fact, the CA further noted that Nordelak could have easily produced the cancelled check before the trial court, if there was any. Again, Nordelak did not.

The third element for a valid contract of sale is likewise lacking.

Lack of consideration makes a contract of sale fictitious. A fictitious sale is void ab initio.[30]

The alleged deed of absolute sale dated November 2, 1989 notwithstanding, the contract of sale between Mapalad and Nordelak is not only voidable on account of lack of valid consent on the part of the purported seller, but also void ab initio for being fictitious on account of lack of consideration.

Despite a void sale between Mapalad and Nordelak, may petitioner still claim valid title to the subject properties?

III. Petitioner as transferee
pendente lite merely steps
into the shoes of his
predecessor-in-interest
who had no valid title.

As We have said, Nordelak did not acquire ownership or title over the four properties subject of this case because the contract of sale between Mapalad and Nordelak was not only voidable but also void ab initio. Not having any title to the property, Nordelak had nothing to transfer to petitioner Sanchez.

Nemo dat non quod habet. Hindi maibibigay ng isang tao ang hindi kanya. No one can give what he does not have.

Petitioner acquired the property subject of litigation during the pendency of the case in the trial court. It is undisputed that notices of lis pendens were annotated on the TCTs in Nordelak's name covering the subject properties as Entry No. 93-91718.

In *Lim v. Vera Cruz*, [31] this Court explained:

Lis pendens is a Latin term which literally means a pending suit. Notice of lis pendens is filed for the purpose of warning all persons that the title to certain property is in litigation and that if they purchase the same, they are in danger of being bound by an adverse judgment. The notice is, therefore, intended to be a warning to the whole world that one who buys the property does so at his own risk. This is necessary in order to save innocent third persons from any involvement in any future litigation concerning the property.

By virtue of the notice of lis pendens annotated on the four TCTs in this case, petitioner had notice that the property he was intending to buy is under litigation. He is, therefore, a transferee pendente lite who, as held by this Court in *Voluntad v. Dizon*, [32] stands exactly in the shoes of the transferor and is bound by any judgment or decree which may be rendered for or against the transferor.

Under the circumstances petitioner cannot acquire any better right than his predecessor, Nordelak. No river or stream can rise higher than its source. Walang ilog o batis na ang taas ay higit sa kanyang pinagmulan. There is thus no question that a judgment of reconveyance can be legally enforced by Mapalad against petitioner as transferee pendente lite of Nordelak.

The four parcels of land surrendered by former Marcos associate Jose Y. Campos and sequestered by the PCGG must eventually be returned to their rightful owners. If forfeiture proceedings in the Marcos ill-gotten wealth

cases prosper, and these properties are finally shown to form part of such ill-gotten wealth, these properties should go to the Filipino people. If they are not ill-gotten, they should be turned over to the Marcoses. But definitely, these properties cannot be transferred to Nordelak nor to petitioner Manuel Luis Sanchez.

WHEREFORE, the petition is hereby DENIED and the appealed Court of Appeals decision AFFIRMED in toto.

SO ORDERED.

Ynares-Santiago, (Chairperson), Austria-Martinez, Chico-Nazario, and Nachura., JJ., concur.

[1] Rollo, p. 26.

[2] Penned by Associate Justice Wenceslao I. Agnir, Jr. (now retired), with Associate Justices Salvador J. Valdez, Jr. (now deceased) and Rebecca De Guia-Salvador, concurring.

[3] Penned by then Judge Omar U. Amin.

[4] Civil Case No. 93-365, entitled "Mapalad Realty Corporation v. Nordelak Development Corporation, et al."

[5] Exhibits "O," "P," "Q," and "R," rollo, p. 11.

[6] Exhibit "A-1," id.

[7] Exhibit "A," id.

[8] Exhibit "B," id. at 101.

[9] Annotated as Entry No. 92-13861 on November 17, 1992.

[10] Exhibit "F," rollo, p. 13.

[11] Id. at 101.

[12] Exhibits "G," "H," "I", and "J," id.

[13] Exhibit "N," id. at 14.

[14] Exhibit "T," id.

[15] Exhibit "C-4," id.

[16] In his capacity as Director and General Manager of Mapalad at that time.

[17] Rollo, p. 16.

[18] Penned by Judge Omar U. Amin.

[19] Rollo, p. 110.

[20] Id. at 29-30.

[21] Id. at 20-26.

[22] Landbank of the Philippines v. Monet's Export and Manufacturing Corporation, G.R. No. 161865, March 10, 2005, 453 SCRA 173, 184-185, citing MEA Builders, Inc. v. Court of Appeals, G.R. No. 121484, January 31, 2005, 450 SCRA 155.

[23] Rollo, pp. 21-22.

[24] Id. at 46-47.

[25] Swedish Match, AB v. Court of Appeals, G.R. No. 128120, October 20, 2004, 441 SCRA 1, 17-18.

[26] Civil Code, Art. 1458.

[27] Jurado, D., Civil Law Reviewer, 19th ed., p. 841. [28] Swedish Match, AB v. Court of Appeals, supra note 25.

[29] Since a corporation is only a juridical person, it must act through its officers or agents in the normal course of business (Consumido v. Ros, G.R. No. 166875, July 31, 2007).

[30] See Nazareno v. Nazareno, G.R. No. 138842, October 18, 2000, 343 SCRA 637, 655. [31] G.R. No. 143646, April 4, 2001, 356 SCRA 386, 388.

[32] G.R. No. 132294, August 26, 1999, 313 SCRA 209.

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