HEIRS OF THE DECEASED PEDRO AVENDAÑO, NAMELY, MA. ROSELLE C. AVENDAÑO, RAINIER C. AVENDAÑO, ROMMEL C. AVENDAÑO, JOANNA C. AVENDAÑO AND MA. HANNAH AVENDAÑO-ARCEO, AND THE HEIRS O...

G.R. NO. 155066. August 03, 2006

Ponente: CORONA, J.

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CORONA, J.:

In this petition for review on certiorari,[1] the heirs of the deceased Pedro Avendaño (Avendaño)[2] challenge a decision[3] of the Court of Appeals which ruled that their late father was not entitled to the execution of a contract to sell by respondent Development Bank of the Philippines, as well as its subsequent resolution denying reconsideration.[4]The antecedent facts follow.[5]Avendaño was the assignee of Philippine Apitong Development Corporation's redemption rights over four parcels of land. These were Transfer Certificate of Title (TCT) No. 22336-Quezon City, Original Certificate of Title (OCT) No. P-317-Baguio City and TCT Nos. 8838 and 8839-Province of Cebu, all of which had been foreclosed by respondent.

Avendaño offered to purchase the properties for respondent's total claim of P464,748.97. He made a partial downpayment of P50,000 and requested that respondent allow him to complete the full downpayment within one year.

Respondent's policy on repurchases gave priority to a former owner (or his assignee) in the reacquisition of foreclosed property, provided he made a downpayment within the redemption period equivalent to accrued interest, expenses and penalties, in this case P213,725.80. Respondent's board of governors, recognizing the late Avendaño as the assignee of the former owner, accepted his offer to buy the four parcels of land and outlined the terms of payment in a letter dated November 26, 1975,[6] to which he expressed his conformity (hereafter referred to as "letter-agreement").

Avendaño thereafter took possession of the properties. In accordance with the terms of the letter-agreement, he made a downpayment of P100,000 which included his initial payment of P50,000 plus two subsequent payments of P25,000 each (the second of which was made several months late).

All the same, one of the respondent's managers, R.J. Villaluz, pursuant to the letter-agreement, directed the preparation of a contract of sale whereby Avendaño was to pay the additional P75,000 plus accrued interest and expenses with interest from August 29, 1975 until signing. However, Avendaño did not show up to sign the contract of sale. In a letter dated August 26, 1977,[7] Villaluz invited him to discuss his offer to purchase the lots.

Five days later, Avendaño went to respondent's office and told Villaluz he wished to "revive his account," in response to which the latter said he would study the matter.

Not long after, respondent revoked its approval of Avendaño's offer to purchase the lots and immediately informed him of it. In a letter dated May 26, 1978,[8] he acknowledged receipt of the letter of revocation and

expressed willingness to renegotiate, this time with a new offer of P636,000 plus interest until full payment. He requested that the P100,000 already paid be credited in his favor.

Respondent, through Acting Manager Carlos Bengzon, accepted Avendaño's proposal on condition that he updated his account within one week, under pain of rescission of the approval of his offer to buy and forfeiture of any amount already paid.

Respondent sent Avendaño a reminder by letter and telegram, both dated January 31, 1979.[9] On June 19, 1979, it made a final appeal[10] for him to comply with his obligations, to no avail.

As a result, on August 6, 1980, respondent entered into an agreement to sell the lot covered by TCT No. 22336 in Quezon City to the Daughters of St. Mary of Leuca for P575,000.

Respondent also published an invitation for bids dated June 11, 1980 (including OCT No. P-317 and TCT Nos. 8838 and 8839).

On August 7, 1980, Avendaño filed with the Court of First Instance[11] of Rizal, Branch V a complaint for specific performance or rescission with damages and with a prayer for a writ of preliminary injunction. After due hearing, the trial court granted his prayer and issued a writ of preliminary injunction. Respondent then filed its answer with counterclaim.

Pre-trial was terminated on January 21, 1982 and on March 18, 1982, the trial court dismissed the complaint with prejudice for lack of interest to prosecute. Avendaño appealed to the Court of Appeals. But while his appeal was pending, he entered into a compromise agreement with the Daughters of St. Mary of Leuca, Inc., waiving his claim over the Quezon City property and recognizing the validity of the sale by respondent to the religious congregation. Although respondent bank did not object to the agreement, it pointed out that the trial court could not vacate its dismissal order which was the subject of a pending appeal.[12] The trial court then rendered judgment on the agreement, enjoining the parties (i.e., Avendaño and the Daughters of St. Mary of Leuca, Inc.) to comply with its terms. Thus, the controversy between Avendaño and the religious congregation was settled.

The Court of Appeals subsequently set aside the order dismissing Avendaño's complaint and remanded the case to the trial court where it proceeded on the merits as to both Avendaño and respondent. Eventually, the trial court decided in respondent bank's favor.

On appeal, the Court of Appeals, in the assailed decision, affirmed the decision of the trial court. It was while the appeal was pending that Avendaño passed away and was formally substituted by petitioners herein.

Before this Court, petitioners' principal claim is that the Court of Appeals erred in not finding that their father, Avendaño, was entitled to a contract to sell. Indeed, was he in fact entitled to a contract to sell? He was not.

The letter-agreement dated November 26, 1975, which was the cornerstone of petitioners' case, makes no mention of the execution of a contract to sell but of a contract of sale. The relevant portions follow.

> We are pleased to inform you that your offer to purchase the former properties of Spouses Flaviano R. Pacheco and Corazon R. Pacheco for P464,743.97...has been approved by our Board of Governors subject to the following terms and conditions:
>
> xxx xxx xxx
>
> - The accrued interest and expenses with interest thereon from August 29, 1975 up to the date of execution of the contract of sale shall first be paid;
>
> xxx xxx xxx

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> - That if the offeror fails to pay the interest and expenses accruing from August 29, 1975, or sign the Contract of Sale within sixty (60) days from his receipt of the notice of approval hereof, or fails to pay P25,000.00 on September 25, 1975 and P25,000.00 on October 25, 1975, the acceptance of the offer shall automatically be revoked and the deposit forfeited in accordance with the rules and regulations of the Bank; xxx (emphasis ours)
>
> xxx xxx xxx[13]

Thus, the very letter-agreement on which petitioners base their alleged right to the execution of a contract to sell contradicts their own claim.

Furthermore, petitioners' assertions in support of their right to relief are factual ones, such as whether Avendaño fulfilled his obligations under the letter-agreement or whether he actually demanded from respondent the execution of a contract to sell. All these issues were joined and ventilated adequately in the trial court and the Court of Appeals. Evidence for both parties was presented and evaluated. We shall therefore desist from reexamining the evidence submitted by the parties, or analyzing or weighing the evidence all over again.[14]

The standing rule is that only questions of law may be appealed to this Court by certiorari. Our jurisdiction is limited to questions of law. This is specially true when, as here, the Court of Appeals affirms the factual findings of the trial court.[15] There are a number of exceptions to this rule[16] but none of them obtains in this case.

Both the trial and appellate courts found that the late Avendaño defaulted on his obligations despite repeated extensions. Thus, respondent validly rescinded its agreement with him, thereby extinguishing his rights to the parcels of land. Petitioners, on the other hand, offered nothing more than the bare allegation that the only reason their father did not pay was that he was allegedly waiting for respondent to execute the contract to sell. But their father's attempt to renegotiate his offer to buy after failing to comply with his undertaking, a fact conclusively established by the evidence, utterly belied such assertion.

WHEREFORE, the petition is hereby DENIED. The decision dated April 16, 2002 and resolution dated August 30, 2002 of the Court of Appeals in CA-G.R. CV No. 34756 are AFFIRMED.

Costs against petitioners.

SO ORDERED.

Puno, (Chairperson), Sandoval-Gutierrez, Azcuna and Garcia, JJ., concur.

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[1] Under Rule 45 of the Rules of Court.

[2] Pedro Avendaño was the father of the current petitioners and their predecessor-in-interest, whom petitioners formally substituted following his death on July 29, 1999 while the case was still pending appeal in the Court of Appeals.

[3] Decision dated April 16, 2002 in CA-G.R. CV No. 34756, penned by Associate Justice Martin S. Villarama, Jr. and concurred in by Associate Justices Conchita Carpio-Morales (now Associate Justice of the Supreme Court) and Sergio L. Pestaño (retired) of the Eighth Division of the Court of Appeals; rollo, pp. 177-186.

[4] Resolution dated August 30, 2002 (affirming the April 16, 2002 Decision) in CA-G.R. CV No. 34756, penned by Associate Justice Martin S. Villarama, Jr. and concurred in by Associate Justices Conchita Carpio-Morales (now Associate Justice of the Supreme Court) and Sergio L. Pestaño (retired) of the Eighth Division of the Court of Appeals; id., p. 195.

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[5] Id., pp. 177-181.

[6] Id., pp. 45-46.

[7] Id., p. 103.

[8] Id., p. 104.

[9] Id., pp. 105-106.

[10] Id., p. 107.

[11] Now Regional Trial Court.

[12] What was on appeal in the Court of Appeals was the order dismissing Avendaño's complaint. The case in the trial court proceeded with respect to respondent bank's counterclaim.

[13] Annex "A," rollo, pp. 45-46.

[14] De Castro v. Court of Appeals, 434 Phil. 53 (2002); Moomba Mining Exploration Company Co. v. Court of Appeals, 375 Phil. 818 (1999).

[15] Sps. Francisco v. Court of Appeals, 449 Phil. 632 (2003).

[16] Misa v. Court of Appeals, G.R. No. 97291, 5 August 1992, 212 SCRA 217.

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