

MANUEL DY, AS GUARDIAN OF THE MINORS MADELYN, MARIBEL, FELIPE, MANUELA, FELIX, MERLITA, FRANCISCO, FREDDIE AND RICKY, ALL SURNAMED SACAY DY, PETITIONERS, VS. MATILDE SACAY, RESP...

G.R. Nos. 78535-36. September 19, 1988

Ponente: GANCAYCO, J.

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GANCAYCO, J.

Once, again, this Court is called upon to select between the findings of facts, conclusions and decision of the Court of Appeals and that of the trial court that received, heard, and evaluated evidence in two consolidated cases.

Petitioners question as allegedly erroneous the Decision dated January 30, 1987 of the Sixth Division of the Court of Appeals[1] in CA-G.R. Nos. 68302 and 68303[2] which reversed the Decision of the trial court, with dispositive portion as follows:

"WHEREFORE, the decision dated December 28, 1977 of the then Court of First Instance of Misamis Oriental is hereby REVERSED, and the complaint in Civil Case No. 3892 is DISMISSED. Judgment is hereby rendered as follows:

- The Deed of Sale with Assumption of Obligation (Exh. 7) is declared null and void and the nine (9) parcels of land subject matter of said deed of sale are ordered divided equally between appellant Matilde Sacay and appellees;

- The Bill of Sale (Exh. 6) is declared null and void and the six units of vehicles described therein are ordered divided equally between Matilde Sacay and appellees;

- The petition of Matilde Sacay for the appointment of a receiver of the properties involved in these two (2) cases is hereby GRANTED and MADELYN SACAY and MARIBEL SACAY, the two eldest children of Matilde Sacay and Manuel Dy are hereby appointed as joint receivers of the properties subject matter of the instant cases, upon filing of a bond in the amount of Ten Thousand (P10,000.00) Pesos each.

Let the records of the instant cases be REMANDED to the court of origin for appropriate proceedings in accordance with the above disquisition. Costs against appellees.

SO ORDERED."

On March 27, 1987, the respondent Court of Appeals denied petitioners' motion for reconsideration of its Decision.[3]

The reversed decision of the trial court, dated December 28, 1977,[4] has the following dispositive portion:

"IN VIEW OF ALL THE FOREGOING, judgment is hereby rendered finding the Deed of Sale with Assumption of Obligation (Exh. 7, 7-A and 7-B) which is also marked as Exh. P-Dy, P-1 -Dy and P-2-Dy, as valid, and therefore declaring defendants-minors, Madelyn, Maribel, Felipe, Manuela, Felix, Merlita, Francisco, Freddie, and Ricky, all surnamed Sacay Dy, as owners-in-common of the properties described therein, finding the Bill of Sale (Exh. 6) as valid and declaring the six units of vehicles described therein as the properties of Manuel Dy, consequently, dismissing the complaint in Civil Case No. 4040, and the counterclaim filed by defendants in said case. No pronouncement as to costs.

SO ORDERED." (Pp. 1 -5, Record on Appeal)

On May 1 1, 1972, Manuel Dy as guardian of the minors Madelyn, Maribel, Felipe, Manuela, Felix, Merlita, Francisco, Freddie and Ricky, all surnamed Sacay filed a complaint against Matilde Sacay with the Court of First Instance (CFI) of Misamis Oriental docketed as Civil Case No. 3892, praying among other things, that said minors be declared absolute owners of nine (9) parcels of land as described in the complaint, alleging that the said minors are the owners thereof, having purchased them from defendant Matilde Sacay, but that the latter is claiming ownership over them.

Six months later, or on or before November 7, 1972, Matilde Sacay and her husband Roberto Isip, likewise filed a complaint in the same court against said minors docketed as Civil Case No. 4040, alleging six causes of action. As first cause of action, she alleged that she is the sole and absolute owner of the nine (9) parcels of land described in her complaint; that on or before May 29, 1972, defendant Manuel Dy procured the registration with the Register of Deeds of Misamis Oriental and Lanao del Norte of a "Deed of Absolute Sale With Assumption of Obligation" covering the above-described lands which was unlawfully and fraudulently prepared by him and/or by his instructions through the falsification of her signature so that said Deed of Sale is patently null and void having been executed by said minors without assistance of a judicially appointed guardian.

As second cause of action it is alleged that the taking of physical possession and management of the properties by Manuel Dy has endangered said property to possible escheat proceedings as it amounts to ownership and management by an alien, he being a Chinese citizen, and that said minors being his acknowledged natural children, their Filipino citizenship becomes doubtful, so the real and personal property in question are endangered of being escheated.

As a third cause of action, it is alleged that in her absence Manuel Dy by threat, force, intimidation and stealth, took possession and management of her business covered by the Certificate of Public Convenience for the operation of nine (9) units of trucks, valued at P1 50,000.00, refusing to surrender said trucks, equipment, and accessories inspite of repeated demands, thereby depriving her of the income in the amount of P14,000.00 annually from April, 1972.

As fourth cause of action, it is alleged that Manuel Dy also took possession of her movie business, closed the moviehouse and removed the equipment therefrom thereby causing her to suffer a loss of P95,000.00 the value of the moviehouse and equipment, and deprived her of income therefrom in the amount of P14,000.00 annually from April, 1972.

As her fifth cause of action it is alleged that Manuel Dy took possession and management of her business under the name of "Fatima Commercial" with merchandise and equipment valued at no less than P90,000.00 thereby depriving her of an annual income of P26,000.00.

As her sixth cause of action, it is alleged that she and her husband thereby suffered mental anguish, wounded feelings, and sleepless nights which can only be compensated in the amount of P50,000.00, exemplary damages in

the amount of P20,000.00 and they had to engage the services of counsel for P50,000.00.

As defendant in Civil Case No. 3892 Matilde Sacay in her answer denied that plaintiffs therein are the owners of the lands described in the complaint. On the other hand, defendants in Civil Case No. 4040 in their answer denied that plaintiff Sacay is the owner of the questioned properties alleging that she sold said properties to minors defendants for a consideration on March 7, 1972. Defendants aver that there were only five (5) trucks and one (1) car owned by plaintiff Sacay and defendant Manuel Dy and a valid bill of sale for her share over the six (6) units was executed by her in favor of defendant Manuel Dy and only two of the vehicles are in running condition. They alleged further that the moviehouse together with the land on which it was erected was sold by Sacay to minors defendants and that the movie business, equipment and licenses were owned by defendant Sacay and Manuel Dy having been acquired when they were living as husband and wife. The business of "Fatima Commercial" was owned also by Sacay and defendant Manuel Dy and has been managed by the latter, but in March, 1972, the building housing the business and the land were sold to defendant children by Sacay.

There are ten (10) parcels of land involved in Civil Case No. 3892, all located in Cagayan de Oro City, while there are nine (9) parcels of land in Civil Case No. 4040, eight (8) of them located in Cagayan de Oro City and one at Kauswagan, Lanao del Norte. A comparison of the descriptions of the lands involved in Civil Case No. 3892 with those involved in Civil Case No. 4040 shows that the parcels of land involved in both cases are the same except parcels No. 11 and 111 of Civil Case No. 3892 which do not appear to be among the parcels of land involved in Civil Case No. 4040.

An examination of the Deed of Sale with Assumption of Obligation[5] shows that the land covered by said instrument are the same lands involved in Civil Case No. 4040. For the foregoing reasons and upon motion filed by both parties in Civil Case No. 3 892, the two cases were ordered consolidated.[6] The parties likewise agreed that the evidence presented in the petition for the appointment of a receiver will be considered as evidence in deciding the merits of the case.[7]

Petitioners assigned as errors of respondent Court of Appeals the following:

"THE CA ERRED IN NOT UPHOLDING THE VALIDITY OF THE DEED OF SALE WITH ASSUMPTION OF OBLIGATION AND BILL OF SALE DESPITE THE FINDING OF THE NBI.

THE CA ERRED IN DISTURBING THE FINDINGS OF FACT OF THE TRIAL COURT MERELY ON THE BASIS OF CONJECTURES.

THE CA ERRED IN NOT UPHOLDING THE VALIDITY OF PUBLIC INSTRUMENTS UNDER NOTARIAL CERTIFICATES AND DEPRIVING THE CHILDREN OF THEIR LEGALLY ACQUIRED OWNERSHIP TO THE PROPERTIES.

THE CA ERRED IN DENYING THE RECONSIDERATION BY CITING REASONS BASED ON ALLEGED FAILURE OF MATILDE SACAY TO SIGN THE FIRST PAGE OF THE DEED OF SALE, FAILURE OF

THE NBI TO SUBMIT A SUBSEQUENT REPORT ON THE SIGNATURE OF MATILDE SACAY AND THE COMMON LAW RELATIONSHIP BETWEEN MANUEL DY AND MATILDE SACAY

AS TO CREATE A CO-OWNERSHIP STATUS ON ACQUIRED PROPERTIES." (p. 7, Petition; p. 8, Rollo.)

The principal issue to be decided in this case is the genuineness and authenticity of two deeds (Deed of Sale with Assumption of Obligation, Exh. 7-A, and Bill of Sale, Exh. 6-Sacay). Private respondents claim that both deeds are falsified while petitioners claim them to be genuine and valid. The trial court concluded on the basis of the

evidence presented that both deeds were genuine, valid and binding. Respondent appellate court ruled otherwise and reversed the decision of the trial court.

We shall proceed to examine the reasons given by the trial court in arriving at the conclusion that both deeds were genuine, not falsified and, therefore, valid and binding on the parties to both deeds.

Both the answer in Civil Case No. 3892 and the complaint in Civil Case No. 4040 allege that the signature "Matilde Sacay" at the bottom of Exh. 7-A, page two of the document in question is very similar to the signature appearing above the typewritten words "Matilde Sacay" at the bottom of the Bill of Sale, Doc. No. 249 of page 55 of Book No. VII, Series of 1972 of Notary Public Ramon C. Legaspi before whom said Bill of Sale was acknowledged,[8] which signature was acknowledged by Matilde Sacay Isip to be her genuine signature. The signature in question is likewise very similar to the signature appearing above the typewritten words "Matilde Sacay" on page 9 of the Complaint in Civil Case No. 4040, which signature is admittedly hers. Respondent Matilde Sacay Isip admitted while testifying that the signature in question is similar to her signature.[9]

Respondent Matilde Sacay Isip left petitioner Manuel Dy and went to Manila in the second week of April, 1972.[10] Respondent Ruperto Isip went with her and they got married on the same day they left.[11] Therefore, Matilde Sacay Isip was still with Manuel Dy at Cagayan de Oro City on March 7, 1971, the date when the Deed of Absolute Sale with Assumption of Obligation (Exh. 7, 7-A and 7-B) was executed and signed by her.

Notary Public Ramon C. Legaspi stated in the acknowledgment of the document in question[12] that: "Before me personally appeared Matilde Sacay with Res. Cert. Nos. A-2888527 and B-179169 both issued x x x on Jan. 11/72 and April 17, 1972 respectively," but it is not stated therein when Matilde Sacay appeared.

Because the questioned document was signed and notarized on March 7, 1972, and the Residence Certificate B was dated April 17, 1972, the trial court concluded that Matilde Sacay signed the document on March 7, 1972, then she purchased her Residence Certificate B on April 17, 1972 and gave it to the notary public. The inevitable conclusion made by the trial court is that there was no falsification of the questioned document. Both the notary public and the petitioners are presumed innocent of any wrongdoing and if private respondents claim that falsification was committed, they must prove it by clear and convincing evidence. A contract apparently honest and lawful on its face must be treated as such. Private respondents were not able to present convincing evidence of such alleged falsification. The available evidence point to the genuineness of the questioned document.

The consideration of P50,000.00 mentioned in the contract of sale is not inadequate. Neither is it an indication of falsification. It must be remembered as undeniable that Matilde Sacay Isip conveyed properties to her nine natural children. Admittedly, she loved them. When she abandoned them to marry Ruperto Isip, they were all minors. Affection could be included as a greater portion of the P50,000.00 consideration.

It could be possible, as concluded by the trial court, that respondent Matilde Sacay was aware that she could have conveyed those properties for free to her children, but she needed money to start a new life with a new husband. Later on, when she suspected that the properties were not used exclusively for the benefit of her children, but also for the Chinese wife of Manuel Dy and their children, while she and her husband were leading a hard life, she decided to take back those properties.

The daughter Maribel Dy, a minor, declared that her mother, Matilde Sacay Isip, brought her to the office of the notary public and she was present when her mother signed Exh. 6 and Exh. 7.[13] Exhibit 6 is a Deed of Absolute Sale of Unregistered Land, Doc. No. 197, page 41, Book VII of Notary Public Ramon C. Legaspi. Exhibit 7 is the Deed of Absolute Sale with Assumption of Obligation, Doc. No. 196, page 41, Book VII of the same notary public.

The trial court concluded that the testimony of Maribel Dy cannot be impeached by her affidavit taken by CIS Agents on Dec. 16, 1972[14] because her testimony was given freely before the Court, without fear and compulsion. Her affidavit was taken in an atmosphere of fear through threats and intimidation. Even Manuel Dy was arrested for no reason at all. Manuel Dy was only set free when a certain Colonel Miranda intervened in his behalf. There were no indications that Maribel Dy falsified the signature of her mother. No evidence was presented to that effect. The trial court concluded that there was no falsification of Exh. 7, and in the absence of evidence to the contrary, We are bound to affirm such conclusion.

On the issue of the genuineness of the Bill of Sale (Exh. 6) acknowledged before Notary Public Ramon C. Legaspi, it appears that on March 3, 1972, Matilde Sacay, in consideration of P1 0,000.00 paid by Manuel Dy, sold, ceded and transferred to the latter, the following:

- " 1. One (1) Ford platform, with Motor No. F 705 U-661495, covered in PSC Case No. 68-5106; Serial No. (Same as Motor Number)
2. One (1) Ford platform with Motor No. F80FoPS-390108, Serial No. F80FoPY-330106, covered in PSC Case No. 69-3378;
3. One (1) Ford platform with Motor No. F7OUA-62007, Serial No. (Same as Motor No.);
4. One (1) 1960 Vauxhall - 40 sedan, with Motor No. 3FB-304782, Serial or chassis No. 4312303;
5. One (1) Chevrolet truck with Motor No. F422LB-90276, Serial or chassis No. DAP-59-MN6;
6. One (1) Bedford truck with Motor No. /64 E/6-123675 Reg. Cert.No. ROM-827338."

Both in her complaint and reply to counterclaim, Matilde Sacay did not allege that the Bill of Sale is a falsified document. Neither did she allege that she did not sign the bill of sale. She did not ask that the Bill of Sale be declared null and void.

In Civil Case No. 4040, private respondent admitted the genuineness of the Bill of Sale and that is the reason why the signature of Matilde Sacay appearing thereon was not submitted to the NBI to determine its authenticity. The signature of Matilde Sacay appearing on the Bill of Sale was sent to the NBI as specimen signature to determine the genuineness of her signature appearing on the Deed of Absolute Sale with Assumption of Obligation (Exh. 7).

Because of the foregoing, the trial court considered as not credible the testimony of Matilde Sacay Isip to the effect that she did not sign the Bill of Sale, that she did not sell her truck, and that she did not receive P10,000.00 as consideration. The trial court opined that the provision of the public service law may have been violated on account of the sale made without prior approval of the Public Service Commission, but the violation will not make the sale void. Neither would such violation lead to the conclusion that the signature of Matilde Sacay was falsified. What appears is that Matilde Sacay received the consideration of P10,000.00 from Manuel Dy.

As to the theatre and the lot on which the former stands, as well as the building which housed the 'Fatima Commercial' and the lot on which it stands, all of these properties were sold to the minor children of Matilde Sacay in Exh. 7. The equipment of the movie house, as accessories, follow the ownership of the principal and are now owned by petitioners. Matilde Sacay Isip did not present evidence that she owns the movie business. Neither did she present evidence of ownership of the 'Fatima Commercial.'

A close scrutiny of the Decision of the trial court clearly manifests no ostensible error in the evaluation of evidence and conclusion of facts. Hence, We are constrained to affirm the same.

We do not and cannot subscribe to the contrary findings and conclusions of respondent appellate court regarding

the genuineness of the questioned documents, Exh. 6 and Exh. 7, for the simple reason that they seem to be based on mere conjectures, not on hard evidence. The trial court was in a better position to determine the credibility of the testimony of the witnesses. The notarization of Exh. 7 substantially complied with the requirements of law. There are no indications supported by evidence that the notarized document was falsified. The presumption of regularity in the performance of duties favors the notary public. Private respondents dismally failed to prove even by preponderance of evidence the alleged falsification of Exh. 7, Exh. 6, is. to Our mind, genuine and beyond the shadow of any doubt.

We cannot ignore that the findings of fact made by trial courts supported by evidence carry great weight in the evaluation of evidence on facts, and in the absence of any indication showing grave error committed by the trial court, all appellate courts are bound to respect such findings of facts.

We find no further need to discuss the issue of ownership between Manuel Dy and Matilde Sacay because in upholding the validity of both Exh. 6 and Exh. 7, as it was done by the trial court, all the properties in question passed in ownership by virtue of sale to the minor children of Matilde Sacay.

The issue as to the guardian Manuel Dy affirming the sale in favor of the minors after it was made, does not affect the validity of the transaction because at the time the sale was made to benefit the minor children, Manuel Dy was the natural guardian of his minor children.

WHEREFORE AND BY REASON OF THE FOREGOING, the Decision dated January 30, 1987 by respondent Court of Appeals in CA-G.R. Nos. 68302-68303 is hereby REVERSED and SET ASIDE, and the Decision of the trial court dated December 28, 1977 in Civil Case Nos. 3892-4040 is hereby revived and affirmed, with costs against private respondents.

This decision is immediately executory and no extension of time to file a motion for reconsideration shall be granted.

SO ORDERED.

Narvasa, Cruz, Griho-Aquino, and Medialdea, JJ., concur.

[1] Associate Justices Hector C. Fule, Santiago M. Kapunan, Josue N. Bellosillo.

[2] pp. 17-27, Rollo.

[3] pp. 36-38, Rollo.

[4] Then District Judge Eulalio D, Rosete.

[5] Exhibits 7. 7-a. 7-b. pages 513. 514 and 515. Record. Civil Case No. 4040.

[6] Order, page 29. Record, Civil Case No. 3892.

[7] pp. 39-47. Record on Appeal. CA-G.R. No. 68302-03-R: page 40, Rollo.

[8] Exhibit 6.

[9] pp. 191. 192. t.s.n., Aiovera.

[10] pp. 189, 227. 231, 232, t.s.n., Aiovera.

[11] Pp. 231, 232, id.

[12] Exhs. 7, 7-A, 7-B.

[13] pp. 22-23, t.s.n., Colonial.

[14] Exhs. 3, 3-A, 3-B, 3-C. 3-D.

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