

FIRST DIVISION

[G.R. No. 143281, August 03, 2000]

**SPOUSES FRANCISCO AND AMPARO DE GUZMAN, JR.,
PETITIONERS, VS. THE NATIONAL TREASURER OF THE REPUBLIC
OF THE PHILIPPINES AND THE REGISTER OF DEEDS OF
MARIKINA CITY, RESPONDENTS.**

R E S O L U T I O N

KAPUNAN, J.:

Petitioners De Guzman spouses seek the reversal of the decision of the Court of Appeals holding that the Assurance Fund established under the Property Registration Decree is not liable for the losses allegedly sustained by petitioners.

The facts that led to the present proceedings are succinctly set forth by the Court of Appeals as follows:

On 01 July 1985, Urlan Milambiling and Asuncion Velarde purchased a parcel of land situated in Antipolo, Rizal from Sta. Lucia Realty and Development, Inc. Although they were already civilly married, Asuncion used her maiden name in the Deed of Sale because, being conservative, she did not want to use her married name until she was married in church.

After their church wedding on 05 July 1985, Urlan and Asuncion Milambiling left for Europe on their honeymoon and from there, they proceeded to Saudi Arabia where they were working as accountant and nurse, respectively.

Before leaving for abroad, the spouses Milambiling entrusted the Deed of Sale of the parcel of land they bought from Sta. Lucia Realty and the corresponding Certificate of Title still in the name of Sta. Lucia Realty to a long-time friend and one of their principal wedding sponsors, Marilyn Belgica, who volunteered to register the sale and transfer the title in their names.

Later, the spouses Milambiling learned from Belgica through an overseas telephone call that a transfer certificate of title of the said parcel of land had already been issued in their names. Belgica committed to the Milambiling spouses that she will personally deliver the title to them in Saudi Arabia. Sometime in May 1986, Belgica arrived in Saudi Arabia but the title was not with her. Belgica said that she left it in their house in the Philippines and forgot to bring it with her.

Urlan Milambiling was angry and immediately called up his relatives in the Philippines and asked them to find out from the Office of the Register of Deeds of Rizal what happened to their title. He was informed that the

Certificate of Title covering the said parcel of land had indeed been transferred in their names but was subsequently cancelled and title transferred in the names of x x x the spouses De Guzman.

Milambiling was also told about the circumstances that led to the cancellation of their title. It appears that while the spouses Milambiling were in Saudi Arabia, a couple identifying themselves as the spouses Urlan and Asuncion Milambiling went to the house of a certain Natividad Javinari, a real estate broker, inquiring if the latter could find a buyer for their lot located in Vermont Subdivision, Antipolo, Rizal. Javinari accompanied the said couple to the house of [the] spouses De Guzman. Having somehow obtained possession of the owner's duplicate copy of the certificate of title in the name of the spouses Milambiling, the impostor-couple were able to convince the de Guzmans to buy the property. On 20 November 1985, the impostor-couple, posing as the spouses Milambiling, executed a Deed of Absolute Sale in favor of [the] spouses de Guzman who paid the stipulated purchase price of P99,200.00. On 30 April 1986, [the De Guzmans] registered the said sale with the Register of Deeds of Marikina who cancelled the certificate of title in the name of the Milambilings and issued TCT No. N-117249 in the names of [the] De Guzman[s].

Upon learning of the above, Urlan Milambiling quickly returned to the Philippines. On 24 July 1986, the spouses Milambiling filed an action against [the spouses De Guzman] before the Regional Trial Court of Antipolo, Rizal, Branch 73, for declaration of nullity of sale and title with damages.

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[The] spouses De Guzman appealed the decision of the trial court to the Court of Appeals. On 18 July 1991, [the Court of Appeals] rendered its decision affirming the decision of the court *a quo*.

[The] spouses De Guzman then went to the Supreme Court on a petition for review on certiorari. On 01 July 1992, the High Tribunal issued a resolution denying the petition on the ground that no reversible error was committed by the Court of Appeals.

On 11 February 1993, [the] spouses De Guzman filed [an] action for damages against the Assurance Fund before the Regional Trial Court of Pasig, Branch 153[,] [impleading the National Treasurer of the Republic of the Philippines and the Register of Deeds of Marikina City.]^[1]

On January 20, 1995, the RTC rendered its decision finding in favor of the De Guzman spouses, thus:

IN VIEW OF THE FOREGOING, judgment is hereby rendered in favor of the plaintiffs and against the defendants adjudging the Assurance Fund liable to the amount actually paid by the plaintiffs which is in the amount of P99,200.00 and ordering the defendants Treasurer and/or Registrar to pay or cause the payment of the said amount to herein plaintiffs.

SO ORDERED.^[2]