

## SPECIAL TWELFTH DIVISION

[ CA-G.R. CV. No. 97161, February 14, 2014 ]

**MERILYN B. RUIZ, ARCELI RUIZ-VERZOSA AND LUZVIMINDA RUIZ-PIMENTEL, PLAINTIFFS-APPELLEES, V. BONIFACIO G. REYES AND MERCELITA B. REYES, DEFENDANTS-APPELLANTS.**

### D E C I S I O N

**ELBINIAS, J.:**

Subject for disposition is an Appeal<sup>[1]</sup> filed under Rule 41 of the Rules of Court. The Appeal assails the Decision<sup>[2]</sup> dated July 7, 2010 of the Regional Trial Court, Branch 7 of Aparri, Cagayan ("lower court" for brevity) in Civil Case No. II-4539 for "REINVINDICACION, ANNULMENT OF TITLE, ANNULMENT OF DOCUMENT AND DAMAGES."<sup>[3]</sup> The Appeal also questions the lower court's Order<sup>[4]</sup> dated January 12, 2011, which denied defendants-appellants' eventual Motion for Reconsideration.<sup>[5]</sup>

The salient facts are as follows:

On November 19, 2007, plaintiffs-appellees Marilyn Ruiz, Arceli Ruiz-Verzosa and Luzviminda Ruiz-Pimentel ("plaintiffs-appellees" for brevity) filed a Complaint<sup>[6]</sup> for "REINVIDICACION, ANNULMENT OF TITLE, ANNULMENT OF DOCUMENT AND DAMAGES" against defendants-appellants Bonifacio Reyes and Mercelita Reyes ("defendants-appellants" for brevity).

The other salient facts are those as stated in the lower court's Decision<sup>[7]</sup> dated July 7, 2010, as follows:

**"In their Complaint, plaintiffs (*plaintiffs-appellees here*) allege that they are the legitimate children of Maximo Ruiz and Romilla Battung Ruiz. Their parents were then the absolute, beneficial and registered owners of a parcel of land covered by Transfer Certificate of Title No. T-30095 (*subject property here*). Unfortunately, Maximo Ruiz died on September 3, 1973 in Camalaniugan, Cagayan while Romilla Battung Ruiz died on June 6, 1989 in Bicud, Lal-lo, Cagayan. Plaintiffs, thus became co-owners of the said properties by virtue of intestate succession. However, before the plaintiffs could adjudicate the subject property unto themselves, they were informed sometime in June 2007 that somebody had allegedly registered the same in their name and have taken possession thereof. They found out from the Register of Deeds that the subject property was already registered in the name of the defendants, Bonifacio G. Reyes and Mercelita B. Reyes (*defendants-appellants here*) and that the defendants caused the transfer of the subject property to their**

name by virtue of a Deed of Extrajudicial Settlement and Sale purportedly executed by their mother on September 1, 2006 or about seventeen (17) years after her death. xxx Plaintiffs argue that their mother could not have executed the supposed Deed of Extrajudicial Settlement and Sale as she was already dead at the time the deed was executed. Plaintiffs allege that assuming *arguendo* that the Deed was actually executed by the plaintiffs' mother, still their mother had no legal right to transfer the whole property by herself as plaintiffs were then also compulsory heirs of their father, **Maximo Ruiz**. The plaintiffs now pray that the Extrajudicial Settlement and Sale and TCT NO. T-157411 issued in the name of the Defendants be declared null and void and that the subject property be restored to their possession.

**In their Answer, defendants aver that they are the lawful and registered owners of Lot 5061-B, the land in suit, having acquired the same by purchase from the previous owner, Menandro Cristobal, as evidenced by a Deed of Absolute Sale executed by the latter on July 22, 2006 before Atty. Juan T. Antonio. Lot 5061-B is now registered in the name of the defendants under TCT No. T-157411 issued by the Register of Deeds of Cagayan on October 11, 2006.**<sup>[8]</sup> (*Emphasis supplied*)

On July 7, 2010, the lower court rendered its Decision<sup>[9]</sup> in favor of plaintiffs-appellees. The dispositive portion of the Decision decreed:

**"WHEREFORE**, premises considered, the Extrajudicial Settlement of Estate dated September 1, 2006 and TCT NO. T-157411 are declared null and void.

The Defendants are ordered to immediately vacate the subject property and restore to plaintiffs to their possession of the same.

For insufficiency of evidence the court cannot award damages to the plaintiffs.

No costs.

**SO ORDERED.**<sup>[10]</sup> (*Emphasis made in the original*)

Upon the lower court's denial of defendants-appellants' Motion for Reconsideration<sup>[11]</sup> in its Order<sup>[12]</sup> dated January 12, 2011, defendants-appellants filed the Appeal at bench, praying that:

**"WHEREFORE**, premises considered, the defendants-appellants, hereby most respectfully pray of this Honorable Court that the Order of the Hon. Judge Oscar T. Zaldivar of the Regional Trial Court, Branch 7, Aparri, Cagayan dated January 12, 2011 denying the Motion for Reconsideration of the defendants from his Decision dated July 7, 2010 be reversed and set aside and thereafter, the assailed Decision be reconsidered and the Complaint be ordered dismissed for lack of merit."<sup>[13]</sup>

Defendants-appellants raised the following assignment of errors:

- "1. THE HONORABLE TRIAL COURT GRAVELY ERRED IN NOT GIVING ANY EVIDENTIARY WEIGHT TO THE NOTARIZED DEEDS OF SALE TRANSFERRING OWNERSHIP OF THE SUBJECT LOT FROM ROMILLA BATTUNG-RUIZ TO SOLEDAD SUBALA AND JOSE SUBALA AND FROM THE LATTER TO MENANDRO CRISTOBAL AND FINALLY, FROM MENANDRO CRISTOBAL IN FAVOR OF THE DEFENDANTS-APPELLANTS
2. THE HONORABLE TRIAL COURT GRAVELY ERRED IN RULING THAT THE DEFENDANTS-APPELLANTS ARE NOT PURCHASERS FOR VALUE AND IN GOOD FAITH
3. THE HONORABLE TRIAL COURT GRAVELY ERRED IN NOT DECLARING THAT THE PLAINTIFFS-APPELLEES GUILTY OF LACHES
4. THE HONORABLE TRIAL COURT GRAVELY ERRED IN NOT DECLARING THAT THE CAUSE OF ACTION OF THE APPELLEES HAS ALREADY PRESCRIBED."<sup>[14]</sup>

Contrary to defendants-appellants' allegations in their *assigned error 1*, the issuance of TCT No. T-157411<sup>[15]</sup> in favor of defendants-appellants was wrong.

Defendants-appellants had argued as follows:

"The defendants-appellants acquired ownership of the lot in suit by purchase from the previous owner, Menandro Cristobal, by virtue of a Deed of Absolute Sale executed by the parties on July 22, 2006 xxx. The ownership of Menandro Cristobal of the lot in suit is evidenced by a Deed of Absolute Sale of Land executed in his favor by the prior owners, Soledad R. Subala and Jose Subala, before Atty. Cicero F. Elizaga on January 22, 1991, xxx. In turn, the ownership of Soledad R. Subala and Jose Subala over the lot in suit is evidenced by an Extrajudicial Settlement with Sale executed by the late Romilla Battung-Ruiz, during her lifetime, in favour of the former before Atty. Benjamin D. Aquino on August 9, 1977, xxx.

**The above-mentioned notarized Deeds of Sale are pieces of evidence which are of great weight and which plaintiffs-appellees failed to refute by clear and convincing evidence. As a matter of fact, Jose Subala, one of the witnesses for the plaintiffs, failed to deny under oath the genuineness of his signature on the Deed of Sale which he and his wife, Soledad Subala, executed in favor of previous vendee, Menandro Cristobal on January 22, 1991, and he also failed to deny under oath the due execution thereof. Lamentably, the Honorable Trial Court failed to give any evidentiary weight to these pieces of evidence which defendants-appellants presented and offered to prove that there was a valid sale executed by the previous owner in their favor over the lot in suit.**

In finding for the plaintiffs-appellees, the Honorable Trial Court concentrated its attention on the Extrajudicial Settlement and Sale dated September 1, 2006 which was allegedly used in the transfer of the title of Maximo Ruiz to the defendants-appellants. According to the plaintiffs-appellees, the late Romilla Battung Ruiz was already 17 years dead at the time said document was executed, hence, the same is a forged document, and therefore, it transferred no title to the defendants-appellants.

**The defendants-appellants vigorously denied having knowledge or even participation in the execution of the said Extrajudicial Settlement and Sale dated September 1, 2006. The averred that they had no knowledge of the existence of said document because they had in their hands valid notarized documents which they presented to the Register of Deeds when they went to said office to register the lot in suit in their names. xxx**

xxx

Granting, without admitting, that the defendants-appellants were the ones who introduced said false document or had participation in the introduction of said false document in order to transfer title of the subject lot in their name, would the sale itself be considered null and void from the start, as the plaintiffs-appellees insist, so as to make the title derived therefrom also ineffectual ab initio?

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xxx **[A]lthough the document appearing to have been used in the transfer of title in the name of the defendants-appellants is simulated, this did not adversely affect their ownership of the subject lot which they purchased legally from the previous owner as evidenced by a series of deeds of conveyances which were all marked and offered in evidence in the court a quo.**<sup>[16]</sup> (*Emphasis supplied*)

Prevailing over defendants-appellants' allegations however, is that the Deed of Extrajudicial Settlement of Estate with Sale<sup>[17]</sup> dated September 1, 2006 was a product of forgery. As revealed by the records, Romilia Battung<sup>[18]</sup> ("Romilia" for brevity) could not have executed such Deed of Extrajudicial Settlement of Estate with Sale<sup>[19]</sup> on September 1, 2006 in favor of defendants-appellants. The reason is that, as was shown by Romilia's Certificate of Death,<sup>[20]</sup> she had died on June 6, 1989 or a long seventeen (17) years prior to the execution of the Deed of Extrajudicial Settlement of Estate with Sale.<sup>[21]</sup> All of these matters were as also found by the lower court in its assailed Decision dated July 7, 2010,<sup>[22]</sup> by the following:

**"The Deed of Extrajudicial Settlement of Estate with Sale dated September 1, 2006 executed by Romilia Battung and which was the basis of the cancellation of TCT NO. T-30095 and the issuance of TCT No. T-157411 as testified to by Atty. Alexander Simeon, the Register of Deeds was a forgery, hence, void.**

The Court carefully perused the Extrajudicial Settlement of Estate and Sale allegedly executed by Romilia Battung xxx and noticed that indeed, the same was executed on September 1, 2006. Said instrument, as testified upon by Atty. Simeon of the Register of Deeds of Cagayan, was the very instrument which was used to cancel TCT NO. T-30095 in order for TCT No. T-157411 to be issued (TSN, June 23, 2008, p. 11). **This instrument, however, is suspect because of the date of execution: September 1, 2006. It must be remembered that the Certificate of Death xxx of Romilia Battung indicates June 06, 1989 as the date of her death. The question then becomes: how can Romilia, who died on June 06, 1989, execute an instrument dated September 1, 2006 or more than seventeen (17) year after her death? The foregoing leads the court to no other conclusion than that the Deed of Extrajudicial Settlement and Sale was a forgery. x x x**<sup>[23]</sup> *(Emphasis supplied)*

Being a forgery, the Deed of Extrajudicial Settlement of Estate with Sale<sup>[24]</sup> dated September 1, 2006 was invalid, and therefore conveyed no title.<sup>[25]</sup> Consequently, all the transactions subsequent to the falsified Deed of Extrajudicial Settlement of Estate with Sale<sup>[26]</sup> were likewise void, including the sale of the subject property to defendants-appellants, which sale, in turn, was the basis for the issuance of a new title, TCT No. 157411, in favor of defendants-appellants. These matters were as similarly found by the lower court, to wit:

"In consonance with the above ruling of the Supreme Court, the Extrajudicial Settlement and Sale allegedly executed by Romillia Battung on September 1, 2006 did not convey any title to the defendants."<sup>[27]</sup>

That a forged document, like the Deed of Extrajudicial Settlement of Estate with Sale<sup>[28]</sup> here, could not be a valid basis for the issuance of a new title, such as TCT No. T-157411 issued to defendants-appellants here, is pursuant to the following pronouncement of the Supreme Court in ***Rufloe, et al. v. Burgos, et al., G.R. No. 143573, January 30, 2009***:

"The issue concerning the validity of the deed of sale between the Rufloes and Delos Reyes had already been resolved with finality in Civil Case No. M-7690 by the RTC of Pasay City which declared that the signatures of the alleged vendors, Angel and Adoracion Rufloe, had been forged. **It is undisputed that the forged deed of sale was null and void and conveyed no title.** xxx Due to the forged deed of sale, Delos Reyes acquired no right over the subject property which she could convey to the Burgos siblings. **All the transactions subsequent to the falsified sale between the spouses Rufloe and Delos Reyes are likewise void, including the sale made by the Burgos siblings to their aunt, Leonarda.**" *(Emphasis supplied)*

Given also that the Deed of of Extrajudicial Settlement of Estate with Sale<sup>[29]</sup> was a forgery, then, it was incumbent upon defendants-appellants to overcome the burden of having to prove that they were innocent purchasers for value.<sup>[30]</sup> This burden, however, defendants-appellants failed to overcome, contrary to their allegations in their *assigned error 2*.