

FIRST DIVISION

[G.R. No. 198718, November 27, 2013]

SPOUSES TEODORO AND ROSARIO SARAZA AND FERNANDO SARAZA, PETITIONERS, VS. WILLIAM FRANCISCO, RESPONDENT.

DECISION

REYES, J.:

This is a petition for review on *certiorari*^[1] under Rule 45 of the Rules of Court, which assails the Decision^[2] dated June 28, 2011 and Resolution^[3] dated September 30, 2011 of the Court of Appeals (CA) in CA-G.R. CV No. 93961. The assailed decision and resolution of the CA affirmed the Decision^[4] dated June 5, 2009 of the Regional Trial Court (RTC) of Imus, Cavite, Branch 20, in Civil Case No. 0319-04, an action for specific performance/sum of money and damages.

The Facts

The case stems from an amended complaint filed by William Francisco (respondent) against Fernando Saraza (Fernando) and Spouses Teodoro and Rosario (Rosario) Saraza (Spouses Saraza) (petitioners). The respondent alleged in his complaint that on September 1, 1999, he and Fernando executed an Agreement^[5] that provided for the latter's sale of his 100-square meter share in a lot situated in Bangkal, Makati City, which at that time was still registered in the name of one Emilia Serafico and covered by Transfer Certificate of Title (TCT) No. 40376 (later covered by TCT No. 220530), for a total consideration of P3,200,000.00. The amount of P1,200,000.00 was paid upon the Agreement's execution, while the balance of P2,000,000.00 was to be paid on installments to the Philippine National Bank (PNB), to cover a loan of Spouses Saraza, Fernando's parents, with the bank. A final deed of sale conveying the property was to be executed by Fernando upon full payment of the PNB loan.^[6]

It was also agreed upon that should the parties fail for any reason to transfer the subject property to the respondent's name, Rosario and Fernando's 136-sq m property covered by TCT No. 156126 and encumbered to PNB to secure the loan that was to be paid by the respondent shall be considered a collateral in favor of the respondent.^[7] Spouses Saraza signified their conformity to the Agreement. The respondent was also allowed to take immediate possession of the property covered by TCT No. 156126 through a contract of lease^[8]. The petitioners likewise furnished PNB with an Authority^[9], allowing the respondent to pay their obligations to the PNB, to negotiate for a loan restructuring, to receive the owner's duplicate copy of TCT No. 156126 upon full payment of the loan secured by its mortgage, and to perform such other acts as may be necessary in connection with the settlement of the loan.^[10]

When the remaining balance of the PNB loan reached P226,582.13, the respondent asked for the petitioners' issuance of a Special Power of Attorney (SPA) that would authorize him to receive from PNB the owner's duplicate copy of TCT No. 156126 upon full payment of the loan. The petitioners denied the request. Upon inquiry from PNB, the respondent found out that the petitioners had instead executed an Amended Authority, which provided that the owner's copy of TCT No. 156126 should be returned to the mortgagors upon full payment of the loan.^[11] Spouses Saraza also caused the eviction of the respondent from the property covered by TCT No. 156126.^[12] These prompted the respondent to institute the civil case for specific performance, sum of money and damages with the RTC of Imus, Cavite on December 7, 2004.^[13]

The petitioners admitted the existence of the Agreement and the Authority which was addressed to PNB. They, nonetheless, opposed the respondent's complaint on the ground that the amount of P1,200,000.00 which was supposed to be paid by the respondent upon the Agreement's execution remained unpaid. The respondent allegedly took advantage of the trust that was reposed upon him by the petitioners, who nonetheless did not formally demand payment from him but merely waited for him to pay the amount.^[14]

The Ruling of the RTC

On June 5, 2009, the RTC rendered a Decision in favor of the respondent. The RTC considered the contents of the Agreement executed by the parties, taking into account that it was a notarized document. It held:

In another case, the High Court held that: "The recitals in a public instrument executed with all the legal formalities are evidence against the parties thereto and their successors in interest, and a high degree of proof is necessary to overcome the presumption that such recitals are true." (Naval, et. al., v Enriquez, 3 Phil 669).^[15] (Italics supplied)

The RTC held that contrary to the petitioners' claim, the respondent's full payment of the P3,200,000.00 consideration provided in the Agreement was supported by: (1) the petitioners' acknowledgment in the Agreement that they received the amount of P1,200,000.00 upon its execution; and (2) the Certification from PNB that the full amount of Spouses Saraza's loan with the bank had been fully paid.

The RTC, however, declared that only Fernando should be held liable for the respondent's claims, since the main action was for specific performance, specifically to compel him to execute a Deed of Absolute Sale over the subject property already covered by TCT No. 220530 under Fernando's name. Hence, the decretal portion of the RTC Decision reads:

WHEREFORE, premises considered[,] judgment is hereby rendered ordering [petitioner] Fernando M. Saraza as follows, viz:

1. to EXECUTE a Deed of Absolute Sale covering the 100-square meter parcel of land located in Barangay Bangkal, City of Makati and covered by Transfer Certificate of Title No. 220530 of the Registry of Deeds of Makati in favor of [respondent] William Francisco pursuant to their Agreement dated 01 September 1999;
2. to DELIVER to [respondent] William Francisco the Owner's Copy of Transfer Certificate of Title No. 220530 covering the 100-square meter parcel of land located in Barangay Bangkal, City of Makati which is subject of the Deed of Absolute Sale; and
3. to PAY all taxes imposable by law for the transfer of the title in the name of [respondent], pursuant to the parties' AGREEMENT dated 1 September 1999;
4. to PAY [respondent] William Francisco the following:
 - 4.1 One Hundred Thousand Pesos (Php 100,000.00) as and by way of damages;
 - 4.2 One Hundred Seventy-Seven Thousand Pesos (Php 177,000.00) as and by way of attorney's fees; and
 - 4.3 the costs of suit.

SO ORDERED.^[16]

Dissatisfied, Fernando questioned the RTC Decision before the CA. In addition to the defenses which he raised during the proceedings before the RTC, he argued that the RTC of Imus lacked jurisdiction over the case as it involved an adjudication of ownership of a property situated in Makati City.^[17]

The Ruling of the CA

The CA affirmed the RTC rulings via the Decision dated June 28, 2011. The CA rejected the petitioners' allegation that the amount of P1,200,000.00 remained unpaid by the respondent, citing the stipulation in their Agreement which provided that the said amount was paid upon the contract's execution.

On the issue of jurisdiction, the CA cited Fernando's failure to seasonably file before the lower court a motion to dismiss stating that the action should have been filed in Makati City. More importantly, the Court explained that the case was a personal action since it did not involve a claim of ownership of the subject property, but only sought Fernando's execution of a deed of sale in the respondent's favor. Thus, the venue for the action was the residence of the plaintiff or the defendant, at the plaintiff's option.^[18]

Petitioner Fernando's Motion for Reconsideration^[19] was denied by the CA in the

Resolution dated September 30, 2011.^[20] Hence, this petition for review on *certiorari*.

The Issue

The main issue for the Court's resolution is: Whether or not the petitioners are bound to comply with their obligations to the respondent as embodied in their Agreement dated September 1, 1999.

This Court's Ruling

The respondent's satisfaction of his obligation under the Agreement

It is imperative to look into the respondent's compliance with his covenants under the subject Agreement in order to ascertain whether or not he can compel the petitioners to satisfy their respective undertakings.

At the outset, the Court underscores the limited scope of a petition for review on *certiorari* under Rule 45 of the Rules of Court. Section 1 of Rule 45 provides that the petition shall raise only questions of law, which must be distinctly set forth. Questions of fact are not entertained, for the Court is not duty-bound to analyze again and weigh the evidence introduced in and already considered by the tribunals below.^[21] When supported by substantial evidence, the findings of fact of the CA are conclusive and binding on the parties and are not reviewable by the Court, save in some recognized exceptions such as: (1) when the conclusion is a finding grounded entirely on speculation, surmises and conjectures; (2) when the inference made is manifestly mistaken, absurd or impossible; (3) where there is a grave abuse of discretion; (4) when the judgment is based on a misapprehension of facts; (5) when the findings of fact are conflicting; (6) when the CA, in making its findings, went beyond the issues of the case and the same is contrary to the admissions of both appellant and appellee; (7) when the findings are contrary to those of the trial court; (8) when the findings of fact are conclusions without citation of specific evidence on which they are based; (9) when the facts set forth in the petition as well as in the petitioners' main and reply briefs are not disputed by the respondents; and (10) when the findings of fact of the CA are premised on the supposed absence of evidence and contradicted by the evidence on record.^[22]

The respondent's obligation under the Agreement pertains to the payment of the P3,200,000.00 consideration for Fernando's corresponding duty of executing a Deed of Sale over the property formerly covered by TCT No. 40376. To dispute the respondent's claim that he has satisfied said obligation, the petitioners now raise factual issues which the Court however emphasizes are not for the Court to reassess. For one, the issue of whether or not the respondent's obligation to pay has already been satisfied is a factual question.

We consider the fact that both the RTC and the CA have determined that there has been a full payment by the respondent of his P3,200,000.00 obligation under the Agreement. Upon review, the Court finds no reason to deviate from this finding of the courts, especially as it is supported by substantial evidence. To begin with, the petitioners do not deny the authenticity and their execution of the subject