

SECOND DIVISION

[G.R. NO. 137549, February 11, 2005]

**AURELIO P. ALONZO AND TERESITA A. SISON, PETITIONERS,
VS. JAIME AND PERLITA SAN JUAN, RESPONDENTS.**

DECISION

CHICO-NAZARIO, J.:

A complaint for recovery of possession was filed by Aurelio P. Alonzo and Teresita A. Sison against Jaime and Perlita San Juan docketed as Civil Case No. Q-96-29415 before the Regional Trial Court (RTC) of Quezon City, Branch 77. In their Complaint, plaintiffs alleged that they are the registered owners of a parcel of land located at Lot 3, Block 11, M. Agoncillo St., Novaliches, Quezon City, with an area of four hundred twenty-five (425) square meters, more or less, evidenced by Transfer Certificate of Title (TCT) No. N-152153 issued by the Register of Deeds of Quezon City. At around June of 1996, plaintiffs discovered that a portion on the left side of the said parcel of land with an area of one hundred twenty-five (125) square meters, more or less, was occupied by the defendants for more than a year, without their prior knowledge or consent. A demand letter was sent to the defendants in August of 1996 requiring them to vacate the property but they refused to comply; hence, the filing of the Complaint. During the pendency of the case, the parties agreed to enter into a Compromise Agreement which the trial court approved in a Judgment by Compromise dated 07 May 1997.^[1]

Alleging that they failed to abide by the provisions of the Compromise Agreement by their failure to pay the amounts due thereon, plaintiffs sent a letter demanding that the defendants vacate the premises.^[2] Plaintiffs subsequently filed an Amended Motion for Execution.^[3] Acting on the motion, the trial court^[4] issued its Order dated 11 August 1998^[5] now assailed before this Court.

The Order reads:

Before the Court for resolution is the plaintiffs' "Amended Motion For Execution," dated July 7, 1998.

Records show that, on May 5, 1997, the parties herein together with spouses Elbert and Susan Manalili, assisted by Atty. Victor Rey Santos, submitted a "Compromise Agreement," which was approved by the Court on May 7, 1997. On July 9, 1998, the plaintiff, through counsel, filed an "Amended Motion For Execution," praying, pursuant to the Judgment by Compromise Agreement, dated May 7, 1997, for the issuance of a writ of execution for the ejectment of the defendants-spouses Jaime and Perlita San Juan and of the spouses Elbert and Susan Manalili from the property in question, and for the payment to the plaintiff of the sum of P50,000.00 as attorney's fees, and another sum of P50,000.00 as moral damages.

In the "Compromise Agreement," it was expressly stipulated that should any two of the installments of the purchase price be not paid by the defendants, the said agreement (Compromise Agreement) shall be considered null and void.

The plaintiffs expressly admitted in their amended motion for execution that the defendants failed to pay the installments for July 31, 1997 and August 31, 1997 on their due dates; hence, the "Compromise Agreement" submitted by the parties became null and void. The Court, therefore, has no basis to direct the issuance of a writ of execution.

WHEREFORE, premises considered, the plaintiffs' amended motion for execution should be, as it is hereby, denied.

Plaintiffs filed a motion for reconsideration^[6] which the defendants opposed.^[7] Maintaining that the trial court correctly declared that the compromise agreement has been rendered null and void, defendants likewise remonstrated that they have fully paid their obligation to the plaintiffs.

In an Order of the trial court dated 17 February 1999, plaintiffs' motion for reconsideration was denied in this wise:

After a careful consideration of the respective contentions of the parties, the Court finds no cogent reason to disturb its Order of August 11, 1998.

It is the well-considered opinion of this court that there is no need to interpret the provisions of the "Compromise Agreement" entered into by the parties, because paragraph 11 thereof clearly states that: "Should any two (2) of the subsequent amounts be not paid on the date fixed in the foregoing schedule, then this Agreement shall be considered as automatically and without any further formality null and void and the amount of P44,117.65 initially paid hereunder shall be considered as penalty as well as rentals and forfeited in favor of the plaintiffs."

The "Compromise Agreement" submitted by the parties having been rendered null and void, the Court has no basis to direct the issuance of a writ of execution.

WHEREFORE, premises considered, plaintiffs' motion for reconsideration is hereby denied.^[8]

Understandably aggrieved, plaintiffs (petitioners) filed directly to this Court the instant petition for review on *certiorari* to assail the Orders of the trial court dated 11 August 1998 and 17 February 1999 arguing that:

The instant petition ought to be allowed and given due course by this Honorable Court because the aforementioned Orders dated August 11, 1998 and February 17, 1999 are both grossly erroneous, invalid and unlawful as the same directly contravene and violate the express provisions of paragraph 12 of the Judgment by Compromise Agreement.

^[9]

In a resolution rendered by this Court dated 23 June 1999, defendants (respondents) were required to Comment on the petition.^[10] Respondents submitted their compliance on 11 October 1999.^[11] Per the Court's resolution dated 18 October 1999,^[12] petitioners were required to file their Reply which they did on 03 December 1999.^[13]

On 14 June 2000, this Court resolved to give due course to the petition and required the parties to submit their respective memorandum within thirty days from notice.^[14] The petitioners and respondents submitted their memorandum on 01 September 2000^[15] and 06 April 2001,^[16] respectively.

The jurisdiction of this Court in a petition for review on *certiorari* under Rule 45 of the Revised Rules of Court is limited to reviewing only errors of law^[17] and factual issues are not within its province^[18] unless the factual findings complained of are devoid of support by the evidence on record or the assailed judgment is based on misapprehension of facts.

It is at once apparent that the determination of the correctness of the trial court's interpretation of the provisions of the Compromise Agreement involves a question of law.^[19] However, the claim of payments raised by the respondents entails a review of the evidences on record which is not proper in a petition for review under Rule 45. Be that as it may, the Court in the exercise of its discretion, may set aside procedural rules and proceed to determine and resolve factual matters^[20] to put all issues to rest and avoid further delay. With this, we deem it necessary to first settle the issue of payment.

The terms and conditions of the Compromise Agreement are quoted as follows:

1. The Spouses Jaime San Juan and Perlita San Juan as well as the Spouses Elbert and his wife, Susan Y. Manalili have occupied and continue to occupy a portion consisting of one hundred twenty-five (125) square meters, more or less, of that parcel of land identified as Lot 3, Block 11 of the consolidation and subdivision plan PCS-4682, located along M. Agoncillo Street, Dona Rosario Heights, Nova Proper, Novaliches, Quezon City, which is owned by and registered in the names of the plaintiffs under Transfer Certificate of Title No. N-152153 issued by the Registry of Deeds for Quezon City;
2. Spouses Jaime and Perlita San Juan are occupying the front area, while Spouses Elbert and Susan Manalili are occupying the rear area of the aforesaid 125 square meters portion of Plaintiffs' parcel of land;
3. Said parties have occupied said portion of the Plaintiffs' parcel of land without the knowledge or consent of the Plaintiffs;
4. By way of amicably settling the dispute in the instant case, the said parties have offered to purchase the said portion of Plaintiffs' parcel of land being occupied by them, to which the Plaintiffs had acceded, under the following terms and conditions:

- a. The purchase price for the said portion consisting of one hundred twenty-five (125) square meters, more [or] less, shall be Two Hundred Thirty Five Thousand Two Hundred Ninety-Four Pesos (P235,294.00), Philippine Currency;

5. The aforesaid purchase price shall be paid in the following manner:

- a. The sum of P44,117.65, Philippine Currency, upon the signing of this Agreement;
- b. The sum of P44,117.65, Philippine Currency, on or before May 31, 1997;
- c. The sum of P29,411.75, Philippine Currency, on or before June 30, 1997;
- d. The sum of P58,823.50, Philippine Currency, on or before July 31, 1997;
- e. The sum of P58,823.50, Philippine Currency, on or before August 31, 1997.

6. Upon full payment of the said purchase price, the herein Plaintiffs shall execute in favor of the Spouses Elbert Manalili and Susan Manalili a Deed of Absolute Sale over the aforementioned portion subject of the instant Agreement;

7. The said Spouses Elbert Manalili and Susan Manalili shall take care of all expenses and taxes corresponding to the said transaction, such as the capital gains tax, documentary stamps tax, notarial fees, registration fees and other expenses of the said Deed of Absolute Sale, the registration thereof with the Registry of Deeds and the issuance of a new certificate of title in favor of said spouses, as well [as] the expenses for the relocation and subdivision survey of the said parcel of land and the real estate taxes due on the said property starting the year 1997;

8. It is agreed that the title to the said portion of Plaintiffs' parcels of land shall remain with the Plaintiffs and shall pass to and be transferred to the Spouses Elbert Manalili and Susan Manalili only upon complete payment of the full purchase price agreed upon;

9. Before the purchase price shall have been paid in full, said Spouses Elbert Manalili and Susan Manalili hereby agree not to alienate, encumber, assign or otherwise dispose in any manner of their rights under this Agreement without the prior written consent of the Plaintiffs;

10. Should any two (2) of the subsequent amounts be not paid on the date fixed in the foregoing schedule, then this Agreement shall be considered as automatically and without any further formality null and void and the amount of P44,117.65 initially paid hereunder shall be considered as penalty as well as rentals and forfeited in favor of the Plaintiffs;

11. In the event of such non-payment, herein Defendants Jaime and Perlita San Juan and Spouses Elbert Manalili and Susan Manalili hereby agree to vacate and surrender the possession of said portion of the parcel of land being

occupied by them within thirty (30) days upon demand by the Plaintiffs;

12. Should any of said parties fail and/or refuse to vacate and surrender the said parcel of land being occupied by them to the Plaintiffs, the latter shall be entitled to obtain immediately from this Honorable Court the corresponding writ of execution for the ejectment of the said party or parties, or other persons occupying said property for and on their behalf or upon their authority from the said property in question.^[21]

Indubitably, the schedule of payments as contained in the Compromise Agreement provides that initial payment in the amount of P44,117.65 is due on 07 May 1997, the date when the agreement was signed. Respondents, to prove payment, showed Equitable Bank Check No. 1050783228 payable to Petitioner Aurelio Alonzo, in the amount of P100,000 issued by a certain Cirila C. Cruz and dated 23 September 1994.^[22] A perfunctory examination of the check shows that it bears a date so much earlier than the time the Compromise Agreement took place on 14 May 1997. Necessarily, in this instance, the claim of payment is inconsequential and cannot be credited in favor of the respondents.

The next payment for the same amount of P44,117.65 was due on or before 31 May 1997, a little less than a month after the date of the Compromise Agreement. To prove payment, respondents presented a check dated 30 April 1997,^[23] payable to Petitioner Aurelio Alonzo, again issued by a certain Cirila Cruz for the amount of P150,000. The voucher particulars state that "the same is for partial payment and/or 1st installment re: Compromise Agreements entered by Sps. Antonio and Leonor B. Lazaro and Engr. and Mrs. Elbert Manalili and Mr. And Mrs. Jaime San Juan (respondents herein) re: Lot 3, Block 11, Q. C."

The next check dated 24 June 1997^[24] again issued by Cirila Cruz in the amount of P150,000 payable to Aurelio P. Alonzo provides in the cash voucher particulars that the same is an additional partial payment due on 31 May 1997 "Re: Compromise Agreement entered by the Sps. Lazaro, Manalili and San Juan."

Another check again issued by Cirila Cruz dated 29 July 1997^[25] in the amount of P100,000 payable to Mr. Aurelio P. Alonzo, is accompanied by the same voucher particulars, i.e., it is an additional partial payment of the Compromise Agreement entered into by the spouses Antonio and Leonor Lazaro and Mr. and Mrs. Elbert Manalili and Mr. and Mrs. Jaime San Juan.

A subsequent check^[26] again issued by Cirila Cruz dated 24 December 1997, payable to Aurelio Alonzo in the amount of P50,000 is accompanied by a receipt stating that the amount "RECEIVED from Cirila C. Cruz is an additional partial payment for the account of Perlita San [Juan] and Mr. and Mrs. Lazaro."

Finally, a check^[27] this time unaccompanied by any voucher or receipt, again issued by Cirila Cruz, payable to cash in the amount of P25,000 was dated 25 July 1998, way past the period to make payments as specified in the Compromise Agreement for which reason it cannot be credited to the account of the respondents.

The law requires in civil cases that the party who alleges a fact has the burden of