

THIRD DIVISION

[G.R. NO. 145874, September 30, 2005]

**SPS. SALVACION SERRANO LADANGA AND AGUSTIN LADANGA,
PETITIONERS, VS. BERNARDO ASENETA, RESPONDENT.**

DECISION

CORONA, J.:

Before us is a petition for review under Rule 45 of the Rules of Court seeking to reverse and set aside the decision^[1] of the Court of Appeals which affirmed the judgment^[2] of Branch 93, Regional Trial Court (RTC), Quezon City.

The facts follow.

Petitioner Salvacion Ladanga and respondent Bernardo Aseneta were first cousins. They were both reared and educated by their aunt Clemencia Aseneta. Respondent Bernardo was adopted by Clemencia on June 30, 1961 in a special proceeding^[3] before the then Juvenile and Domestic Relations Court (JDRC) of Manila.

In her lifetime, Clemencia Aseneta owned several parcels of land in Manila, Quezon City and Albay from which she derived rentals. Among these properties was the disputed parcel of land located in Diliman, Quezon City.

Respondent Bernardo alleged that sometime in 1974, Clemencia complained that she was not receiving the rentals from petitioner spouses to whom she had entrusted the administration of her properties. Bernardo investigated the matter. He found out that Clemencia purportedly sold nine parcels of land^[4] to petitioner spouses on April 6, 1974. Among the properties sold was the land in Diliman, Quezon City covered by TCT No. 5813 (Diliman property). The deed of sale^[5] showed that the land had been sold by Clemencia to petitioner Salvacion for only P20,000 although the market value stated in the tax declaration was P134,130. TCT No. 197624 was then issued by the Register of Deeds of Quezon City to petitioner Salvacion Serrano Ladanga. The consideration for the eight other properties sold to petitioner spouses on the same day amounted to P60,200 which was supposedly paid in cash to Clemencia.

Respondent Bernardo also found out that a parcel of land in Cubao, Quezon City and covered by TCT No. 177619 (Cubao property) had been sold by Clemencia to petitioner Salvacion on November 8, 1974. The lot was priced at P12,000^[6] although the market value stated in the tax declaration was P42,000. TCT No. 204090 was correspondingly issued in the name of petitioner Salvacion Ladanga for this property.

Respondent Bernardo confronted Clemencia about the incredulous sales to

petitioners. However, the latter denied selling the properties to and receiving payment from them. This prompted respondent to file guardianship proceedings^[7] for Clemencia before the then JDRC of Quezon City.

In an order^[8] dated April 17, 1975, the JDRC declared Clemencia Aseneta, a 76-year-old spinster, an incompetent and an easy victim of deceit and exploitation. It further directed the issuance of Letters of Guardianship^[9] to respondent Bernardo for the person and properties of Clemencia.

Respondent Bernardo, as guardian of Clemencia, then filed in various courts actions for reconveyance and accounting of rentals against petitioner spouses for the ten sales. For the Diliman and Cubao properties, the action was brought before Branch 93, RTC Quezon City.^[10]

In their answer^[11], petitioner spouses alleged that Clemencia was disgusted with respondent Bernardo who was purportedly cheating her of the rentals from her properties. She therefore appointed petitioner Salvacion's husband, Dr. Agustin Ladanga, as administrator in 1969 for the properties in Albay, and in 1972 for the properties in Manila and Quezon City. Petitioner Agustin paid the income and realty taxes on the properties. He also paid for the necessary repairs on the leased properties and all other fees in behalf of Clemencia. According to petitioner spouses, Clemencia sold her properties to them because of her bitterness towards respondent Bernardo and also out of gratitude to them for taking care of her. They further alleged that a certain Atty. Arambulo prepared all the deeds of sale and that they paid Clemencia in the presence of the lawyers who notarized the documents.

When Clemencia died^[12] during the pendency of the proceedings in the trial court, respondent Bernardo substituted her in the action as legal heir.^[13]

At the hearing, respondent Bernardo presented Atty. Dominador Arambulo who notarized the deeds of sale executed on April 6, 1974 and the deposition of Atty. Efren Barangan who notarized the deed of sale executed on November 8, 1974. Both lawyers declared that the deeds of sale were already prepared when they notarized them in their respective offices. They also denied witnessing the actual payment allegedly made by petitioner spouses to Clemencia.

After a prolonged trial lasting 20 years, the court *a quo* rendered judgment declaring that no contract of sale was perfected either for the Diliman or for the Cubao property. According to the trial court, there was "no clear agreement between the parties on the subject matter and consideration" considering that "while Miss (Clemencia) Aseneta appear(ed) to have signed the subject documents, there were strong indications that she was not aware of the import of the documents that she had signed." The trial court also observed that the purported considerations of the properties sold by Clemencia to petitioner spouses were grossly disproportionate to their market values as indicated in the tax declarations. The dispositive portion read:

WHEREFORE, premises considered by preponderance of evidence, the Court finds in favor of the plaintiff and against the defendants, and hereby orders as follows:

- A. For defendants spouses Ladanga to reconvey the titles and possession to the property now covered (by) TCT Nos. 197624 and 294090 to the plaintiffs for and in behalf of Miss Clemencia Aseneta;
- B. For the Register of Deeds of Quezon City to cancel TCT Nos. 197624 and 204090 and to issue new transfer certificates of title in lieu of those cancelled, upon payment of the required fees by the plaintiff, in the name of Miss Clemencia Aseneta;
- C. For the defendants spouses Ladanga to render within fifteen (15) days an accounting of rentals received from the properties covered by TCT No. 197624 from April, 1974 up to the present and so with the property under TCT No. 204090 from November, 1974 up to the present and to remit said rentals to the plaintiff minus any amount paid by the defendants Ladanga as realty taxes for the period mentioned;
- D. For defendants Ladanga to pay plaintiff P10,000.00 as reasonable attorney's fees; and
- E. Cost of suit.

SO ORDERED.^[14]

In the meantime, the parties entered into a compromise agreement on the Cubao property and, after securing court approval, sold it to a third party in 1987.

During the pendency of the appeal, respondent Bernardo filed a motion to cite petitioners in contempt after they sold the Diliman property to a certain Bernardo Hizon on July 6, 1996 in spite of the annotation of *lis pendens* at the back of the title. Respondent insisted that the sale amounted to a "fraudulent deception," a "defiance of court authority" and "obstruction of justice" because the property was in *custodia legis* and could not be disposed of without the necessary court approval.

The motion was denied by the Court of Appeals which held that the property was not in *custodia legis*. It, however, observed that Bernardo Hizon, being a transferee pendente lite, took the property subject to the outcome of the appeal. The appellate court thereafter affirmed the trial court's judgment with respect to the remaining Diliman property.^[15]

Hence, this petition for review centered on the following issues:

- (1) whether or not there was a perfected contract [of sale of the Diliman property];
- (2) whether or not petitioners paid the purchase price mentioned in the contract; and
- (3) whether the price was grossly disproportionate to the market value of the land in question.^[16]