

## FIRST DIVISION

[ G.R. No. 121658, March 27, 1998 ]

**NESTOR LACSAMANA,\* EL DORADO PLANTATION, INC., LBJ  
DEVELOPMENT CORPORATION AND CONRAD C. LEVISTE,  
PETITIONERS, VS. COURT OF APPEALS, ESTER GAITOS ROBLES,  
LEON GAITOS ROBLES AND DULCE CLARA ROBLES,  
RESPONDENTS.**

### D E C I S I O N

**BELLOSILLO, J.:**

This is a petition to review the decision of the Court of Appeals affirming that of the Regional Trial Court in an action by private respondents against petitioners for reconveyance and cancellation of certificates of title.<sup>[1]</sup>

Leon Robles and his niece Amparo Robles were the registered co-owners in equal shares of Lot No. 13535, a 56,864-square meter piece of land situated in Bo. Inosloban, Lipa City, covered by OCT No. 0-363-R issued on 3 March 1965 by the local Register of Deeds.<sup>[2]</sup>

On 26 April 1965 Amparo sold her one-half (1/2) undivided share to El Dorado Corporation (EL DORADO). Consequently, OCT No. 0-363-R was cancelled and TCT No. 15261 issued in the names of EL DORADO and Leon Robles as co-owners.

On 24 September 1969 Leon Robles, who was then residing in San Francisco, California, U.S.A., died survived by his wife Ester Gaitos Robles and children Leon Jr. and Dulce Clara as his sole heirs. However, in a Deed of Absolute Sale dated 22 July 1971, Leon Robles purportedly with the marital consent of his wife Ester sold his one-half (1/2) undivided share in Lot No. 13535 to one Nestor Lacsamana. Nine (9) years later, or on 22 January 1980, the Deed of Absolute Sale was registered in the Registry of Deeds of Lipa City by one Philip Neri Gonzales. Consequently, TCT No. 15261 in the names of EL DORADO and Leon Robles was cancelled and TCT No. 46245 issued in the names of EL DORADO and Nestor Lacsamana.

On 22 July 1980, Nestor Lacsamana purportedly sold his one-half (1/2) share to LBJ Development Corporation (LBJ) represented by its President, Conrad C. Leviste. A certain Rolando Lumanglas registered the deed of sale in the Registry of Deeds resulting in the cancellation of TCT No. 46245 and the issuance of TCT No. 47475 in the names of EL DORADO and LBJ.

On 26 January 1982 LBJ became the owner of the entire Lot No. 13535 when EL DORADO sold its one-half share for ₱30,000.00. Consequently, TCT No. 47475 was cancelled and TCT Nos. 49915 to 49990 were issued in the name of LBJ conformably with an approved consolidated subdivision plan.

On 11 November 1983 Ester, Leon Jr. and Dulce Clara, all surnamed Robles, as surviving heirs of Leon Robles, filed a complaint with the Regional Trial Court of Lipa City<sup>[3]</sup> against Nestor Lacsamana, EL DORADO, LBJ and Conrad C. Leviste for the recovery of the one-half undivided

share of Leon in Lot No. 13535 and the cancellation of TCT Nos. 49915 to 49990. The complaint alleged that the signature of Leon Robles in the Deed of Absolute Sale dated 22 July 1971 in favor of defendant Nestor Lacsamana was a forgery as Leon was already dead at the time of the alleged sale; that defendant LBJ, a corporation owned and controlled by the Leviste family with defendant Conrad C. Leviste as its President, was not a buyer in good faith since facts existed which should have put it on guard as to defects in the title of Lacsamana; and, that defendant EL DORADO, likewise owned and controlled by the Leviste family with Conrad C. Leviste as President, participated in the fraud by surrendering the only co-owner's duplicate copy of TCT No. 15261 in its name and that of Leon Robles thus paving the way for the issuance of a new TCT in the name of Nestor Lacsamana as co-owner in place of Leon Robles.

Defendants LBJ and EL DORADO invoked the defense of prescription and/or laches and alleged that LBJ was a buyer in good faith and for value. However, their defenses were rejected by the court *a quo* which ruled that the complaint filed by plaintiffs on 11 November 1983, i.e., almost three (3) years and nine (9) months from the date of registration of the questioned Deed of Absolute Sale on 22 January 1980 was timely filed since actions for reconveyance of real property on ground of fraud may be filed within four (4) years from its discovery.

As regards the second issue, the trial court ruled that LBJ was not an innocent purchaser because facts existed which should have put it on inquiry as to possible defects in the title of Lacsamana, e.g., while the questioned Deed of Absolute Sale purportedly executed in Manila stated that Leon and Ester Robles personally appeared before Notary Public Engracio S. Concepcion and presented their Residence Certificates issued in Makati, the same document showed that the spouses were residing at 695 22nd Avenue, San Francisco, California, U.S.A., and did not indicate that they were temporarily staying in the Philippines at the time of its execution; and, the Deed of Absolute Sale was registered in the Office of the Register of Deeds of Lipa City only in 1980, or after the lapse of more than eight (8) years. Additionally, the court found that Leon Robles and Roman Payumo, one of the supposed instrumental witnesses to the deed of sale, were already dead at the time of the execution of the sale;<sup>[4]</sup> that Nestor Lacsamana was a non-existent person;<sup>[5]</sup> and, that EL DORADO, Leon Robles' co-owner at the time of the alleged sale in favor of Lacsamana, and LBJ, to whom Lacsamana purportedly sold Leon's one-half share, were both corporations owned and controlled by the Leviste family with defendant Conrad C. Leviste as its common President.<sup>[6]</sup> Thus, on the basis of the foregoing, the court *a quo* rendered judgment in favor of plaintiffs<sup>[7]</sup> the dispositive portion of which read -

WHEREFORE, the Court holds that defendant LBJ Development Corporation is not a purchaser in good faith. Accordingly, the Court hereby orders the Register of Deeds of Lipa City to cancel all the present titles covering the parcel of land formerly covered by Transfer Certificate of Title No. T-47475 in the names of defendants El Dorado Plantation, Inc., and LBJ Development Corporation and to reinstate Transfer Certificate of Title No. T-15261 in the names of Leon Robles and El Dorado Plantation, Inc.

In the event that reconveyance of the property involved is not possible due to any subsequent transfer of the property to third persons or persons not parties to this suit, the Court hereby orders defendant LBJ Development Corporation to pay plaintiffs the present fair market value of plaintiffs' one-half (1/2) share in the property, which fair market value shall be determined by an appraiser to be agreed upon by the parties, and in case of disagreement the parties shall recommend to the Court the appraisers of their choice who shall appraise the property jointly and submit the corresponding report for approval or resolution of the Court.