

THIRD DIVISION

[G.R. No. 102037, July 17, 1996]

**MELANIO IMPERIAL, PETITIONER, VS. HON. COURT OF APPEALS
AND GUILLERMO SOLLEZA, ET AL., RESPONDENTS.**

DECISION

PANGANIBAN, J.:

Where an heir who owns one-half undivided share of the area of two lots sells one of the lots without giving to his co-heir the latter's share of the proceeds, may the latter lay exclusive claim to the remaining lot as his own?

This Court answers the question in resolving the instant petition, which seeks to set aside the Decision^[1] in CA-G.R. CV No. 22557 promulgated September 13, 1990 by the respondent Court,^[2] reversing/modifying the judgment of the trial court.

The Antecedent Facts

The facts as found by the respondent Court are as follows:

"x x x Lot No. 1052, with an area of 4,630 square meters; and Lot No. 1091, with an area of 4,633 square meters - both situated in Barangay Culapi, Lucban, Quezon, were originally owned by Maria Cuvinar Imperial who died on June 12, 1979. Maria Cuvinar Imperial was survived by her two children: Adela and defendant, Melanio. Adela died on May 4, 1986 and is survived by plaintiffs Guillermo Solleza, the husband, and Children Ernesto, Rosa (,) Victoria, Virgilio and Guillermo, Jr., all surnamed Solleza.

On May 1, 1979, Adela and defendant Melanio agreed to register lots No. 1091 and 1052 in the name of Melanio in order to expedite the titling of the said parcels of land. For this purpose, Adela executed a document captioned 'Kasulatan Ng Pagtalikod Sa Karapatan' dated May 1, 1979. (Exh. B) whereby she waived her rights over lots No. 1091 and 1052. On the same date, defendant Melanio, in turn, executed a document entitled 'Pagwawalang Bisa Sa Pagtalikod Sa Karapatan' (Exh. C) declaring that the (earlier) document executed by Adela was a simulated one in order to expedite the registration of the lots in his name.

By virtue of the document of waiver (Exh. B), defendant Melanio was able to obtain OCT No. P-27941 for lot No. 1052; and OCT No. P-26596 for lot No. 1091, in his name.

Aside from Exhibit C, defendant Melanio executed another document entitled 'Sa Sino Mang Dapat Makatalastas Nito' (Exh. E) wherein he

acknowledged the one-half share of his sister Adela in Lot Nos. 1091 and 1052 and that Adela is also entitled to one-half share in the proceeds of the sale of subdivision lots in the said lots.

On May 4, 1985, defendant Melanio sold lot No. 1052 covered by OCT No. 27941 in favor of spouses Efren Rosas and Leticia Cabisuelas (Exh. B-1 and H) for the sum of P20,000.00. The sale was discovered by plaintiff Rosa Solleza, when she paid the realty taxes for the two parcels of land at the Lucban Treasure's Office. Rosa Solleza wanted to confront defendant Melanio Imperial relative to the sale but could not find the latter. Attempts were made to amicably settle the problem between uncle and nephews and nieces, but to no avail. Thus, plaintiffs filled this case, wherein they prayed that inasmuch as lot No. 1052 had been sold by defendant Melanio without giving any share of the proceeds, to Adela Imperial, lot No. 1091 should be reconveyed or returned to Adela and/or the estate of Adela Imperial."

After trial on the merits, the Regional Trial Court of Lucena City, Branch 60^[3], rendered its decision, the dispositive portion of which reads:

"IN VIEW OF THE FOREGOING, judgment is hereby rendered:

- (a) Ordering Melanio Imperial to pay the plaintiffs the sum of P10,000.00 plus 16% interest thereon commencing on May 4, 1985 until fully paid;
- (b) Ordering Melanio Imperial to pay the plaintiffs the sum of P7,500.00 attorney's fee and litigation expenses;
- (c) Ordering Melanio Imperial to pay the plaintiff(s) the sum of P5,000.00 as exemplary damages; and
- (d) Declaring Melanio Imperial as the true and rightful owner of Lot No. 1091." (Original Records, pp. 131-132)

Plaintiffs (private respondents) and defendant (petitioner herein) interposed separate appeals with the respondent Court, which upheld herein private respondents and affirmed the finding of the trial court that "the document (Exh. B) executed by Adela Imperial, (was) simulated." Respondent Court quoted the trial court thus:

"Defendant Melanio argues that he is the owner of Lot No. 1052 by way of a waiver of the right executed by Adela in a document captioned as 'Pagtalikod sa Karapatan' (Exh. B). Examination of the evidence, however, shows that said document (Exh. B) was a simulated contract as may be seen in another document also executed by Adela and Melanio entitled 'Pagwawalang Bisa sa Pagtalikod sa Karapatan' (see Exhibit C)."

The appellate Court noted that the purpose of the simulated document was to facilitate the registration of the two lots in the name of herein petitioner Melanio, who however breached the trust reposed upon him by his sister Adela. The respondent Court agreed that "(b)eyond doubt, therefore, lot Nos. 1052 and 1091 were owned in common by defendant-appellee Melanio and Adela Imperial, mother

of plaintiffs-appellants." The respondent Court also ruled that, contrary to the claim of herein petitioner -- and contrary to the finding of the trial court -- Adela Imperial never sold her 1/2 share of lot 1091 to herein petitioner. Thus, when herein petitioner Melanio appropriated for himself the entire proceeds from the sale of lot 1052, he was "deemed to have waived his share in lot 1091 in favor of Adela Imperial and/or her heirs x x x Lot No. 1091 should now be solely owned by (the herein private respondents)," otherwise "Melanio would be enriching himself at the expense of his sister, Adela" and/or her heirs. Thus, the respondent Court ruled:

"WHEREFORE, the appealed decision is REVERSED and SET ASIDE, and judgment is hereby rendered in favor of plaintiffs:

1. Declaring lot No. 1091, covered by Original Certificate of Title No. P-26596, is owned by plaintiffs as heirs of Adela Imperial;
2. Ordering the cancellation of Original Certificate of Title No. P-26596 in the name of defendant Melanio Imperial and in lieu thereof, another title be issued in the name of plaintiffs as the heirs of Adela Imperial;
3. Ordering Melanio Imperial to pay plaintiffs the sum of P10,000.00 as moral damages and the sum of P5,000.00 as exemplary damages;
4. Ordering Melanio Imperial to pay plaintiff the sum of P10,000.00 as litigation expenses and attorney's fees."

The Issues

On appeal, petitioner alleged the following generalities:

- "1. The respondent Court of Appeals abused its discretion in deciding this case not in accordance with the evidence on record, amounting to excess of jurisdiction, thereby departing from the accepted and usual course of judicial proceedings.
2. The respondent Court of Appeals decided questions of substance in a way not in accord with law or with the applicable decisions of the Supreme Court and the petitioner have (sic) no other plain, speedy and adequate remedy in the course of law."

Simply put, petitioner challenges the findings of fact of the respondent Court that he appropriated for himself the entire proceeds from the sale of Lot 1052 and failed to give one-half of the proceeds of Adela Imperial or her heirs, the private respondents in this appeal. Petitioner, on the strength of the reversed findings of the trial court, claims that he had already paid Adela Imperial the amounts of "P4,575.00 on June 16, 1979; P200.00 on November 8, 1979 and another P200.00 on May 7, 1980 as shown in Exhibits '4', '4-A' and '4-B'". He further alleges that the sum of these amounts represent one-half (1/2) of the price of Lot No. 1091 during the time the sale was transacted. And if Lot 1091 would be solely owned by the private respondents to the exclusion of himself, he would be deprived of his share of the inheritance which would be unjust and contrary to law.^[4]

The Court's Ruling