

SECOND DIVISION

[G.R. No. 130864, October 02, 2007]

**MARIA L. HAROLD, PETITIONER, VS. AGAPITO T. ALIBA,
RESPONDENT.**

D E C I S I O N

QUISUMBING, J.:

For review on certiorari is the Decision^[1] dated September 3, 1997 of the Court of Appeals in CA-G.R. SP No. 40416, affirming the dismissal of petitioner Maria L. Harold's complaint before the Municipal Trial Court of La Trinidad, Benguet.

The pertinent facts are as follows:

Sometime in January 1993, Harold engaged the services of respondent Agapito T. Aliba, a geodetic engineer, to conduct a relocation survey and to execute a consolidation-subdivision of their properties including that of Harold's sister, Alice Laruan, located in Pico, La Trinidad, Benguet. After completing his work, Aliba was paid ₱4,050 for his services, but he failed to return the certificates of title of the said properties for more than one year, despite repeated demands to return them.

It also appears that sometime in January 1994, Aliba prevailed upon Harold and her husband to sign a document which was supposedly needed to facilitate the consolidation-subdivision and the issuance of separate transfer certificates of title over the properties. Harold and her husband signed the document without reading it.

Thereafter, on April 18, 1994, a truck loaded with G.I. sheets and construction materials came to the subject lot^[2] owned by Harold. Upon inquiry, Harold and her husband were informed that Aliba had sold the lot to a third person.

On several occasions, Aliba tried to convince Harold to accept the sum of ₱400,000 which was later on increased to ₱500,000, as purchase price of the said lot. It was only after such offers were made that Aliba told Harold that he had indeed sold the lot.

On May 3, 1994, Harold agreed to accept the ₱500,000 from Aliba but only as partial payment, considering that the lot has an aggregate value of ₱1,338,000^[3] or ₱6,000 per square meter. On the same date, Harold was made to sign an acknowledgment receipt and other papers which were made to appear that Harold accepted the sum of ₱480,000 as full and final payment for the lot.

Harold later discovered that Aliba made it appear that she had sold the lot to him for ₱80,000 and had her certificates of title cancelled and transferred to him. Harold also found out that the alleged deed of sale was the document that Aliba caused

Harold and her husband to sign in January 1994.

Thinking that she can no longer recover her property, Harold asked for the payment of the fair market value of her property but to no avail. The dispute between Harold and Aliba was referred to *Punong Barangay* Limson Ogas and the *Lupong Tagapamayapa*. During the June 8, 1994 barangay conciliation proceedings, the parties herein agreed that Aliba will pay an additional amount of ₱75,000 to the initial ₱500,000 Aliba had already given to Harold. In the same proceedings, Aliba tendered ₱70,000, which Harold accepted.^[4] The receipt of the amount given was evidenced by an acknowledgment receipt signed by the parties herein, attested to by the *Lupon* chairman, and witnessed by several barangay officials.^[5]

On June 9, 1994, as agreed upon, Aliba tendered the remaining ₱5,000 to Harold to complete their amicable settlement. Unfortunately, Harold refused to accept the same, saying that ₱5,000 is not enough and insisted on the elevation of the case to the court.^[6] Thus, a certification to file action^[7] was issued by the Office of the *Lupong Tagapamayapa* on June 29, 1994. Immediately thereafter, Harold filed a Complaint^[8] against Aliba before the Municipal Trial Court (MTC) of La Trinidad, Benguet.

In his Answer,^[9] Aliba prayed for the dismissal of the complaint, considering that he had already been absolutely released from any obligation to Harold and that what remains to be done is merely the completion of the amicable settlement of the parties.

On September 4, 1995, the MTC issued an Order dismissing Harold's complaint, holding that

x x x x

It is not disputed that on June 8, 1994, both parties met before Barangay Captain Limson Ogas. After a lengthy deliberation, towards mediation, it was agreed by both parties in the presence of Barangay Officials that Mr. Agapito Aliba will pay an additional amount of ₱75,000.00 to settle once and for all the case. Mr. Aliba at that time has in his possession ₱70,000.00, because that was the amount previously agreed upon by both parties. The amount of ₱70,000.00 was personally handed by Mr. Aliba to Mrs. Harold, on that day, the remaining balance of ₱5,000.00 to be paid the following day, June 9, 1994. An Acknowledgment Receipt was signed by Mrs. Harold and witnessed by the barangay officials. . . .

The said minutes further states therein, "continued for the second day", which logically means that the balance be given the following day.

In the afternoon of June 9, 1994, Mr. Aliba returned with the remaining balance of ₱5,000.00. It was at this time that when Mr. Aliba was supposed to hand the money Mrs. Harold bluntly told him the amount of ₱5,000 is still not enough and instead she started crying and shouting . . .

The last paragraph [of the minutes] states "Mr. Aliba requested then if

the paid amount of ₱70,000.00 be returned. Mrs. Harold refused and opted that this case be elevated to the higher court.”

Based on the minutes of the mediation proceedings, it is clear that Barangay Captain Ogas was able to successfully mediate the case between plaintiff and defendant. As a matter of fact, Aliba has already substantially complied. It is not disputed that he gave plaintiff, on that occasion, ₱70,000.00, and to give the balance of ₱5,000.00, the day after. Thus, there was meeting of the minds between the parties on a lawful subject, and there was substantial fulfillment of the obligation. Regret[t]ably, when the small balance is to be paid, Mrs. Harold reneged on the agreement, saying ₱75,000.00^[10] is not enough, then insisted that the case be filed in court, but at the same time refusing to return the ₱70,000.00, when defendant tried to collect it back. Consequently, the issuance of the Certificate to File Action, is improper because no valid repudiation [of the amicable settlement] was made.

Obviously, Mrs. Harold wants her cake and eat it too, so to speak. It is in[i]quitous to allow Mrs. Harold to exact substantial fulfillment from Aliba then conveniently change her mind overnight and worse, to refuse to give back what she already received.

The Court agrees with defendant that there is no clear repudiation of the agreement. It would have been different if Mrs. Harold returned the ₱70,000.00 to the defendant, after changing her mind. There would have been a clear repudiation of the amicable settlement.^[11]

The dispositive portion of the said MTC Order reads:

WHEREFORE, in view of the foregoing findings, the Motion to Dismiss, incorporated in the Answer is hereby granted. This case is hereby ordered dismissed.

However, defendant is hereby ordered to tender payment to plaintiff his balance in the amount of ₱5,000.00 when this order becomes final and executory.

SO ORDERED.^[12]

Dissatisfied, Harold filed an appeal before the Regional Trial Court (RTC), Branch 63, of La Trinidad, Benguet.

In an Order dated February 20, 1996, the RTC affirmed *in toto* the assailed Order of the MTC.

Undaunted, Harold further appealed to the Court of Appeals, which however denied the same. Hence this petition, on the following grounds:

I.

WHETHER OR NOT THE THREE LOWER COURTS WERE CORRECT IN DISMISSING HER COMPLAINT ON THE SOLE GROUND THAT SHE AND