

SECOND DIVISION

[G.R. No. 171722, January 11, 2016]

**REMEDIOS PASCUAL, PETITIONER, VS. BENITO BURGOS, ET AL.,
RESPONDENTS.**

DECISION

LEONEN, J.:

Only questions of law may be raised in a petition for review on certiorari.^[1] The factual findings of the Court of Appeals bind this court.^[2] Although jurisprudence has provided several exceptions to these rules, exceptions must be alleged, substantiated, and proved by the parties so this court may evaluate and review the facts of the case. In any event, even in such cases, this court retains full discretion on whether to review the factual findings of the Court of Appeals.

This Petition for Review on Certiorari^[3] assails the Court of Appeals Decision^[4] that reversed the trial court Decision, and ordered the trial court to disallow redemption of the property and to consolidate ownership upon respondents, and Resolution that denied reconsideration.^[5] The Court of Appeals reversed the factual findings of the trial court.^[6]

Ernesto and Remedios Pascual (Pascual Spouses) and Benito Burgos, et al. (Burgos, et al.)^[7] co-own a fishpond situated in Bulacan covered by Original Certificate of Title No. 21.^[8]

On September 8, 1965, Burgos, et al. filed an action for partition of the fishpond and prayed for an "accounting of the income of the . . . fishpond from 1945 [,]"^[9]

On August 31, 1976, the trial court rendered the Decision apportioning to Burgos, et al. 17% and to the Pascual Spouses 83% of the fishpond.^[10] The Pascual Spouses were also ordered to pay Burgos, et al. their unpaid shares in the income of the property since 1945, until the actual partition and delivery of shares.^[11]

The Pascual Spouses appealed the trial court Decision before the Court of Appeals,^[12] which was denied on June 30, 1983.^[13] The Petition for Review on Certiorari filed before this court was also denied on January 11, 1984, and the Motion for Reconsideration denied on March 22, 1984.^[14]

While the appeal of the trial court Decision on the partition case was pending, several incidents happened. On November 25, 1976, Burgos, et al. filed a Motion for Execution Pending Appeal of the money portion of the trial court Decision.^[15] The Motion was granted by the trial court.^[16] The Pascual Spouses then filed a Petition

for Certiorari before the Court of Appeals.^[17]

On July 5, 1978, the Court of Appeals dismissed the Pascual Spouses' Petition for Certiorari assailing the grant of the Motion for Execution Pending Appeal.^[18] The Pascual Spouses then filed a Petition for Review before this court, which was denied on May 16, 1979.^[19]

On December 28, 1981, the trial court issued another order granting execution pending appeal.^[20] Thus, on February 9, 1982, the Deputy Sheriff of Bulacan addressed a Notice of Levy to the Register of Deeds of Bulacan, notifying that the fishpond and all its improvements were being levied.^[21]

The Deputy Sheriff then issued a Notice of Auction Sale of Real Property setting the public auction on March 23, 1982.^[22] The auction sale was on the Pascual Spouses' share of the fishpond.^[23]

On March 23, 1982, the auction sale was conducted and the Pascual Spouses' share of the fishpond was sold for P95,000.00 to Burgos, et al., through a certain Marcial Meneses, the highest bidder.^[24] A Certificate of Sale was then issued.^[25]

On February 23, 1983, after almost a year since the conduct of the auction sale, the Pascual Spouses filed an Omnibus Motion before the trial court assailing the Writ of Execution issued on December 28, 1981 and the ensuing levy and sale of their share in the fishpond.^[26] The Pascual Spouses also "offer[ed] to post a bond to stay execution[.]"^[27] On April 21, 1983, the trial court denied the Pascual Spouses' Omnibus Motion since the assailed orders had already become final and executory.^[28]

On April 25, 1983, the Pascual Spouses filed an Urgent Motion for Reconsideration and/or Extension of Time to Redeem before the trial court.^[29] They argued that the sale was void since the trial court Decision^[30] on the partition case, which was the basis for the Motion for Execution, was still pending appeal.^[31] They also argued that the Decision ordered that "the disputed property should not be touched pending appeal[.]"^[32] The Pascual Spouses also prayed that they be given until May 16, 1983 to redeem the property considering that the period of redemption already expired on April 15, 1983.^[33]

Burgos, et al. filed a Motion for Confirmation of Sale on July 8, 1983, and then a Motion for Issuance of Writ of Possession on August 30, 1983.^[34]

In the Order dated September 16, 1983, the trial court denied the Pascual Spouses' Urgent Motion for Reconsideration and/or Extension of Time to Redeem and granted Burgos, et al.'s Motions for Confirmation of Sale and Issuance of Writ of Possession.^[35]

Undeterred, the Pascual Spouses filed on September 26, 1983 an Urgent Motion to Quash and/or Recall Writ of Possession also before the trial court.^[36] They argued for the first time that irregularities attended the auction sale, alleging anomalies in

the number of times the notice of sale was published, the unconscionably low price the fishpond was sold at the auction sale, the lack of authority of Marcial Meneses to buy the fishpond on behalf of Burgos, et al., and the insufficiency in the description of rights and interests to be sold in the notice of sale.^[37]

Without waiting for the resolution of the Urgent Motion to Quash and/or Recall Writ of Possession, the Pascual Spouses initiated on April 24, 1984 a separate case for annulment of execution of sale against Burgos, et al.^[38] This was raffled to Branch 6 of the Regional Trial Court, Malolos, Bulacan.^[39] Burgos, et al. then filed a Motion for Preliminary Hearing of their defense of lack of jurisdiction.^[40] The trial court denied the Motion, which prompted Burgos, et al. to file a Petition for Certiorari before the Court of Appeals.^[41] The Court of Appeals granted the Petition and ordered the dismissal of the Pascual Spouses' annulment of execution sale case.^[42] The Pascual Spouses filed a Petition for Review before this court, which was denied on March 10, 1989.^[43]

As to the Pascual Spouses' Urgent Motion to Quash and/or Recall

Writ of Possession, the trial court denied the Motion in the Decision dated October 10, 1984.^[44] The Pascual Spouses filed a Motion for Partial Reconsideration that was denied by the trial court in the Order dated December 18, 1986.^[45] The trial court also rejected the Pascual Spouses' argument on the irregularities of the auction sale and, instead, upheld its validity.^[46] Thus, the Pascual Spouses filed a Petition for Review before the Court of Appeals assailing the trial court's October 10, 1984 Decision and its December 18, 1986 Order.^[47]

On May 6, 1994, the Court of Appeals^[48] affirmed the trial court's Decision upholding the validity of the auction sale.^[49] However, it considered the Pascual Spouses' allegation that the price at which the fishpond was sold was unconscionably low.^[50] The Court of Appeals ordered the remand of the case to the trial court for reception of evidence in order to determine the fair market value of the fishpond at the time of the auction sale and whether equity demands that the Pascual Spouses still be allowed to redeem the property.^[51] The dispositive portion of the Decision states:

WHEREFORE, this case is hereby remanded to the lower court, which is hereby directed to receive evidence solely for the purpose of determining the fair market value of the property in question on March 23, 1982, when the rights and interests of defendants-appellants therein were sold at public action, and to decide on the basis thereof, whether or not it is equitable to allow the defendants-appellants to redeem the said rights and interests. In all other aspects not inconsistent with this, the orders herein appealed from are hereby AFFIRMED, with costs against the defendants-appellants.^[52]

Burgos, et al. filed before this court a Petition for Review on Certiorari assailing the Court of Appeals Decision remanding the case to the trial court.^[53] This court

denied the Petition on July 12, 1995, and the Resolution became final and executory on October 9, 1995.^[54] The case was then remanded to the Regional Trial Court.^[55]

On April 23, 1999, the trial court set the case for hearing pursuant to the Court of Appeals Decision dated May 6, 1994.^[56]

The Pascual Spouses presented three (3) witnesses^[57] to prove that the fair market value of the fishpond sold at public auction in 1982 was P200,000.00 per hectare. On the other hand, Burgos, et al. presented three (3) witnesses^[58] to prove that the fishpond's fair market value was only P10,000.00 to P20,000.00 per hectare.

The Pascual Spouses' first witness, Silvestre Pascual, is the brother of Ernesto Pascual.^[59] He testified that, as the son of the fishpond's owner and as a fishpond operator himself, he knew the value of the fishpond.^[60] Silvestre Pascual testified that in 1963 or 1964, the fishpond previously owned by his mother was sold to Ernesto Pascual for P100,000.00.^[61] In 1982, he learned from his friends and neighbors who were also fishpond operators that the value of the fishpond was already P200,000.00 per hectare.^[62]

The Pascual Spouses' second witness was Guillermo Samonte, a fishpond caretaker.^[63] He testified that the market value of the fishpond was P200,000.00 per hectare in 1982.^[64] He knew this amount as he witnessed the sale transaction between the Fishermen Corporation and Precillano^[65] Gonzales Development Corporation.^[66] To prove the transaction, Guillermo Samonte presented a Deed of Absolute Sale^[67] dated November 19, 1981 and testified that the total consideration was P10,000,000.00.^[68] The Deed documented a sale of a 481,461-square meter parcel of land in Bulacan for P4,000,000.00.^[69]

Antonio Gonzales was the Pascual Spouses' third witness. He was the former President of Precillano Gonzales Development Corporation and he purchased the property testified to by Guillermo Samonte for the Corporation.^[70] He corroborated the testimony of Guillermo Samonte and clarified that P4,000,000.00 was paid in cash to the seller and the seller's loan of P6,000,000.00 to Philippine National Bank was assumed by the buyer, totaling P10,000,000.00.^[71]

Burgos, et al.'s first witness, Policarpio dela Cruz, was the son of Catalina Antonio, one of the former owners of the fishpond who sold her share to the Pascual Spouses.^[72] He claimed knowledge of the prices of fishponds as he grew up in and continued visiting Bulacan.^[73] He testified that in 1982, first-class fishponds were sold at P20,000.00 to P30,000.00 per hectare "while second[-]class fishponds were sold at a lower price."^[74] The fishpond in this case is considered second-class so it was priced at P10,000.00 to P20,000.00 per hectare.^[75]

Policarpio dela Cruz presented two (2) tax declarations.^[76] The first tax declaration with number 223^[77] series of 1974 covered the fishpond. The tax declaration states that the market value of the fishpond was P202,694.00.^[78] The second tax declaration with number 10468^[79] series of 1980 covered a parcel of land in

Bulacan used as a fishpond with an area of 12.9493 hectares.^[80] The market value of the property was P388,479.00.^[81]

Patricia delos Reyes was Burgos, et al.'s second witness. She testified that she is the great grandniece of Benito Burgos and was in possession of the property pursuant to this court's Decision.^[82] She presented two (2) tax declarations covering the property to prove its market value.^[83] The first was the same tax declaration presented by Policarpio dela Cruz with number 223,^[84] series of 1974. It showed that the property had an area of 10.1347 hectares and market value of P202,694.00.^[85] Tax declaration number 223 series of 1974 was cancelled by tax declaration number 12807^[86] dated April 9, 1985,^[87] the second tax declaration presented by Patricia delos Reyes. Tax declaration number 12807 states that the market value of the property is P304,041.00.^[88]

Burgos, et al.'s last witness was Antonio Magpayo, the Municipal Assessor in Bulacan in 1975 and re-appointed in 1995.^[89] Antonio Magpayo identified and showed in his Book of Tax Declarations the tax declaration presented by Patricia delos Reyes.^[90] He also testified that no tax declaration was issued in 1982.^[91]

On September 24, 2001, the trial court^[92] gave credence to the evidence presented by the Pascual Spouses.^[93] The trial court considered the testimony of Antonio Gonzales authoritative, having come from a disinterested witness who was a fishpond operator himself and who negotiated the sale of a 48-hectare fishpond also in Bulacan.^[94] The trial court did not give any weight to the tax declarations presented by Burgos, et al.'s witnesses as these did not reflect the actual fair market value of the properties covered by these tax declarations.^[95] The trial court held:

WHEREFORE, this Court finds the fair market value of the fishpond in question to be P200,000.00 per hectare or P2,000,000.00 in 1982. Considering that it was only sold at an unusually lower price of P95,000.00 than its true value, the Court consequently finds it equitable to allow the defendants to redeem the rights and interests thereto within a period of ninety (90) days after the finality of this decision.

SO ORDERED.^[96]

Burgos, et al. appealed the trial court Decision.^[97]

On June 30, 2005, the Court of Appeals rendered the Decision granting the appeal.^[98] It emphasized that the Decision, which remanded the case to the trial court, still affirmed the validity of the auction sale and the issuance of a Writ of Possession in favor of Burgos.^[99] The case was remanded solely to determine the fair market value of the property to decide on whether the Pascual Spouses can still redeem the property as a matter of equity.^[100]