

## THIRD DIVISION

[ G.R. No. 177042, December 10, 2012 ]

**SPOUSES CRISANTO ALCAZAR AND SUSANA VILLAMAYOR,  
PETITIONERS, VS. EVELYN ARANTE, RESPONDENT.**

### D E C I S I O N

**PERALTA, J.:**

Before the Court is a petition for review on *certiorari* under Rule 45 of the Rules of Court seeking to reverse and set aside the Decision<sup>[1]</sup> of the Court of Appeals (CA) dated November 29, 2006 in CA-G.R. SP No. 88475. The assailed Decision nullified the Decision<sup>[2]</sup> of the Regional Trial Court (RTC) of Pasig City, Branch 268 in LRC Case No. R-6309. The petition also seeks to reverse and set aside the appellate court's March 14, 2007 Resolution<sup>[3]</sup> denying petitioner's Motion for Reconsideration.

On November 14, 2003, herein petitioner Crisanto Alcazar (hereinafter referred to as Alcazar) filed a Petition for Reconstitution of Lost Owner's Duplicate Copy of Transfer Certificate of Title with the RTC of Pasig City alleging and praying as follows:

x x x x

2. That petitioner is the sole heir of his deceased parents, Emilio Alcazar and Caridad Alcazar, who both died on 12 December 1967 and 04 March 2002, respectively. x x x

3. That said petitioner's parents left a real estate property covered by TCT No. 169526, then registered at the Register of Deeds of the Province of Rizal but was transferred to the Register of Deeds of Pasig City. x x x

4. That the owner's duplicate of said owner's certificate of title was lost on or about April 2003 and have since, the petitioner exerted diligent efforts to recover the same but failed.

5. That the facts of its los[s] are as follows:

Since the demise of the petitioner's mother[,], he has been in his desire to transfer in his name the title of the said property, he being the sole and compulsory heir.

Being unknowledgeable about the procedures, petitioner, who was living in the province, went to the Land Registration Office in Quezon City to inquire about the requirements.

Unfortunately, petitioner was approached by a group [of] individuals who identified themselves as connected with the LRA and they [offered to] help. An[d] to cut the story short, said individuals lured herein petitioner to have the said owner's duplicate of title entrusted to them for alleged transfer. Since then said group of individuals have never seen or contacted with the petitioner's copy of TCT.

6. That said certificate of title has never been pledged or otherwise delivered to any person or entity to guarantee any obligation or for any other purpose.

7. That the fact of its los[s] was reported to the Register of Deeds of Pasig on 28 April 2003 by wa[y] of Affidavit of Los[s].

WHEREFORE, the petitioner respectfully prays this Honorable Court to declare null and void the owner's duplicate of Transfer Certificate of Title No. 169526 which has been lost, and to order and direct the Registrar of Land Titles and Deeds of Pasig City, after payment to him of the fees prescribe by law, to issue in lieu thereof a new owner's duplicate certificate which shall in all respects be entitled to like faith and credit as the original duplicate, in accordance with Section 109 of Act No. 496, as amended by Presidential Decree No. 1529.

x x x x<sup>[4]</sup>

Acting on the petition, the RTC issued an order which set the case for hearing and directed Alcazar to comply with the statutory requirements of posting. The RTC also ordered that copies of the above order and the petition be furnished the Office of the Solicitor General (OSG), the Office of the City Prosecutor of Pasig and the Register of Deeds of Pasig.

When the case was called for initial hearing on December 9, 2003, there was no appearance from the OSG, Pasig City Registry of Deeds and the Pasig City Prosecutor's Office. Upon Alcazar's motion and there being no opposition, he was allowed to present evidence *ex parte*.

On January 6, 2004, the RTC issued a Decision<sup>[5]</sup> in favor of Alcazar, the dispositive portion of which reads thus:

WHEREFORE, the owner's duplicate copy of TCT No. 169526 is hereby declared null and void and of no force and effect. The Registry of Deeds for the City of Pasig is hereby directed to issue a new Owner's Duplicate of Transfer Certificate of Title No. 169526 based on the original thereof on file in his office, which shall contain a memorandum of the fact that it was issued in lieu of the lost duplicate and which shall, in all respect[s], be entitled to like faith and credit as the original, for all legal intents and purposes.

On February 16, 2004, the RTC issued an Entry of Judgment<sup>[7]</sup> stating that the abovementioned Decision of the RTC became final and executory on February 5, 2004.

On February 8, 2005, herein respondent filed with the CA a Petition for Annulment of Final Decision contending that the RTC, sitting as a land registration court, had no jurisdiction to entertain Alcazar's petition because the subject owner's duplicate certificate of title which was allegedly lost was not, in fact, lost but actually exists, contrary to Alcazar's claim.<sup>[8]</sup>

Respondent alleged in her petition that on April 4, 2003, petitioners obtained a loan of P350,000.00 from her as evidenced by a promissory note; as security for the loan, petitioners executed in respondent's favor a real estate mortgage over a parcel of land located in Pasig City, covered by Transfer Certificate of Title (TCT) No. 169526; simultaneous with the execution of the mortgage contract, Alcazar personally delivered and turned over to respondent the original owner's duplicate copy of TCT No. 169526; respondent did not then see the need to immediately annotate the mortgage with the concerned Register of Deeds; when petitioners subsequently failed to pay their loan, respondent decided to register the mortgage with the Pasig City Register of Deeds; to her surprise, respondent learned that Alcazar had caused to be annotated to the copy of TCT No. 169526 on file with the Pasig Register of Deeds, an affidavit stating the owner's duplicate copy thereof was lost; respondent also learned that Alcazar filed with the RTC of Pasig City a petition for the issuance of a new owner's duplicate copy of the subject TCT in lieu of the allegedly lost one; that the RTC decision granting Alcazar's petition became final on February 5, 2004; that, as a consequence, TCT No. 169526 was canceled and in lieu thereof TCT No. PT-125372 was issued.<sup>[9]</sup>

Petitioners filed their Answer claiming that they did not enter into a contract of real estate mortgage with respondent; that the deed evidencing such alleged contract is forged; that during the date that the alleged real estate mortgage contract was executed, they were not yet the absolute owners of the subject property and, thus, cannot mortgage the same.<sup>[10]</sup>

After the parties filed their Reply<sup>[11]</sup> and Rejoinder,<sup>[12]</sup> the CA set the petition for pre-trial conference.<sup>[13]</sup> Thereafter, the parties were directed to submit their respective memoranda.

On November 29, 2006, the CA promulgated its assailed Decision, disposing as follows:

In the light of the foregoing, the petition having merit in fact and in law is GIVEN DUE COURSE. Resultantly, and as prayed for, the decision of public respondent Regional Trial Court, Branch 268, Pasig City, LRC Case No. R-6309 is hereby ANNULLED and SET ASIDE. Consequently, the new owners['] duplicate copy of TCT No. 169526, in the name of Emilio

Alcazar, married to Caridad Alcazar issued by virtue of the said decision of the Regional Trial Court as well as the replacement thereof namely, TCT No. PT-125372 in the name of Crisanto Alcazar married to Susana Villamayor, is hereby declared void and the original duplicate certificate of TCT No. 169526 in the custody and possession of the petitioner, hereby reinstated for all legal intents and purposes.

As regards the claim for damages, We find an award for moral damages justifiable in view of private respondents['] malicious concoctions and fraudulent machinations undoubtedly causing petitioner besmirched reputation, social humiliation and mental anguish. Exemplary damages should likewise be imposed by way of example for the public good and to deter others from following private respondents' wanton and irresponsible actuations against petitioner. And by reason of private respondents['] perjurious and malicious claim[,], petitioner was constrained to retain counsel not only to recover what is rightfully his but more so to protect his good name and reputation, thus payment of attorney's fees is also justified.

Private respondents therefore are further hereby directed to pay jointly and severally, petitioner, the following: (1) P30,000.00 as moral damages (2) exemplary damages in the amount of P20,000.00 and [(3)] P20,000.00 as attorney's fees and to pay the costs.

SO ORDERED.<sup>[14]</sup>

Herein petitioners-spouses filed a Motion for Reconsideration<sup>[15]</sup> but the CA denied it in its Resolution dated March 14, 2007.

Hence, the instant petition with the following Assignment of Errors:

I. THE HONORABLE COURT OF APPEALS GRAVELY ERRED IN GIVING CREDENCE TO THE VERSION OF THE PRIVATE RESPONDENTS HEREIN.

II. THE HONORABLE COURT OF APPEALS GRAVELY ERRED IN RULING THAT TCT NO. 169526 WAS NEVER LOST OR MISPLACED BY HEREIN PETITIONERS.

III. THE HONORABLE COURT OF APPEALS GRAVELY ERRED IN RULING THAT SECTION 109 OF PRESIDENTIAL DECREE (P.D.) NO. 1529 IS NOT APPLICABLE TO HEREIN PETITIONERS.

IV. THE HONORABLE COURT OF APPEALS GRAVELY ERRED IN RULING THAT THE HONORABLE RTC OF PASIG CITY, BRANCH 268 HAD NO JURISDICTION TO ORDER THE ISSUANCE OF TCT NO. PT-125372 IN LIEU OF THE ALLEGED LOST CERTIFICATE OF TITLE.

V. THE HONORABLE COURT OF APPEALS GRAVELY ERRED IN AWARDING

MORAL AND EXEMPLARY DAMAGES AS WELL AS ATTORNEY'S FEES TO  
THE HEREIN PRIVATE RESPONDENT.<sup>[16]</sup>

The petition lacks merit.

In their first and second assigned errors, petitioners assail the factual findings of the CA. It is a time-honored principle that in a petition for review on *certiorari* under Rule 45, only questions of law may be raised.<sup>[17]</sup> It is not this Court's function to analyze or weigh all over again evidence already considered in the proceedings below, as this Court's jurisdiction is limited to reviewing only errors of law that may have been committed by the lower court.<sup>[18]</sup> The resolution of factual issues is the function of lower courts, whose findings on these matters are received with respect.<sup>[19]</sup> A question of law which this Court may pass upon must not involve an examination of the probative value of the evidence presented by the litigants.<sup>[20]</sup>

Thus, as a rule, findings of facts of the CA are conclusive, subject to certain exceptions, to wit: (1) the factual findings of the Court of Appeals and the trial court are contradictory; (2) the findings are grounded entirely on speculation, surmises or conjectures; (3) the inference made by the Court of Appeals from its findings of fact is manifestly mistaken, absurd or impossible; (4) there is grave abuse of discretion in the appreciation of facts; (5) the appellate court, in making its findings, goes beyond the issues of the case and such findings are contrary to the admissions of both appellant and appellee; (6) the judgment of the Court of Appeals is premised on a misapprehension of facts; (7) the Court of Appeals fails to notice certain relevant facts which, if properly considered, will justify a different conclusion; and (8) the findings of fact of the Court of Appeals are contrary to those of the trial court or are mere conclusions without citation of specific evidence, or where the facts set forth by the petitioner are not disputed by respondent, or where the findings of fact of the Court of Appeals are premised on the absence of evidence but are contradicted by the evidence on record.<sup>[21]</sup> However, this Court finds that none of these exceptions are present in the instant case.

Moreover, the Court finds no cogent reason to depart from the assailed findings of the CA on the following grounds:

*First*, petitioners simply alleged, without any proof, that they did not mortgage the subject property and that respondent and her cohorts defrauded them in obtaining possession of the disputed TCT. However, the rule is well settled that he who alleges a fact has the burden of proving it and a mere allegation is not evidence.<sup>[22]</sup>

*Second*, the real estate mortgage contract between the parties was notarized. A notarized document carries the evidentiary weight conferred upon it with respect to its due execution, and it has in its favor the presumption of regularity which may only be rebutted by evidence so clear, strong and convincing as to exclude all controversy as to the falsity of the certificate.<sup>[23]</sup> Absent such, the presumption must be upheld.<sup>[24]</sup> The burden of proof to overcome the presumption of due execution of a notarial document lies on the one contesting the same.<sup>[25]</sup> Furthermore, an allegation of forgery must be proved by clear and convincing evidence, and whoever alleges it has the burden of proving the same.<sup>[26]</sup> As stated