

SECOND DIVISION

[G.R. NO. 150798, March 31, 2005]

**RUDECON MANAGEMENT CORPORATION, PETITIONER, VS.
SISENANDO S. SINGSON, RESPONDENT.**

D E C I S I O N

CALLEJO, SR., J.:

In this petition for review under Rule 45 of the Revised Rules of Court, petitioner Rudecon Management Corporation seeks the reversal of the two (2) Resolutions^[1] of the Court of Appeals in CA-G.R. CV No. 64281. The first resolution denied petitioner's omnibus motion to dismiss CA-G.R. CV No. 64281, while the second denied the petitioner's motion for reconsideration thereof.

The Antecedents

The spouses Pablo and Ma. Theresa P. Tolentino were the owners of a condominium unit (Room 302) in the Tempus Place I Condominium located at Matalino St., Diliman, Quezon City, covered by Condominium Certificate of Title (CCT) No. 8876. In 1993, Rudecon Management Corporation (RMC) executed a Deed of Absolute Sale^[2] in favor of the spouses Tolentino over its condominium unit, Room 404, at the same Tempus Place I Condominium covered by CCT No. 3295 for P600,000.00. Sisenando S. Singson, on the other hand, was the owner of two condominium units in the Tempus Place II Condominium, Unit A covered by CCT No. 5013, and Unit B covered by CCT No. 5014.

On April 18, 1997, the spouses Tolentino and Sisenando Singson executed a Deed of Exchange^[3] in which the latter deeded his condominium units (Units A and B) to the spouses Tolentino in exchange for Rooms 302 and 404, which the spouses Tolentino deeded to Singson.

On or about September 15, 1987, RMC filed a complaint against Ramon Veluz for unlawful detainer with the Metropolitan Trial Court of Quezon City (MeTC), Branch 41. RMC sought the eviction of Ramon Veluz from Room 404, which the latter leased from Singson on August 7, 1995. The complaint was docketed as Civil Case No. 18436.

The decision of the MeTC was appealed to the Regional Trial Court (RTC), docketed as Civil Case No. 35326.

On September 3, 1998, Singson filed a complaint against the RMC for the reconveyance of Room 404 covered by Condominium Certificate of Title (CCT) No. 3295 with damages. Singson alleged, inter alia, that Pablo Tolentino acquired ownership over the unit based on the deed of absolute sale executed by RMC covering the said unit; he acquired ownership over the same based on the "unit-

swapping arrangement” between him and the spouses Tolentino; he later leased the unit to Veluz; despite its knowledge of his ownership over the unit and that he had leased the same to Veluz, RMC, nevertheless, filed a complaint for unlawful detainer against his lessee; and despite demands, RMC refused to turn over to him CCT No. 3295 to enable him to register the title over the unit in his name.

Singson prayed that judgment be rendered in his favor for damages and that –

... the Defendant be ordered to reconvey to the Plaintiff Condominium Certificate of Title No. 3295 over the subject property issued by the Registry of Deeds of Quezon City in the name of the Defendant in order that the Plaintiff may register the same under his name and for this purpose, that the Defendant be ordered to execute the duly notarized deed of absolute sale thereover in favor of Pablo C. Tolentino and/or the Plaintiff by virtue of the swapping arrangement between the latter. ...^[4]

The case was docketed as Civil Case No. 98-35444. Singson appended to his complaint the Deed of Absolute Sale executed by RMC in favor of the spouses Tolentino.

Singson, thereafter, filed an amended complaint wherein he alleged the following:

3. That the Plaintiff is the actual owner of a condominium unit designated as Unit 404, with an area of sixty point two square meters (60.2 sq. m.) in the Tempus I Condominium located at 21 Matalino Street, Diliman, Quezon City, Metro Manila, by virtue of a unit-swapping arrangement between the latter and one Pablo C. Tolentino; That on April 18, 1997, a deed of exchange, hereto marked Annex “A,” was executed by the parties to formalize the swapping arrangement previously entered by the parties; of which swapping arrangement, defendant Rudecon Management Corporation, through its president Rudegelio Tacorda has full knowledge per its letter dated March 5, 1997 advising Pablo Tolentino and Petitioner to formalize the same, copy of which letter is marked as Annex “B”; That said Pablo C. Tolentino was the owner of said Unit 404 as his share in the joint construction venture with defendant, under an unnotarized deed of absolute sale, valid between the parties, executed by the Defendant Rudecon Management Corporation in his favor dated February 1993, a copy of which is attached and made an integral part hereof as Annexes “C” and “C-1”; That the subject unit is covered by one Condominium Certificate of Title No. 3295 issued by the Registry of Deeds of Quezon City in the name of the Defendant, a copy of which is attached hereto and made an integral part hereof as Annex “D,” and that said condominium certificate of title was never transferred by the Defendant to Pablo C. Tolentino and to this day still remains in the name of Defendant despite the latter’s execution of a deed of absolute sale in favor of the former;

...

8. That it likewise appears that defendant through its president Rudegelio Tacorda maliciously and falsely claiming ownership over subject condominium unit mortgaged the same to Allied Banking Corporation for

a reported sum of not less than P2,000,000.00 as per attached letter dated February 14, 1997 marked Annex "H" to the great prejudice and damage, representing actual, moral and exemplary damages, of herein plaintiff in the sum of not less than P2,000,000.00.^[5]

Singson prayed that judgment be rendered in his favor, thus:

Upon the additional cause of action alleged in paragraph 8 of this Amended Complaint, it is further prayed that defendant be adjudged to pay the plaintiff the sum of not less [than] P2,000,000.00 by way of actual, moral and exemplary damages.

It is also respectfully prayed of this Honorable Court that the Defendant be ordered to liquidate its mortgage indebtedness with the Allied Banking Corporation upon subject unit and thereafter to reconvey to the Plaintiff Condominium Certificate of Title No. 3295 over the subject property issued by the Registry of Deeds of Quezon City in the name of the Defendant free from any liens or encumbrances in order that the Plaintiff may register the same in his name and for this purpose, that the Defendant be ordered to execute the duly notarized deed of absolute sale over subject condominium unit in favor of the Plaintiff as transferee from the former owner Pablo Tolentino by virtue of the swapping arrangement and deed of exchange between the parties.

Other relief as may be just and equitable under the circumstances are likewise prayed for. ...^[6]

Singson also executed a "Verification and Affidavit of Non-Forum Shopping," wherein he stated that –

... That if I should thereafter learn that a similar action or proceeding has been filed or is pending before the Supreme Court, the Court of Appeals, or any other tribunal or agency, I undertake to report such fact within five (5) days therefrom to this Honorable Court. ...^[7]

RMC filed a motion to dismiss the amended complaint on the following grounds:

I.

PLAINTIFF'S AMENDED COMPLAINT STATES NO CAUSE OF ACTION (SECTION 1[g], RULE 16) BECAUSE, UNDER ART. 1311 OF THE NEW CIVIL CODE IN RELATION TO SECTION 28, RULE 130, DEFENDANT IS NOT BOUND BY EITHER THE ALLEGED DEED OF EXCHANGE (ANNEX A, COMPLAINT) OR THE ALLEGED VERBAL SWAPPING AGREEMENT BETWEEN PLAINTIFF AND PABLO TOLENTINO CONSIDERING THAT DEFENDANT IS NOT A PARTY OR PRIVY TO SAID DEED OR AGREEMENT AND FURTHER CONSIDERING THAT THE DEED OF EXCHANGE IS SIMULATED AND FORGED.

II.

PLAINTIFF'S AMENDED COMPLAINT STATES NO CAUSE OF ACTION

BECAUSE PLAINTIFF, NOT BEING A REAL PARTY- IN-INTEREST, DOES NOT HAVE THE LEGAL PERSONALITY TO SUE FOR THE PERFORMANCE OR ENFORCEMENT OF THE UNNOTARIZED DEED OF SALE (ANNEX C, COMPLAINT) BETWEEN DEFENDANT AND PABLO TOLENTINO TO WHICH PLAINTIFF IS ADMITTEDLY NOT A PARTY OR PRIVY.

III.

PLAINTIFF'S AMENDED COMPLAINT STATES NO CAUSE OF ACTION BECAUSE PLAINTIFF HAS ADMITTEDLY NOT TRANSFERRED OWNERSHIP OF CCT NOS. 1503 (SIC) AND 1504 (SIC) TO PABLO TOLENTINO AND INSTEAD PLAINTIFF HOLDS ON TO SAID TITLES AND CONTINUES TO OCCUPY THE CONDOMINIUM UNITS THEREOF THEREBY PRECLUDING AND BELYING THE DAMAGE SUPPOSEDLY SUSTAINED BY PLAINTIFF. MOREOVER, THE AMENDED COMPLAINT IS BUT PLAINTIFF'S MALICIOUS ATTEMPT AT UNJUST ENRICHMENT AT DEFENDANT'S EXPENSE.

IV.

PLAINTIFF'S AMENDED COMPLAINT STATES NO CAUSE OF ACTION AS THE RELIEF OF RECONVEYANCE SOUGHT BY HIM IS NOT A PROPER REMEDY AND CANNOT BE GRANTED BY THIS HONORABLE COURT BECAUSE ADMITTEDLY CCT NO. 3295 IS VALID AND GENUINE AND THERE IS NO WRONGFUL OR ERRONEOUS REGISTRATION THEREOF IN DEFENDANT'S NAME THAT WOULD WARRANT RECONVEYANCE AS A LEGAL REMEDY.^[8]

RMC averred that it was not a party to the deed of exchange executed by Singson and the spouses Tolentino; hence, it could not be compelled to reconvey the subject unit to Singson. And since it was not a party to the said deed of exchange, Singson had no right to enforce the same against it. Hence, despite the deed of exchange, Singson continued to occupy Units A and B and failed to transfer the same to the spouses Tolentino.

RMC maintained that Singson was not entitled to the reconveyance of the unit since there was no allegation in the complaint that it had been erroneously or fraudulently registered in the name of another person.^[9]

On April 7, 1999, the trial court issued an Order^[10] granting the motion and dismissing the complaint. Singson then filed a motion for the reconsideration of the Order and for the inhibition of the Presiding Judge of the court. On June 30, 1999, the trial court issued an Order^[11] denying the motion for reconsideration, but granted the motion for inhibition. Hence, Singson appealed the April 7, 1999 Order of the trial court to the CA, docketed as CA-G.R. CV No. 64281.

In the meantime, Singson filed another complaint with the RTC of Quezon City, this time against Allied Banking Corporation and the Sheriff's Office of Quezon City, for the annulment of the Sheriff's Sale at Public Auction of Room 302 (covered by CCT No. 8876) in favor of the said bank. He alleged, inter alia, that as early as June 1995, he became the owner of Room 302 and Room 404 based on his verbal agreement with the spouses Tolentino which was contextualized via their deed of

exchange. Allied Banking Corporation had been informed of his ownership and occupancy of Room 302 as early as 1995. He then offered Unit A (covered by CCT No. 5013) for Room 302, as substitute collateral for the payment of the loan of Pablo Tolentino which the latter endorsed to the bank. Singson also alleged that the extrajudicial sheriff's foreclosure of the mortgage and the subsequent sale was illegal for want of notice and publication, including for the following reasons:

... [T]he defendant bank employed deceptive and fraudulent scheme to consummate the Sheriffs' Auction Sale to the prejudice of the plaintiff.

17. Defendant bank confused and misled the plaintiff by accepting Condominium Unit No. 302 with CCT No. 8876 and allowed it to be used as a collateral to secure a loan of P2 Million and the Bank is fully aware that said condominium unit is owned and occupied by the plaintiff and thereafter foreclosed it without notice to the plaintiff. Defendant bank is fully aware that plaintiff exercises rights of possession and ownership on the said property since defendant bank was duly informed by plaintiffs about the physical possession thereof and the Deed of Exchange.^[12]

Singson prayed that judgment be rendered in his favor as follows:

ON THE ISSUANCE OF PRELIMINARY INJUNCTION AND TEMPORARY RESTRAINING ORDER

1. A temporary restraining Order be issued ex parte restraining/preventing defendant or any of its agents to consolidate/repossess the Real Estate property identified as Condo Unit No. 302 with CCT No. 8876 of the Register of Deeds of Quezon City and after due hearing, the Temporary Restraining Order be made permanent.

ON THE MAIN CAUSE OF ACTION

2. An order be issued declaring the foreclosure sale and the Sheriff's sale of condominium unit No. 302 with CCT No. 8876 as null and void.
3. An Order be issued declaring defendant bank liable for moral damages in the amount of Two Million Pesos (P2,000,000.00), exemplary damages of Fifty Thousand Pesos (P50,000.00) and ordering the defendant bank to pay the attorney's fees in the amount of Three Hundred Thousand Pesos (P300,000.00) and appearance fee of Five Thousand Pesos (P5,000.00) per hearing.
4. Plus cost of suit.

Other reliefs just and equitable in the premises are likewise prayed for.^[13]

Singson signed his Affidavit of Non-Forum Shopping in this manner:

VERIFICATION AND AFFIDAVIT OF NON-FORUM SHOPPING

I, SISENANDO S. SINGSON, subscribing under oath do hereby depose and say that: