

FIRST DIVISION

[G.R. No. 160748, July 14, 2004]

**SPOUSES ANTONIO AND LUCY VERA CRUZ, PETITIONERS, VS.
LUCY CALDERON, RESPONDENT.**

D E C I S I O N

YNARES-SANTIAGO, J.:

Before us is a petition for review on *certiorari* under Rule 45 of the Rules of Court assailing the Court of Appeals' Decision^[1] dated August 20, 2003 in CA-G.R. CV No. 57900 which affirmed with modifications the Decision of the Regional Trial Court of Laguna, Branch 31. Likewise, challenged is the Resolution dated November 10, 2003 of the Court of Appeals denying petitioners' motion for reconsideration.^[2]

The antecedent facts are as follows:

Lucy Calderon and Avelino Belisario, Jr. were married on January 31, 1967.^[3] On October 23, 1970,^[4] they bought a parcel of land with an area of 248 square meters, located on Mabini Street, Poblacion, Biñan, Laguna, from Avelino's aunt, Margarita Arguelles. Accordingly, Transfer Certificate of Title No. 10744 was issued in the name of "Avelino Belizario, Jr., married to Lucy Calderon." The spouses separated in 1981 and Lucy resided with her children in Garcia Subdivision, San Antonio, Biñan, Laguna.

On June 3, 1986, Avelino sold the subject property to petitioner spouses Antonio and Lucy Vera Cruz.^[5] The Vera Cruz spouses registered the sale on July 30, 1986 and TCT No. T-143101 was issued in their name.^[6] When Avelino died on November 20, 1993, his wife, respondent Lucy Calderon, discovered that their conjugal property had been sold by her husband without her knowledge and consent and that her signature on the Deed of Sale had been forged. Hence, she filed a complaint against the Vera Cruz spouses for annulment of Deed of Absolute Sale and TCT No. T-143101 with the Regional Trial Court of San Pedro, Laguna, Branch 31, which case was docketed as Civil Case No. B-4488.

In their answer, petitioner spouses assert that they purchased the property in good faith and for value. In 1984, Avelino offered to lease the land to Antonio's brother, Joselito Vera Cruz.^[7] The latter, as manager of the store and vice-president of VeraCruz, Inc., entered into a verbal lease agreement with Avelino for a period of two (2) years.^[8] In May 1986, at about the time the lease expired, Avelino and Joselito visited petitioners in Marikina. Avelino offered to sell the land to them.^[9] He showed them the owner's duplicate title of the property as well as the Deed of Sale executed by Margarita Arguelles, which were both in his name. Thus, petitioners were convinced that the lot was Avelino's exclusive property.^[10] This

notwithstanding, they asked Avelino to bring his wife during the execution of the deed of sale.^[11]

On June 3, 1986, Joselito and petitioner spouses, along with Avelino and a woman, whom he introduced as his wife, Lucy Calderon, met and executed the deed of sale before Notary Public Atty. Democlito J. Angeles.^[12] Thereafter, petitioners filed the Deed of Sale with the Registry of Deeds of Laguna.

After trial, the trial court rendered a Decision in favor of respondent Lucy Calderon,^[13] the dispositive portion of which states:

WHEREFORE, judgment is hereby rendered in favor of the plaintiff and against defendants:

1. declaring null and void the Deed of Absolute Sale dated June 3, 1986 (Exhibits D and 4) as null and void (sic) insofar as the share of plaintiff on the lot in litigation is concerned;
2. ordering the Register of Deeds of Laguna, Calamba Branch to cancel TCT No. T-14101 (Exhibits B and 5) in the name of defendants Antonio Vera Cruz and Lucy Vera Cruz and issue a new one in lieu thereof in the names of the said defendant spouses over the ½ undivided share and in the name of plaintiff over the other half of the subject lot; and
3. ordering the defendant spouses to pay plaintiff P20,000 for and as attorney's fees.

Costs against the defendants.

SO ORDERED.

In so ruling, the trial court declared that the subject parcel of land was presumed conjugal under Article 160 of the Civil Code,^[14] and that petitioners were negligent in failing to inquire into the ownership of the property purchased.

Petitioners appealed to the Court of Appeals, which affirmed the decision of the trial court with modification, and ruled:

WHEREFORE, premises considered, the assailed decision is hereby AFFIRMED with modification. We find the appellants purchasers in good faith and We delete the award of attorney's fees and costs:

1. Declaring null and void the Deed of Absolute Sale dated June 3, 1986 (Exhibits D and 4) as null and void insofar as the share of plaintiff on the lot in litigation is concerned; and,
2. Ordering the Register of Deeds of Laguna, Calamba Branch to cancel TCT No. 14101 (Exhibits B and 5) in the name of defendants Antonio Vera Cruz and Lucy Vera Cruz and issue a new one in lieu thereof in the names of the said defendant spouses over the ½ undivided share and in the name of the plaintiff over the other half of the subject lot.

No costs.

SO ORDERED.

Hence this petition anchored on the sole ground that:

THE HONORABLE COURT OF APPEALS COMMITTED GRAVE ABUSE OF DISCRETION AMOUNTING TO LACK OR IN EXCESS OF JURISDICTION IN HOLDING THAT ALTHOUGH PETITIONERS ARE BUYERS IN GOOD FAITH AND FOR VALUE OF THE LAND IN QUESTION, THEY ARE ONLY ENTITLED TO OWN ONE HALF PORTION THEREOF AND THAT RESPONDENT LUCY CALDERON IS ENTITLED TO THE OTHER HALF PORTION.

As a general rule, only questions of law may be raised in a petition for review on certiorari to the Supreme Court. Although it has long been settled that findings of fact are conclusive upon this Court, there are exceptional circumstances which would require us to review findings of fact of the Court of Appeals,^[15] to wit:

It is well settled that the findings of facts of the Court of Appeals are conclusive on the parties and on this Court, unless (1) the conclusion is a finding grounded entirely on speculation, surmise and conjectures; (2) the inference made is manifestly mistaken; (3) there is grave abuse of discretion; (4) the judgment is based on misapprehension of facts; (5) the findings of fact are conflicting; (6) the Court of Appeals went beyond the issues of the case and its findings are contrary to the admissions of both appellant and appellees; (7) the findings of fact of the Court of Appeals are contrary to those of the trial court; (8) said findings of fact are conclusions without citation of specific evidence on which they are based; (9) the facts set forth in the decision as well as in the petitioner's main and reply briefs are not disputed by the respondents; (10) the finding of fact of the Court of Appeals is premised on the supposed absence of evidence and is contradicted by evidence on record. (Emphasis supplied)

The case at bar falls under one of the exceptions, it appearing that there was a disparity between the findings of the trial court and those of the Court of Appeals on the issue of whether petitioners were purchasers in good faith.

Reviewing the contradicting factual findings of the courts below, we agree with the following findings of the Court of Appeals that petitioners are purchasers in good faith:

Under the circumstances of the case, they are entitled to claim the status of innocent purchasers for value. They exercised the necessary diligence in ascertaining the credentials of the seller, the registered owner himself, Avelino Belisario, Jr.

We cannot charge said appellants with negligence since, at the time of the sale to them, the land was registered in the name of the vendor and the tax declaration was also issued in the latter's name. It was also clearly indicated at the back of the transfer certificate of title that Avelino acquired ownership over the said land by virtue of the Deed of Sale. Even appellee confirmed that they bought the property. There is no