

SECOND DIVISION

[G.R. No. 182758, May 30, 2011]

LAND BANK OF THE PHILIPPINES, PETITIONER, VS. HEIRS OF SEVERINO LISTANA, RESPONDENTS.

D E C I S I O N

The Case

This is a petition^[1] for review on certiorari under Rule 45 of the Rules of Court. The petition challenges the 30 January 2008 Decision^[2] and 6 May 2008 Resolution^[3] of the Court of Appeals in CA-G.R. SP No. 92701. The Court of Appeals affirmed *in toto* the 4 August^[4] and 18 October^[5] 2005 Orders of the Regional Trial Court, Judicial Region 5, Branch 51, Sorsogon City (RTC), in Civil Case No. 2001-6803.

The Facts

Severino Listana (Listana) owned a 246.0561-hectare parcel of land in Inlagadian, Casiguran, Sorsogon, covered by Transfer Certificate of Title No. T-20193. Listana voluntarily sold the property to the government, through the Department of Agrarian Reform, under Republic Act (RA) No. 6657, otherwise known as the Comprehensive Agrarian Reform Law of 1988.

The Department of Agrarian Reform Adjudication Board (DARAB) of Sorsogon commenced summary administrative proceedings to determine the amount of just compensation for the property. In its 14 October 1998 Decision, the DARAB set the amount at P10,956,963.25 and ordered petitioner Land Bank of the Philippines (LBP) to pay Listana the same.

On 18 June 1999, the Provincial Agrarian Reform Adjudicator (PARAD) issued a writ of execution ordering Land Bank Manager and Agrarian Operations Center Head Alex A. Lorayes (Lorayes) to pay Listana P10,956,963.25. Lorayes refused. Thus, on 2 September 1999, Listana filed with the PARAD a motion for contempt against Lorayes.

On 6 September 1999, LBP filed with the Regional Trial Court, Judicial Region 5, Branch 52, Sorsogon City, acting as special agrarian court (SAC), a petition for judicial determination of the amount of just compensation for the property. LBP challenged the amount set by the DARAB and prayed that the amount be fixed at P5,871,689.03.

The PARAD granted Listana's motion for contempt. In its 20 August 2000 Order, the PARAD cited Lorayes for indirect contempt and ordered his imprisonment until he complied with the DARAB's 14 October 1998 Decision.

In its 25 October 2000 Order, the SAC dismissed LBP's petition for judicial

determination of the amount of just compensation for the property. LBP appealed the 25 October 2000 Order.

In its 27 November 2000 Resolution, the PARAD ordered the issuance of an alias writ of execution, ordering LBP to pay Listana P10,956,963.25. On 3 January 2001, the PARAD issued a warrant of arrest against Lorayes.

LBP filed with the RTC a petition for injunction with application for the issuance of a writ of preliminary injunction enjoining PARAD from implementing the warrant of arrest against Lorayes. In its 29 January 2001 Order, the RTC enjoined the PARAD from implementing the warrant of arrest pending final determination of the amount of just compensation for the property. LBP posted a P5,644,773.02 cash bond. The dispositive portion of the 29 January 2001 Order stated:

WHEREFORE, premises considered, the respondent Provincial Adjudicator of the DARAB or anyone acting in its stead is enjoined as it is hereby enjoined from enforcing its order of arrest against Mr. Alex A. Lorayes pending the final termination of the case before RTC Branch 52, Sorsogon upon the posting of a cash bond by the Land Bank.

SO ORDERED.^[6]

Listana filed with the RTC a motion for reconsideration. In its 2 April 2001 Order, the RTC denied the motion. Listana filed with the Court of Appeals a petition for certiorari under Rule 65 of the Rules of Court. In its 11 December 2001 Decision, the Court of Appeals set aside the 29 January and 2 April 2001 Orders of the RTC.

LBP filed with the Court a petition for review on certiorari under Rule 45 of the Rules of Court. In *Land Bank of the Philippines v. Listana, Sr.*,^[7] the Court set aside the 11 December 2001 Decision of the Court of Appeals and reinstated the 29 January and 2 April 2001 Orders of the RTC enjoining the PARAD from implementing the warrant of arrest pending final determination of the amount of just compensation for the property.

The Court declared void all proceedings that stemmed from Listana's motion for contempt. The Court held that:

Hence, the contempt proceedings initiated through an unverified "Motion for Contempt" filed by the respondent with the PARAD were invalid for the following reasons: First, the Rules of Court clearly require the filing of a verified petition with the Regional Trial Court, which was not complied with in this case. The charge was not initiated by the PARAD *motu proprio*, rather, it was by a motion filed by respondent. Second, neither the PARAD nor the DARAB have jurisdiction to decide the contempt charge filed by the respondent. The issuance of a warrant of arrest was beyond the power of the PARAD and the DARAB. Consequently, all the proceedings that stemmed from respondent's "Motion for Contempt," specifically the Orders of the PARAD dated August 20, 2000 and January 3, 2001 for the arrest of Alex A. Lorayes, are null and void.

WHEREFORE, in view of the foregoing, the petition for review is **GRANTED**. The Decision of the Court of Appeals in CA-G.R. SP No. 65276,

dated December 11, 2001, is *REVERSED* and *SET ASIDE*. The Order of the Regional Trial Court of Sorsogon, Sorsogon, Branch 51, dated January 29, 2001, which enjoined the Provincial Adjudicator of the DARAB or anyone acting in its stead from enforcing its order of arrest against Mr. Alex A. Lorayes pending the final termination of the case before Regional Trial Court of Sorsogon, Sorsogon, Branch 52, is *REINSTATED*.

SO ORDERED.^[8]

On 26 May 2004, LBP filed with the RTC a motion^[9] to withdraw the P5,644,773.02 cash bond. LBP stated that:

LAND BANK OF THE PHILIPPINES, through counsel unto this Honorable Court, respectfully avers:

1. That last February 1, 2001, LANDBANK posted cash bond covered by Official Receipt No. 7135588 dated January 31, 2001 in the amount of P5,644,773.02. [C]opy of the Order, Official Receipt and deposit slip are hereto attached as Annexes "A", "B", and "C";

2. That on August 5, 2003, the Supreme Court issued a Decision in G.R[.] No. 152611 entitled "Land Bank of the Philippines versus Severino Listana", the dispositive portion is quoted as follows:

"WHEREFORE, in view of the foregoing, the petition for review is GRANTED. The Decision of the Court of Appeals in CA-G.R. SP No. 65276, dated December 11, 2001, is REVISED [sic] and SET ASIDE. The Order of the Regional Trial Court of Sorsogon, Sorsogon, Branch 51, dated January 29, 2001, which enjoined the Provincial Adjudicator of the DARAB or anyone acting in its stead from enforcing its order or [sic] arrest against Mr. Alex A. Lorayes pending the final termination of the case before Regional Trial Court of Sorsogon, Sorsogon, Branch 52, is REINSTATED.

SO ORDERED."

3. That on February 26, 200 [sic], an Entry of Judgment was issued by the Supreme Court making the Decision in G.R. No. 152611 final and executory. Copy of the Entry of Judgment is hereto attached as Annex "D".

WHEREFORE, premises considered it is most respectfully prayed that the cash bond put up by Land Bank of the Philippines be released[.]^[10]

The RTC's Ruling

In its 4 August 2005 Order, the RTC denied LBP's motion to withdraw the P5,644,773.02 cash bond. The RTC held that:

The Court finds the Land Bank's Motion without merit inasmuch as the arguments raised therein are specious. Contrary to Land Bank's conclusion, this Court holds otherwise that the cash bond did not become

moot and academic upon the finality of the Supreme Court's decision dated August 5, 2003. This is so because the underlying reason for the posting of the cash bond still remains despite the decision of the Supreme Court upholding the unconstitutionality of the order of arrest issued by PARAD. And that reason is the distinctive fact that the cash bond was put up in order to secure any damages that the private respondent Listana may incur by reason of the issuance of the injunction order. The damages being referred to, that is -- the legal right of Mr. Listana to be justly and promptly paid of his expropriated property -- was not effectively extinguished by the mere decision of the Supreme Court declaring the illegality of the order of arrest issued by the PARAD against Mr. Alex Lorayes. In fact, the Court's ruling did not in any way, expressly or impliedly, ordered [sic] the release of the cash bond in Land Bank's favor despite that the latter's petition was upheld with finality by the Supreme Court.

Indeed, the cash bond did not become moot and academic as clearly intensioned in the Supreme Court's decision dated August 5, 2003. A simple reading of its dispositive portion would crystallize to anyone's mind that the final resolution of the case, including all the issues interwoven therein, is conditioned on the final determination of the just compensation case filed before Branch 52, RTC-Sorsogon and now pending before the Supreme Court. It clearly means therefore that the release of the cash bond to either party being one of the issues necessarily included in this case, would depend on the final termination of the main action -- the just compensation case. To this date, the Supreme Court has not rendered a resolution pertaining thereto.

In adopting this line of reasoning, this Court is merely upholding with consistency the tenor and intent of its Order dated January 29, 2001. In issuing the injunction order against the PARAD, the Court did not only recognize the right of Mr. Alex Lorayes against illegal arrest but at the same time protected the inherent right of Mr. Severino Listana to be justly and promptly paid of his expropriated property, hence it ordered the petitioner to post a cash bond in the amount of P5,644,773.02, the almost exact amount Mr. Listana could have collected as payment from Land Bank had it not for the injunction order. At this juncture also, the Court would not be persuaded with Land Bank's contention that the cash bond be released in [sic] its favor for the reason that the same was drawn not from the agrarian fund but advanced from its capital fund as part of litigation expenses. The internal operations of Land Bank is of no moment under the instant case. When the injunctive order was issued; it was clear to Land Bank that the cash bond posted was precisely meant to secure the unpaid balance due to Mr. Listana. To adhere to Land Bank's contention would effectively defeat the purpose of the injunction bond and to subject again the landowner to another circuitous mode of collecting compensation for his property in case the just compensation case be resolved in his favor. Therefore, in the interest of social justice, the Court deems it wise to preserve the status quo with regards [sic] to the cash bond. It shall not be dissolved at the moment and shall stay pending the final termination of the just compensation case.^[11]

LBP filed a motion for reconsideration. In its 18 October 2005 Order, the RTC denied the motion. LBP filed with the Court of Appeals a petition^[12] for certiorari under Rule 65 of the Rules of Court.

The Court of Appeals' Ruling

In its 30 January 2008 Decision, the Court of Appeals dismissed LBP's petition and affirmed *in toto* the RTC's 4 August and 18 October 2005 Orders. The Court of Appeals held that:

It is plain to see from the Supreme Court's decision that only the *Orders* of the PARAD dated 20 August 2000 and 3 January 2001 for the arrest of Lorayes were nullified.

A reading of the Supreme Court's decision will show that the nullification of the orders of the PARAD stemmed not from the correctness of Lorayes' refusal to execute the DARAB's decision nor from the entitlement of Land Bank to enjoin such execution. Rather, it is grounded on the adoption of the improper mode of initiating the contempt proceedings, and on PARAD's lack of jurisdiction to decide the contempt charge. Hence, the absence of any pronouncement in the Supreme Court's decision finally deciding the issue of whether or not Land Bank is permanently entitled to enjoin the payment of P10,956,963.25 to the Heirs of Listana. In fact, the dispositive portion unequivocally upholds and reinstates only the court *a quo's* grant of the writ of *preliminary* injunction.

It must be stressed that it is the dispositive part of the judgment that actually settles and declares the rights and obligations of the parties, finally, definitively, and authoritatively, notwithstanding the existence of statements in the body that may tend to confuse.

Thus, notwithstanding its pronouncement that neither the PARAD nor the DARAB had any authority to cite Lorayes in contempt and order his arrest, the Supreme Court's decision cannot be used as basis to release the injunction bond posted by Land Bank, inasmuch as the decision upheld and reinstated the court *a quo's* issuance of the writ of preliminary injunction. Without the injunction bond, the writ of preliminary injunction would be invalid.

A preliminary injunction or temporary restraining order may be granted only when, among others, the applicant, unless exempted by the court, files with the court where the action or proceeding is pending, a bond executed to the party or person enjoined, in an amount to be fixed by the court, to the effect that the applicant will pay such party or person all damages which he may sustain by reason of the injunction or temporary restraining order if the court should finally decide that the applicant was not entitled thereto.

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In the case at bar, the writ of preliminary injunction is directed at the PARAD's orders to arrest Lorayes for refusing to comply with the DARAB's