

THIRD DIVISION

[G.R. No. 198160, August 31, 2016]

**VICTORIA P. CABRAL, PETITIONER, VS. GREGORIA ADOLFO,
GREGORIO LAZARO AND HEIRS OF ELIAS POLICARPIO,
RESPONDENTS.**

DECISION

REYES, J.:

This appeal by petition for review on *certiorari*^[1] seeks to annul and set aside the Decision^[2] dated March 30, 2011 and Resolution^[3] dated August 17, 2011 of the Court of Appeals (CA) in CA-G.R. SP No. 108274, which reversed the Decision^[4] dated July 29, 2008 and Resolution^[5] dated March 11, 2009 of the Department of Agrarian Reform and Adjudication Board (DARAB) in DARAB Case No. 13552. The DARAB judgment affirmed the Decision^[6] dated June 18, 2004 of the Provincial Agrarian Reform Adjudicator (PARAD) of Bulacan cancelling the Emancipation Patents (EPs) and Transfer Certificates of Title (TCTs) of Gregoria Adolfo (Adolfo), Gregorio Lazaro (Lazaro) and the Heirs of Elias Policarpio (collectively, the respondents).

The Facts

The subject of this case is a parcel of land owned by petitioner Victoria P. Cabral (Cabral), known as Lot 4, situated at Barangay Iba (formerly Pantok), Meycauayan, Bulacan, covered by Original Certificate of Title (OCT) No. 0-1670 [now OCT No. 0-220(M)] of the Registry of Deeds (RD) of Bulacan, and which was placed under the Operation Land Transfer (OLT) program under Presidential Decree (P.D.) No. 27.^[7]

Accordingly, on April 25, 1988, EPs were issued covering portions of Lot 4, and the corresponding TCTs were subsequently issued in favor of the respondents.^[8]

To these issuances, Cabral initiated a petition for the cancellation of the said EPs and TCTs against the respondents before the PARAD of Bulacan docketed as Case No. R-03-0242-03.^[9] In her petition, Cabral argued that: (1) the EPs covered non-agricultural lands which were outside the coverage of the OLT program; (2) the EPs were issued without due notice and hearing; and (3) no Certificates of Land Transfer (CLTs) were previously issued over Lot 4.

Respondents Adolfo and Lazaro moved to dismiss the petition on the grounds of lack of jurisdiction, lack of personality to sue, and prescription;^[10] however, it was denied. The respondents then filed a petition for *certiorari* and prohibition before the CA but it was dismissed for their failure to exhaust administrative remedies.^[11]

On June 18, 2004, the PARAD rendered its Decision^[12] cancelling the EPs of the respondents and ordering the RD of Meycauayan, Bulacan, to revive Cabral's OCT No. 0-1670, to wit:

WHEREFORE, premises considered, judgment is hereby rendered, as follows:

1. Ordering the [RD] of Bulacan to cancel the EP Titles issued to the private respondents, as follows: FLORENCIO ADOLFO-TCT No. EP-003, FLORENCIO ADOLFO-TCT No. EP-004, GREGORIA ADOLFO-TCT No. EP-005, GREGORIA ADOLFO-TCT No. EP-006, GREGORIO LAZARO-TCT No. EP-007, GREGORIO LAZARO-TCT No. EP-008, ELIAS POLICARPIO-TCT No. EP-010, ELIAS POLICARPIO-TCT No. EP-009;
2. Ordering the private respondents and all persons claiming rights and interest under them to vacate the landholdings under their respective possessions and surrender the same to [Cabral];
3. Ordering the [RD] of Bulacan to [revive] OCT No. 0-220-(M) (Formerly OCT No. 0-1670) registered under the name of [Cabral], insofar as Lot 4 thereof is concerned.

SO ORDERED.^[13]

The PARAD ruled that: (1) Lot 4 is a residential lot and not an agricultural one, citing the 1983 zoning map of Meycauayan, Bulacan and the certification^[14] dated February 24, 1983 of Meycauayan's zoning administrator; (2) as early as October 1, 1973, the DAR Distric Officer Fernando Ortea (Ortega) had already made a declaration that Lot 4 was not covered by the OLT program;^[15] thus, it could not have been transferred to the tenants through the issuance of CLTs; and (3) DAR's declaration of non-coverage in the OLT program signified that Lot 4 was either untenanted or was not agricultural.^[16]

Aggrieved, the respondents appealed the aforesaid PARAD decision to the DARAB Quezon City which was docketed as DARAB Case No. 13552.^[17]

In its Decision^[18] dated July 29, 2008, the DARAB affirmed the PARAD's decision that Lot 4 was not covered by the OLT program and no CLTs were issued over it. The heirs of Florencio Adolfo and the heirs of Elias Policarpio sought reconsideration^[19] thereto but the same was denied.^[20]

Hence, the respondents filed a petition for review^[21] with the CA.

Ruling of the CA

On March 30, 2011, the CA Decision^[22] granted the petitiOn, and reversed and set aside the rulings of the DARAB. The CA defined the main issue in controversy as to whether Lot 4 does not fall within the coverage of the OLT program under P.D. No. 27 so as to warrant the cancellation of the EPs and TCTs issued in favor of the respondents.

In reversing the DARAB, the CA pointed out that the records of the case are bereft of any evidence showing that an order of conversion or a declaration from the DAR Secretary was issued which placed Lot 4 outside the coverage of the OLT program.

[23] The CA then ruled that the two certifications issued by the Office of the Zoning Administrator could not be considered as ordinances issued by the Municipality of Meycauayan since the classification of the lands is merely based on the official zoning map of the municipality and not on a municipal ordinance issued for that purpose. Moreso, the said certifications are silent as to when the subject landholdings became parts of the residential/industrial zone.[24]

The CA further said that the 2nd endorsement dated October 1, 1973 issued by Ortega cannot be construed as a declaration from the DAR Secretary regarding the conversion of the subject landholding since the said letter only contained a recommendation for the conversion of the subject landholding into residential, commercial, industrial or other urban purposes.[25]

Lastly, the CA gave credence to the letter[26] dated June 21, 1983 of Deputy Minister Benjamin Labayen (Labayen) denying Cabral's request for conversion stating that the subject landholding is covered by the OLT program with corresponding CLTs already generated and that the said land is fully tenanted.[27]

Cabral moved for reconsideration[28] but it was denied.[29] Hence, this petition.

The Issue

The crux of this case is whether or not grounds exist to warrant the cancellation of the EPs and TCTs issued to the respondents. The determination of this issue in turn hinges on the question of whether or not the subject landholding is covered by the OLT program under P.D. No. 27.

Ruling of the Court

The Court grants the petition.

To begin with, it must be said that the Court generally accords respect, if not finality, to the factual findings of quasi-judicial bodies, such as the DARAB and the PARAD, as these administrative bodies are deemed experts on matters within its specific and specialized jurisdiction.[30] However, since the findings of the PARAD and the DARAB conflict with those of the CA, the Court is constrained to disregard the general rule and to re-examine the records of the case to address the issue on hand.

Only landholdings under established tenancy and primarily devoted to rice or corn farming are brought under the OLT program and issued a CLT.

Cabral has been untiring in her insistence that: (1) the respondents are not her tenants; (2) no CLTs have been issued to the respondents; and (3) Lot 4 is non-agricultural land. The respondents, on the other hand, anchor their right to the subject landholding upon their claim that they were actual tenants and rice farmers, and that a CLT is not a condition *sine qua non* to the generation and issuance of an

EP.

Under P.D. No. 27, the DAR is mandated to issue CLTs for landholdings brought under the coverage of the OLT program. Corollary to this, Section 105^[31] of P.D. No. 1529^[32] enjoined the DAR to issue CLTs in duplicate for lands brought under the government's OLT program and the original to be kept by the tenant while the duplicate is to be maintained in the RD. The significance of the CLT is supported by the Court in *Heirs of Teresita Montoya, et al. v. National Housing Authority, et al.*, ^[33] ruling that:

A CLT is a document that the government issues to a tenant-farmer of an agricultural land primarily devoted to rice and corn production placed under the coverage of the government's OLT program pursuant to P.D. No. 27. It serves as the tenant-farmer's (grantee of the certificate) proof of *inchoate* right over the land covered thereby.

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As a preliminary step, therefore, the issuance of a CLT merely evinces that the grantee thereof is qualified to avail of the statutory mechanism for the acquisition of ownership of the land tilled by him, as provided under P.D. No. 27. The CLT is not a muniment of title that vests in the tenant-farmer absolute ownership of his tillage. It is only after compliance with the conditions which entitle the tenant-farmer to an EP that the tenant-farmer acquires the vested right of absolute ownership in the landholding. Stated otherwise, the tenant-farmer does not acquire full ownership of the covered landholding simply by the issuance of a CLT. The tenant-farmer must first comply with the prescribed conditions and procedures for acquiring full ownership but until then, the title remains with the landowner.^[34] (Citations omitted)

Clearly, a CLT signifies that the government has determined that the land is comprehended by P.D. No. 27 and that the claimant is its actual tiller-beneficiary. Consequently, without a CLT, a claimant has no inchoate right of ownership and cannot be issued an EP.

Findings of facts of quasi-judicial agencies are generally accorded great weight and even finality.

Generally, the "factual findings of administrative bodies charged with their specific field of expertise, are afforded great weight by the courts, and in the absence of substantial showing that such findings were made from an erroneous estimation of the evidence presented, they are conclusive, and in the interest of stability of the governmental structure, should not be disturbed."^[35] The PARAD and the DARAB, by reason of their official mandate and functions have acquired expertise in specific matters within their jurisdiction, and their findings deserve full respect. Without justifiable reason, their factual findings ought not to be altered, modified, or reversed.^[36]

On the question of whether the subject landholding was agricultural and/or tenanted, the PARAD correctly said:

Verily indeed, if the subject lands were already tenanted during the effectivity of [P.D. No.] 27 on October 21, 1972 or carries the character of an agricultural land as of that date, the District Officer of the DAR should have not made a declaration in 1973 stating that the parcels of land are not covered by [OLT]. The said District Officer's declaration only adds veracity to [Cabral's] contention that the parcels of land covered by the subject EP titles, at the outset, have been classified as residential and only supports this Board's conclusion that the same are not tenanted.^[37]

According to the PARAD and the DARAB, the DAR had already made a declaration excluding Lot 4 from the coverage of the OLT program.^[38] Therefore, the EPs issued to the respondents in April 1988 were a violation of Cabral's right to due process and to just compensation. The PARAD further noted that the non-inclusion of the landholding covered by the assailed EPs under the OLT program is bolstered by the fact that there were no CLTs covering the subject lots issued to the respondents. Therefore, no award of the subject lots should have been made in favor of the respondents.^[39]

The Court also agrees with the FARAD's declaration that a zoning reclassification made subsequent to P.D. No. 27 does not create a presumption that the land used to be primarily devoted to rice or com, could well have been already non-agricultural even back in 1972.^[40] In fact, in October 1973, DAR had already made a determination that the subject landholding was exempt from the OLT program.^[41]

The respondents failed to show how Lot 4 was brought under the OLT program.

P.D. No. 27, or the "Tenant's Emancipation Decree," placed the entire Philippine archipelago on October 21, 1972 under land reform, decreeing the emancipation of all rice and corn tenant-farmers from the bondage of the soil. Pursuant to Letter of Instructions No. 474^[42] and related issuances, the DAR then undertook to place under the OLT program all tenanted rice and com lands with size of seven hectares or less. The farmer-beneficiaries were required to organize themselves into a farmers' cooperative or *Samahang Nayan* and to apply for CLTs.^[43]

There are several steps to be undertaken before an EP can be issued. In *Reyes v. Barrios*,^[44] the Court cited the Primer on Agrarian Reform^[45] which enumerated the steps in transferring the land to a tenant-tiller under P.D. No. 27, to wit:

- a. First step: the identification of tenants, landowners, and the land covered by OLT.
- b. Second step: land survey and sketching of the actual cultivation of the tenant to determine parcel size, boundaries, and possible land use;
- c. Third step: the issuance of the [CLT]. To ensure accuracy and safeguard against falsification, these certificates are processed at the National Computer Center (NCC) at Camp Aguinaldo;