

SECOND DIVISION

[G.R. No. 182572, June 18, 2012]

LAND BANK OF THE PHILIPPINES, PETITIONER, VS. HON. ERNESTO P. PAGAYATAN, IN HIS CAPACITY AS PRESIDING JUDGE OF THE REGIONAL TRIAL COURT, BRANCH 46, SAN JOSE, OCCIDENTAL MINDORO, JOSEFINA S. LUBRICA, IN HER CAPACITY AS ASSIGNEE OF FEDERICO SUNTAY, NENITA SUNTAY TAÑEDO AND EMILIO A.M. SUNTAY III, RESPONDENTS.

DECISION

SERENO, J.:

In the present case, petitioner does not question the jurisdiction of Branch 46, Regional Trial Court (RTC) of San Jose, Fourth Judicial Region, Occidental Mindoro to order the transfer of custody to the clerk of court of the deposit representing the just compensation provisionally determined by the Provincial Agrarian Reform Adjudicator (PARAD). Rather, petitioner merely questions the RTC's Order to physically turn over the deposit.

The present case is a sequel to G.R. No. 170220 promulgated on 20 November 2006.^[1] We adopt the findings of facts as follows:^[2]

Petitioner Josefina S. Lubrica is the assignee of Federico C. Suntay over certain parcels of agricultural land located at Sta. Lucia, Sablayan, Occidental Mindoro, with an area of 3,682.0285 hectares covered by Transfer Certificate of Title (TCT) No. T-31 (T-1326) of the Registry of Deeds of Occidental Mindoro. In 1972, a portion of the said property with an area of 311.7682 hectares, was placed under the land reform program pursuant to Presidential Decree No. 27 (1972) and Executive Order No. 228 (1987). The land was thereafter subdivided and distributed to farmer beneficiaries. The Department of Agrarian Reform (DAR) and the LBP fixed the value of the land at P5,056,833.54 which amount was deposited in cash and bonds in favor of Lubrica.

On the other hand, petitioners Nenita Suntay-Tañedo and Emilio A.M. Suntay III inherited from Federico Suntay a parcel of agricultural land located at Balansay, Mamburao, Occidental Mindoro covered by TCT No. T-128 of the Register of Deeds of Occidental Mindoro, consisting of two lots, namely, Lot 1 with an area of 45.0760 hectares and Lot 2 containing an area of 165.1571 hectares or a total of 210.2331 hectares. Lot 2 was placed under the coverage of P.D. No. 27 but only 128.7161 hectares was considered by LBP and valued the same at P1,512,575.05.

Petitioners rejected the valuation of their properties, hence the Office of

the Provincial Agrarian Reform Adjudicator (PARAD) conducted summary administrative proceedings for determination of just compensation. On January 29, 2003, the PARAD fixed the preliminary just compensation at P51,800,286.43 for the 311.7682 hectares (TCT No. T-31) and P21,608,215.28 for the 128.7161 hectares (TCT No. T-128).

Not satisfied with the valuation, LBP filed on February 17, 2003, two separate petitions for judicial determination of just compensation before the Regional Trial Court of San Jose, Occidental Mindoro, acting as a Special Agrarian Court, docketed as Agrarian Case No. R-1339 for TCT No. T-31 and Agrarian Case No. R-1340 for TCT No. T-128, and raffled to Branch 46 thereof.

Petitioners filed separate Motions to Deposit the Preliminary Valuation Under Section 16(e) of Republic Act (R.A.) No. 6657 (1988) and *Ad Cautelam* Answer praying among others that LBP deposit the preliminary compensation determined by the PARAD.

On March 31, 2003, the trial court issued an Order granting petitioners' motion x x x.

x x x

x x x

x x x.

On May 26, 2004, the Court of Appeals rendered a Decision in favor of the petitioners xxx.

x x x

x x x

x x x

The Court of Appeals held that the trial court correctly ordered LBP to deposit the amounts provisionally determined by the PARAD as there is no law which prohibits LBP to make a deposit pending the fixing of the final amount of just compensation. It also noted that there is no reason for LBP to further delay the deposit considering that the DAR already took possession of the properties and distributed the same to farmer-beneficiaries as early as 1972.

We granted the Petition stating as follows:^[3]

WHEREFORE, premises considered, the petition is GRANTED. The assailed Amended Decision dated October 27, 2005 of the Court of Appeals in CA-G.R. SP No. 77530 is REVERSED and SET ASIDE. The Decision dated May 26, 2004 of the Court of Appeals affirming (a) the March 31, 2003 Order of the Special Agrarian Court ordering the respondent Land Bank of the Philippines to deposit the just compensation provisionally determined by the PARAD; (b) the May 26, 2003 Resolution denying respondent's Motion for Reconsideration; and (c) the May 27, 2003 Order directing Teresita V. Tengco, respondent's Land Compensation Department Manager to comply with the March 31, 2003 Order, is REINSTATED. The Regional Trial Court of San Jose, Occidental Mindoro, Branch 46, acting as Special Agrarian Court is ORDERED to proceed with dispatch in the trial

of Agrarian Case Nos. R-1339 and R-1340, and to compute the final valuation of the subject properties based on the aforementioned formula.

Thereafter, petitioner deposited the balance of the amount of P73.4 million representing the PARAD valuation and subject of the 31 March 2003 Order to Deposit.

Apparently, another case, docketed as Sp. Proc. N-705, was pending with Branch 17 of the RTC of Cavite City. In this case, TCT No. T-31 was alleged to be part of the estate of Emilio Aguinaldo and Maria Agoncillo. Thus, on 29 April 2005, Branch 17 issued an Order:^[4]

Finally, considering that counsel for the administrator has joined counsel for Delfin Aguinaldo and Heirs of Angel Aguinaldo in the latter's motion, as prayed for, the president of the Landbank of the Philippines is hereby directed to hold in abeyance any further releases of the proceeds of the compulsory acquisition by the DAR of that parcel of land located in Sablayan, Occidental Mindoro covered by T-31 (T-1326) until such time that the issue is resolved.

In CA-G.R. SP No. 97052, a Petition for annulment of judgment was also filed with the Court of Appeals (CA) by the surviving heirs of Cristina Aguinaldo Suntay, the deceased spouse of Federico Suntay. Therein petitioners, Isabel Cojuangco Suntay and Emilio Cojuangco Suntay, Jr., alleged that the parcels of land covered by Transfer Certificate of Title (TCT) Nos. T-31 and T-128 registered in the name of Cristina were among her paraphernal properties that had been illegally included as part of the estate of Federico C. Suntay and had been subject of agrarian reform land distribution.

On 5 March 2007, the CA in CA-G.R. SP No. 97052, through a Resolution,^[5] issued a temporary restraining order (TRO) enjoining private respondents Emilio A.M. Suntay III and Nenita Tañedo from collecting or receiving the land compensation proceeds of the subject property. It stated as follows:

WHEREFORE, a temporary restraining order is hereby issued, effective upon service and for a period of sixty (60) days, unless sooner lifted, **ENJOINING** private respondents and their representatives from collecting or receiving the land compensation proceeds of the property covered by Transfer Certificate of Title Nos. T-31 (1326) and T-128 registered in the name of Cristina Aguinaldo Suntay. A bond for the temporary restraining order in the amount of P250,000.00 is hereby set pursuant to Section 4(b) of Rule 58 of the Rules of Court. In lieu of a hearing, both parties are required to file simultaneous memoranda within ten (10) days from receipt hereof with respect to the issuance of a writ of preliminary injunction.

SO ORDERED.

Petitioner subsequently filed a Manifestation^[6] dated 16 April 2007 informing Branch 46 of the Decision of this Court in G.R. No. 170220; of the issuance by the CA of a TRO in CA-G.R. SP No. 97052, as well as by Branch 17 of the 29 April Order; and of petitioner's deposit totalling P73.4 million in cash and bonds representing the PARAD valuation and subject of the 31 March 2003 Order to Deposit.

Acting on the Manifestation, Branch 46 issued this Order on 26 April 2007:^[7]

In the interest of the expeditious resolution of the above-entitled cases, the Clerk of Court is hereby directed to take possession of the cash deposits and original Agrarian Reform bonds as stated in paragraph 2, page 3 of the Manifestation of the Petitioner; and the petitioner Land Bank of the Philippines is hereby ordered to turn over the said cash deposits and bonds to the Clerk of Court within five (5) days from receipt hereof.

SO ORDERED.

Thereafter, on 21 May 2007, the CA in CA-G.R. SP No. 97052 issued a Writ of Preliminary Injunction, effective upon service until sooner lifted.^[8] Subsequently, on 14 August 2007, the CA clarified its 21 May 2007 Resolution to include the land compensation proceeds of the property covered by TCT No. T-31 in the coverage of the preliminary injunction, to wit:^[9]

Conditioned on petitioners' filing of a bond in the sum of P2,000,000.00, a writ of preliminary injunction is hereby issued, effective upon service and until sooner lifted, **ENJOINING** private respondents and their representatives from collecting or receiving the land compensation proceeds of the property covered by Tran[s]fer Certificate of Title No. T-128 registered in the name of Crist[i]na Aguinaldo Suntay.

Consequently, petitioner filed a Motion for Reconsideration,^[10] alleging that the 26 April 2007 Order would be a violation of the TRO issued by the appellate court in CA-G.R. SP No. 97052 and the 29 April 2005 Order issued by Branch 17; that the Order was inconsistent with this Court's Decision in G.R. No. 170220; that there was still a pending ownership issue in the intestate proceedings; and that Branch 46 had no jurisdiction to award the proceeds of the subject properties pending resolution of this issue; and, finally, that there was no need to physically turn over the deposit to the clerk of court, since it was made in the name of the Clerk of Court anyway.

On 26 September 2007, Branch 46 denied the Motion, stating as follows:^[11]

The deposit is in the name of the Clerk of Court, and is therefore meant to be in *custodia legis*. The Court sees no point in placing the deposit in the name of the Clerk of Court if it is actually beyond his power and control since it is kept in the vault of the LBP in the National Capital