

SECOND DIVISION

[G.R. NO. 149621, May 05, 2006]

HEIRS OF FRANCISCO R. TANTOCO, SR., MARIA R. TANTOCO, ZOSIMO TANTOCO, MARGARITA R. TANTOCO, AND PACITA R. TANTOCO, PETITIONERS, VS. HON. COURT OF APPEALS, HON DEPARTMENT OF AGRARIAN REFORM ADJUDICATION BOARD (DARAB), AGRARIAN REFORM BENEFICIARIES ASSOCIATION OF SAN FRANCISCO, GEN. TRIAS, CAVITE, REGISTER OF DEEDS FOR THE PROVINCE OF CAVITE AND THE DAR REGION IV DIRECTOR, RESPONDENTS.

DECISION

AZCUNA, J.:

Before this Court is a petition for review on *certiorari* under Rule 45 of the Rules of Court seeking the annulment of the Decision, dated December 15, 2000, and Resolution, dated May 25, 2001, of the Court of Appeals in CA-G.R. SP No. 54970 entitled "Heirs of Francisco R. Tantoco, Sr. et al., vs. Hon. Department of Agrarian Reform Adjudication Board (DARAB), Agrarian Reform Beneficiaries Association of San Francisco, Gen. Trias, Cavite, et al."

Petitioners seek the cancellation of the collective Certificate of Land Ownership Award (CLOA) or TCT No. CLOA-1424 issued by the Department of Agrarian Reform (DAR) to the Agrarian Reform Beneficiaries Association (ARBA) of San Francisco, Gen. Trias, Cavite, on the ground that TCT No. CLOA-1424 is null and void for having been issued illegally and unlawfully. Consequently, petitioners pray for the reinstatement of TCT No. T-402203 in their favor over the property involved in this case.

The facts^[1] of the case are as follows:

Francisco R. Tantoco, Sr., Marta R. Tantoco, Zosimo Tantoco, Margarita R. Tantoco and Pacita R. Tantoco owned a vast tract of land with a total land area of 106.5128 hectares in San Francisco, General Trias, Cavite. This land was registered in their names under Transfer Certificate of Title (TCT) No. T-33404 of the Register of Deeds for the Province of Cavite.

A portion of said property consisting of 9.6455 hectares was declared exempt from the coverage of Presidential Decree (PD) No. 27, hence the Certificates Land Transfer (CLTs) that had been previously issued to several people were cancelled in an Order issued by then Minister of Agrarian Reform Heherson T. Alvarez.

On April 21, 1989, petitioners donated 6.5218 hectares to Caritas de Manila, Inc., thereby leaving an estimated area of 100 hectares to their landholding under TCT No. T-402203, which is now the subject matter of the controversy.

Meanwhile, the Department of Agrarian Reform (DAR) had been considering the land in question for compulsory acquisition pursuant to Republic Act (R.A.) No. 6657, as amended, otherwise known as the *Comprehensive Agrarian Reform Law (CARL)* of 1988.

On May 8, 1989, Francisco R. Tantoco, Sr., as owner and for and in behalf of the other co-owners, wrote to DAR declaring the productive nature and agricultural suitability of the land in dispute, and offering the same for acquisition under the Voluntary Offer to Sell (VOS) scheme of the government's Comprehensive Agrarian Reform Program (CARP). The land was offered for sale at P500,000 per hectare or for a sum of P53,256,400.^[2] According to petitioners, they never heard anything from DAR thereafter.

It was only on June 25, 1993 that petitioners received a Notice of Land Valuation from DAR valuing the land in question, which had now been accurately measured to have a total land area of 99.3 hectares, in the amount of P4,826,742.35.

On July 8, 1993, petitioners rejected the amount offered by DAR as compensation for the subject property for being unreasonably below the fair market value of said lot. Petitioners likewise withdrew their voluntary offer to sell adding that the land is not suitable for agriculture anymore and that it had been classified in 1981 for use by the Human Settlements Regulatory Commission (now HLURB) as land for residential, commercial or industrial purposes. Nevertheless, petitioners expressed that in the event that the DAR would still insist on acquiring the land, petitioners will be exercising their right of retention over an area aggregating to 79 hectares, divided among the co-owners at five (5) hectares each, and three (3) hectares each to their thirteen (13) children qualified to be beneficiaries under the CARP.^[3]

In a letter dated July 16, 1993, after rejecting the aforestated land valuation, petitioners requested that the offer of P4,826,742.35 for the subject property be applied instead to their other irrigated landholding consisting of 9.25 hectares in Brgy. Pasong Camachile, General Trias, Cavite which is covered by TCT No. 33407.^[4]

In view of petitioners' rejection of the offer, the DAR, through its Regional Director Percival C. Dalugdug, requested the Land Bank of the Philippines (LBP) on July 22, 1993 to open a Trust Account in favor of petitioners for the amount of FOUR MILLION EIGHT HUNDRED TWENTY-SIX AND SEVEN HUNDRED FORTY-TWO AND THIRTY-TWO CENTAVOS (P4,826,742.32) representing the assessed value of the subject property.^[5]

A Certification was subsequently issued by the LBP Bonds Servicing Department on July 27, 1993 stating that the sum of P4,826,742.35 in cash (P1,834,162.10) and in bonds (P2,992,580.25) had been "reserved or earmarked" as compensation for petitioners' 99.3 hectares of land under the CARP's VOS scheme.^[6] The cash portion of P1,834, 162.10 was placed with the Trust Department but no release of payment in cash or in bonds had been effected.^[7]

Thereafter, or on August 30, 1993, the DAR issued a collective Certificate of Land Ownership Award (CLOA) over the subject property to private respondent Agrarian

Reform Beneficiaries Association (ARBA) of San Francisco, General Trias, Cavite.^[8] Public respondent Register of Deeds consequently issued TCT No. CLOA-1424 in favor of ARBA and its 53 members, and accordingly cancelled petitioners' TCT No. T-402203.

Upon learning of the cancellation of their TCT on the above property, petitioners filed an action for Cancellation of TCT No. CLOA-1424, and the reinstatement of their TCT No. T-402203 before the Adjudication Board for Region IV of the Department of Agrarian Reform on November 11, 1994.^[9]

Docketed as DARAB Case No. IV-Ca-003-94, the petition alleged, *inter alia*, that the land in question was covered by an ongoing industrial estate development site per land use plan of the Municipality of General Trias, Cavite; that the land had been planted with sugar and declared as such for taxation purposes under Tax Declaration No. 12502-A; that in an Order dated September 1, 1986, of then Minister of Agrarian Reform Heherson Alvarez, the same land was declared outside the ambit of PD No. 27; and that the property is within the portion of Cavite that had been declared as an industrial zone in the CALABARZON area, hence, the value of real properties included therein had greatly appreciated.^[10]

Petitioners alleged that as a result of the implementation of the CARL in June of 1988, and coupled with the knowledge that the area had been declared part of the industrial zone of Cavite, persons unknown to petitioners began to claim to be tenants or farmholders on said land, when in truth and in fact, petitioners never had any tenant or farmworker at any time on their land, and neither did petitioners give their consent for anyone to farm the same "which is suitable for sugarcane, residential or industrial purposes and not for rice or corn or other industrial products."^[11]

Petitioners added that due to the annoying persistence of DAR officials and employees who kept on coming back to the residence of Francisco R. Tantoco, Sr., in Quezon City, the latter was constrained to offer to sell the subject land under the VOS scheme for P5 million originally per hectare; that, thereafter, petitioners did not receive any reply from DAR, hence, they paid the real property tax due on the land for 1994 on March 28, 1994; that, afterwards, their title to the land under TCT No. T-402203 dated April 19, 1994 was cancelled without prior notice and in lieu thereof, TCT No. CLOA-1424 dated August 30, 1993 was issued by the Register of Deeds in favor of ARBA whose 53 members are not tenants and are unknown to them and are likewise not qualified or are disqualified to be beneficiaries under Republic Act (R.A.) No. 6657.^[12]

Finally, petitioners claimed that some officials and employees of DAR Region IV, the MARO of General Trias, Cavite, the Land Bank of the Philippines, and the Register of Deeds of Cavite, with intent to gain, conspired with other private persons and several members of ARBA to deprive petitioners of said land or its fair market value or proceeds thereof, and committed the crime of falsification of public documents by making it appear that the offer to sell was at P500,000 per hectare instead of P5,000,000 per hectare; that the value of adjacent lands to petitioners' property were disregarded in determining just compensation; that no notices were received and the alleged receipts of notice were falsified; that no trust account was ever opened in favor petitioners and neither payment in cash or bond was ever made by

DAR; that ARBA and its members are not actually tilling the land for productive farming and have not paid LBP the assigned valuation of the land; and, that the former are negotiating to sell the land to land developers and industrial companies, among others, in the hope of making a windfall profit.

Thus, petitioners prayed for the cancellation of the TCT No. CLOA-1424, and that TCT No-402203 in the name of petitioners should be reinstated. They likewise prayed for the issuance of a preliminary injunction to restrain ARBA from negotiating to sell the property in question to any interested parties.

ARBA, in its Answer, denied the allegations contained in the petition, maintaining that the farmer beneficiaries listed in TCT No. CLOA-1424 are qualified beneficiaries as provided for in Section 22 of RA No. 6657; that due process was observed in the documentation and processing of the CARP coverage of subject parcel of land in accordance with DAR Administrative Orders and that the issuance of TCT No. CLOA-1424 was in accordance with the provisions of R.A. No. 6657; and, that the subject property is classified as agricultural land, hence, regardless of tenurial arrangement and commodity produced, the land is considered to be within the coverage of the CARL or R.A. No. 6657.

In its Supplemental Answer of December 29, 1994, ARBA further stated that after the land had been voluntarily offered for sale to DAR the only matter to be determined is the just compensation to be given to the landowners. Therefore, the only issue to be resolved is the valuation of the property and not the cancellation of the CLOA.

In addition, ARBA posited that the injunctive relief prayed for in the petition is unnecessary because the property is automatically subject to the prohibition against transfer under R.A. No. 6657 which prohibition is indicated in TCT No. CLOA-1424.

Incidentally, petitioner Francisco R. Tantoco, Sr., died during the course of the proceedings on September 2, 1995, and was duly substituted by his surviving heirs.

[13]

On June 17, 1997, the DAR Regional Adjudicator for Region IV, Fe Arche-Manalang, rendered a Decision, the dispositive portion of which reads:

WHEREFORE, premises considered, judgment is hereby rendered:

1) Declaring the subject property more particularly described in Paragraph 5 of the Petition as properly covered under the VOS (Voluntary Offer to Sell) scheme of the government's Comprehensive Agrarian Reform Program (CARP) pursuant to the provisions of RA 6657, as amended, without prejudice to the exercise by the Petitioners/co-owners of their respective right of retention upon proper application therefor;

2) Voiding and annulling TCT No. CLOA-1424 derived from CLOA (Certificate of Land Ownership Award) No. 00193535 issued and registered on August 27, 1995 and August 30, 1993, respectively, in the name of the Respondent ARBA (Agrarian Reform Beneficiaries Association) and its 53 Farmers-members;

3) Directing the Respondent Register of Deeds of Cavite to:

a) effect the immediate cancellation of TCT No. CLOA-1424 mentioned in the preceding paragraph;

b) revalidate and reinstate TCT No. T-402203 in the joint names of Petitioners/co-owners, subject to its eventual coverage under CARP after the Landowners' retention areas have been properly determined/segregated and/or expressly waived;

c) annotate at the back of Petitioners' title, their lawyer's lien thereon equivalent to five percent (5%) of the market value of the subject property as and by way of an adverse claim.

4) Directing the local MARO (Municipal Agrarian Reform Officer) of General Trias, Cavite and PARO (Provincial Agrarian Reform Officer) of Cavite to:

a) undertake another identification and screening process and reallocate the remaining CARPable areas to patented qualified ARBs (Agrarian Reform Beneficiaries) in the area;

b) generate individual CLOAS (Certificate of Land Ownership Awards) in favor of such identified ARBs.

5) Denying all other claims for lack of basis;

6) Without pronouncement as to cost.

SO ORDERED.^[14]

From the aforestated decision, petitioners and respondent ARBA separately appealed to the DAR Adjudication Board (DARAB) in Quezon City. Said appeals were consolidated and docketed as DARAB Case No. 6385.

The issues were summarized by DARAB as follows:

"1. Whether or not the property co-owned by Petitioners under Title No. T-33404 located at San Francisco, General Trias, Cavite with an original area of 106.5128 hectares was properly subjected to CARP coverage pursuant to the provisions of RA 6657, as amended, otherwise known as the Comprehensive Agrarian Reform Law of 1988 (CARL);

2. In the affirmative, whether or not fatal infirmities or irregularities were committed in the valuation of the subject property and its subsequent titling and award in favor of Respondent ARBA;

3. Whether or not the Petitioners are entitled to the ancillary remedy of injunction and other specific reliefs sought viz: cancellation of TCT No. CLOA-1424 registered in the name of Respondent ARBA on August 30, 1993 and reinstatement of TCT No. 402203 in favor of Petitioners; [and,]