

****Title:**** CAT Realty Corporation vs. Department of Agrarian Reform (DAR), Center for Agrarian Reform Empowerment & Transformation, Inc. (CARET), Alternative Community-Centered Organization for Rural Development (ACCORD), Benjamin C. De Vera, Jr., and Tenorio Garcia

****Facts:****

1. ****Initial Petition for Conversion****: Central Azucarera de Tarlac, predecessor of CAT Realty Corporation, filed a petition for the conversion of 23 parcels of agricultural land (386.7992 hectares) located in Bayambang, Pangasinan.
2. ****Conversion Order Issuance****: On September 4, 1975, DAR Secretary Conrado Estrella issued a Conversion Order declaring the lands suitable for residential, commercial, industrial, and other urban purposes.
3. ****Provisions in Conversion Order****: The order required that disturbance compensation be paid to bona fide tenants, continued work for tillers until development, provision of homelots at a minimum cost, and priority employment for displaced tenants.
4. ****Petition for Revocation****: On December 15, 2004, CARET, ACCORD, Benjamin C. De Vera Jr., and Tenorio Garcia filed for revocation of the Conversion Order, alleging failure to develop the property and continued agricultural use.
5. ****Partial Revocation by DAR****: On August 2, 2006, DAR Secretary Nasser Pangandaman issued an order partially revoking the Conversion Order due to alleged non-compliance with development conditions.
6. ****Reinstatement of Conversion Order****: CAT Realty filed for reconsideration, and DAR initially reinstated the Conversion Order on October 11, 2006.
7. ****Re-revocation****: Upon motion for reconsideration by private respondents, DAR again partially revoked the Conversion Order on September 6, 2007, reaffirmed by an order on August 15, 2008.
8. ****CA Decision****: CAT Realty filed a petition for review with the Court of Appeals (CA), which denied the petition on June 19, 2012, and reaffirmed the DAR's revocation on July 31, 2013.
9. ****Petition to Supreme Court****: CAT Realty elevated the matter to the Supreme Court via a petition for review on certiorari under Rule 45.

****Issues:****

1. ****Finality of the Conversion Order****: Whether the Conversion Order of September 4, 1975, had attained finality and could still be questioned.

2. **Compliance with Conditions**: Whether CAT Realty complied with the conditions set forth in the Conversion Order.
3. **Applicability of Agrarian Reform**: Whether the undeveloped portions of the subject property could be subjected to agrarian reform under RA 6657.

Court's Decision:

1. **Finality of the Conversion Order**: The Supreme Court ruled that the Conversion Order of September 4, 1975, had long attained finality and could no longer be questioned or revoked. The case of *Berboso v. Court of Appeals* was cited, establishing that a conversion order becomes final if not questioned within a reasonable period, applying estoppel and laches.
2. **Compliance with Conditions**: The Court found that CAT Realty complied with the conditions of the Conversion Order, including the payment of disturbance compensation and partial development. The absence of a specified development period in the order and prevailing law (RA 6389) meant CAT Realty was not in violation for any undeveloped portions.
3. **Applicability of Agrarian Reform**: The Court held that properties converted to non-agricultural uses before the effectivity of RA 6657 on June 15, 1988, are exempt from agrarian reform coverage. The subject property, having been declared for non-agricultural use in 1975, could not be subsequently included under CARP.

Doctrine:

1. **Finality of Conversion Orders**: Once a land conversion order is final and executory, it cannot be modified, reversed, or questioned. Parties are subject to principles of estoppel and laches if they fail to challenge the order within a reasonable time.
2. **Compliance with Conditions under RA 6389**: Land conversion orders issued prior to a specified statutory deadline and without time-bound development conditions need only ensure disturbance compensation to tenants. Further development timelines are not mandated.
3. **Land Conversion and Agrarian Reform**: Lands reclassified and converted for non-agricultural uses before the effectivity of RA 6657 are exempt from agrarian reform programs under the Comprehensive Agrarian Reform Law (CARL).

****Class Notes:****

- ****Estoppel and Laches****: Essential in cases where delayed actions challenge final and executory orders. Review *Berboso v. Court of Appeals*.
- ****Disturbance Compensation****: Under RA 6389, landowners need to compensate tenants when land is converted, contributing to their secure displacement.
- ****Retroactivity of Agrarian Reform Laws****: Ensure nuances around declarations made before and after significant legislative changes, such as the effectivity of RA 6657.
- ****Finality of Orders****: Key in administrative and agrarian laws - once orders are final, legal remedies to challenge them become very limited.

****Historical Background:****

The case is rooted in the post-Commonwealth policies of the Philippine government guiding land reforms and tenancy issues. The transformation from RA 3844 to RA 6389, followed by the comprehensive RA 6657, reflects evolving national goalposts aimed at balancing agricultural productivity, tenant welfare, and economic development. This particular issue also reflects the tension between landownership rights and agrarian reform mandates, showcasing the intricacies of long-standing policies meant to address social and economic disparities.