

HENRY A. PASCUAL, IN HIS CAPACITY AS MUNICIPAL AGRARIAN REFORM OFFICER OF BANGUI, ILOCOS NORTE, PAULA M. LLANES, EMILIO M. LLANES AND ANTONIO LLANES, JR., PETITIONERS, VS. JULIU...

Ponente: SORONGON, J.

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SORONGON, J.:

This petition for review under Rule 43 of the Revised Rules of Court assails the Resolutions of the Department of Agrarian Reform Adjudication Board (DARAB) dated March 30, 2010 and August 31, 2011 in DARAB Case No. 1-06-569-99-IN.

Early on, DARAB rendered a decision[1] dated January 16, 2008 affirming in toto the August 22, 2001 order[2] of the PARAD[3] granting the petition to cancel the Original Certificate of Title/Certificate of Land Ownership Award (OCT/CLOA) of the private respondents. However, in its March 30, 2010, Resolution,[4] DARAB reversed its January 16, 2008 decision and dismissed petitioners' case for cancellation of the OCT/CLOA. Likewise, petitioners' motion for reconsideration was also denied in its August 31, 2011 Resolution[5].

The records provide the following salient facts:

Petitioners alleged[6] that sometime on February 9, 1999, private respondent Kenneth Lallave appeared at DAR MARO[7]'s office at Bangui, Ilocos Norte and applied for the original titling of his landholding in Barangay Masikil, Bangui Ilocos Norte, with an area of 146,162 square meters more or less, which according to him was owned by his grandfather, Julio Lallave and was passed on to his father Emilio Lallave. Due to Kenneth Lallave's alleged misrepresentations, false and malicious claims, MARO Henry Pascual was induced to erroneously recommend the titling of the subject landholding under RA 6657 in the name of the private respondents. This resulted to the issuance of CLOA No. 00238199 and OCT No. C-13507[8] in favor of private respondents.

The subject landholding was later discovered to be part of a larger tract of land surveyed[9] for Vicente Llanes identified as PSU 9178, which was approved by the Bureau of Lands in 1916. Vicente Llanes acquired the said land in 1911 from Julio Lallave by virtue of an Escritura[10]. Ownership of the subject landholding then passed on to the heirs of Llanes, co-petitioners' herein, who have been in open, public, actual and uninterrupted possession of the property and have been paying the real estate taxes thereon as certified[11] by the Office of the Municipal Assessor and Treasurer of Bangui, Ilocos Norte.

To correct his alleged excusable negligence, MARO Henry Pascual, initially filed with the PARO a petition for the cancellation and declaration of nullity of CLOA No.00238199 and OCT No. C-13507 issued to private respondents, claiming that the latter are ineligible to become beneficiaries under the voluntary land transfer scheme of the Comprehensive Agrarian Reform Program[12] (CARP) for the following reasons:

- Respondents are American citizens prohibited from owning real property in the Philippines;
- Respondents are neither tenants nor lessees in the subject landholding

- Respondents are not actual occupants, processors, tillers, planters, farmers, direct or indirect workers in the subject landholding;
- Respondents are not actual residents of Barangay Masikil, Bangui, Ilocos Norte; and
- Respondents are guilty of malice, deception, misrepresentation, and fraud in claiming that the subject landholding is agricultural in nature when in fact, the same is sandy land which is not suited for agriculture.

Furthermore, the issuance of the CLOA and OCT to the private respondents are defective due to lack of notice and just compensation to the real owners, the heirs of Llanes .

In their answer[13] private respondents denied the material allegations of the petition. Although they admitted that Julius, Kenneth, Kaylene and Rudy, all surnamed Lallave, are American citizens, they were born in the Philippines and have Filipino parentage. Kaylene carries a dual American and Filipino citizenship while Ellen Joice Lallave never lost her Filipino citizenship. Private respondents denied the claim of ownership and possession by the heirs of Llanes over the subject landholding. Prior to the death of their grandfather, Julio Lallave, ownership of the property was transferred to their father, Emilio Lallave who was in open, public, continuous, adverse and actual possession thereof and was in fact paying the real estate taxes thereon. They inherited the subject landholding from Emilio Lallave and remained to be in actual possession of the same. Kenneth and his daughters, Kaylene and Ellen Joice, are only temporarily staying in Brgy. Rioeng, Laoag City as they have the intention to permanently reside in Masikil, Bangui, Ilocos Norte. There was no fraud, deception, malice and misrepresentation when they applied for the titling of their property. They also disputed the alleged sale made by Julio and the genuineness of his signature appearing in the Escritura. Even if the Escritura is authentic, the consideration for the sale has not been fully paid and that the petitioners are guilty of laches for belatedly asserting their rights under the said document.

The petition was subsequently amended to include the heirs of Llanes as co-petitioners, who claim to be owners of the subject landholding and thus were adversely affected by the issuance of the titles to private respondents. In their position paper[14], petitioners disputed the claim of ownership and possession by the heirs of Emilio Lallave contending that the Escritura[15], an ancient document more than thirty years old, proves that private respondent's predecessor, Julio Lallave, sold all of his participation in Hacienda Constancia to Vicente Llanes. The fact of actual occupation and possession of the landholding by Vicente Llanes and his heirs is bolstered by their appointment of administrator[16] and overseer[17] to look after their property. Private respondents are the ones guilty of laches for their failure to annul the Escritura and oppose the survey of the landholdings, which now binds them as it bound their predecessor, Julio Lallave. Petitioners submitted MARO Henry Pascual's affidavit[18] as proof that private respondents committed deceptive fraud with respect to the latter's qualifications as CARP beneficiaries resulting to the erroneous coverage of petitioners' landholding. Private respondents are not qualified CARP beneficiaries under Section 22[19] of R.A. 6657 because respondents admitted that they are neither residents of the same barangay nor municipality where the land is situated nor do they belong among landless classes of CARP beneficiaries.

The PARAD in its order[20] issued on August 22, 2001 held that private respondents are neither registered in the Department of Agrarian Reform (DAR) nor in the Barangay Agrarian Reform Committee (BARC) as agricultural lessees, tenants and farmworkers who are qualified to be beneficiaries of CARP nor do they possess any of the qualifications provided under Section 22 of R.A. 6657. Since respondents were found to have committed material misrepresentations which led to the issuance of the OCT/CLOA in their favor, the PARAD ordered the cancellation of respondents' OCT/CLOA pursuant to DAR Administrative Order No. 02, Series of 1994. The fallo of said order reads:

"WHEREFORE, premises considered, order is hereby issued:

1. Ordering the cancellation of Original Certificate of Title No. C-13507/ Certificate of Land Ownership Award (CLOA) No. 00238199 issued to the herein respondents Julius U. Lallave, Kaylene M. Lallave, Ellen Joice M. Lallave, Kenneth U. Lallave, and Rudy U. Lallave;
2. Ordering the Register of Deeds of (sic) to cause the cancellation of the Original Certificate of Title No. C-13507/ Certificate of Land Ownership Award (CLOA) No. 00238199 issued to therein respondents Lallaves in their files and book of registry;
3. Ordering the Municipal Agrarian Reform Office of Bangui, Ilocos Norte and the Municipal Assessor's Office to restore and/or revert the Tax Declaration to the original owner of the subject landholdings based on the survey plans approved by the Bureau of Lands;
4. Ordering the respondents Julius U. Lallave, Kaylene M. Lallave, Ellen Joice M. Lallave, Kenneth U. Lallave and Rudy U. Lallave to surrender within ten (10) days from receipt of this Order the Owner's Duplicate Copy of Original Certificate of Title No. C-13507/ Certificate of Land Ownership Award (CLOA) NO. 00238199 to the Register of Deeds of Ilocos Norte for purposes of cancellation.
5. Dismissing the petitioners' claim for Attorney's fees and litigation expenses for lack of evidence.

SO ORDERED"

Private respondents moved for reconsideration[21] but it was denied by PARAD in its order[22] dated April 18, 2002. They then appealed to the DARAB contending that the PARAD has no jurisdiction to rule on the petition because it involves the issue of ownership over the subject landholding and therefore PARAD has no power to order the cancellation of their title which has become part of the Torrens system.

By decision[23] dated January 16, 2008, the DARAB affirmed in toto the PARAD order[24] dated August 22, 2001. It held that there is substantial evidence to support the findings of the PARAD that private respondents are not qualified farmer-beneficiaries under the law and that they committed material misrepresentation in obtaining their OCT-CLOA, hence, there exists sufficient ground to cancel the same pursuant to DAR AO No. 2 series of 1994.

Private respondents asked for reconsideration[25] which was granted by the DARAB in its resolution[26] dated March 30, 2010. This time, the DARAB ruled that since the qualification of private respondents as farmer-beneficiaries is in issue, their OCT/CLOA can only be cancelled "after it is found with finality by the DAR Secretary that respondents are disqualified to become farmer-beneficiaries of the subject land." The DARAB further held that although the board has jurisdiction, the filing of this case for cancellation of a registered CLOA is premature since there is yet no determination by the DAR Secretary as to whom between private respondents and petitioners are the qualified beneficiaries of the subject land, applying the case of Department of Agrarian Reform (DAR) vs. Department of Education Culture and Sports (DECS).[27]

It was now petitioners' turn to move for reconsideration[28] and by resolution[29] dated August 31, 2011 the DARAB denied their motion. Hence, the filing of the instant petition anchored on the main issue of "whether the case of DAR vs. DECS, 426 SCRA 217 applies to the instant case." The other issues raised by petitioners should be distilled into the original issue tackled by the PARAD and DARAB, i.e. whether there exists sufficient ground to order the cancellation of OCT/CLOA issued to the private respondents.

The petition is impressed with merit.

The DARAB's application of the case of DAR vs. DECS[30] (DECS case), is misplaced because the factual

circumstances and issues in the said case are far different from the case at bar. The said case dealt with land donated to DECS and the primary issue therein is whether the land is actually, directly and exclusively used and found to be necessary for educational purposes to be exempted from CARP coverage. In this case, however, the land is privately owned and no exemption from CARP is being claimed for educational purposes. Furthermore, the exercise of the DAR Secretary's power to identify the proper farmer-beneficiaries of the said landholding has also been disputed in the DECS case while there is no such issue in the case at bar.

Contrary to the assailed DARAB's resolution[31], the very fact that the CLOA/OCT has already been awarded to private respondents points to the inevitable conclusion that the DAR Secretary, through the MARO, has already made a determination that private respondents are qualified beneficiaries of the land in question. As borne by the records and applying the rule on the presumption of regularity of official functions, the MARO, by virtue of the delegated power from the DAR Secretary, has completed the procedure for the administrative implementation of the CARP law with respect to the subject landholding, which necessarily included the determination of qualified beneficiaries, when it made the recommendation that led to the issuance of CLOA No. 00238199/OCT C-13507 in favor of the private respondents. The DARAB clearly erred in applying the DECS case here and ruling that there is still a need for the DAR Secretary to exercise its power to determine the qualified beneficiaries over the subject landholding.

There is no dispute that subject CLOA was issued in favor of private respondents through the intervention of MARO Henry Pascual pursuant to the CARP law. Thus, the resolution of this suit hinges not on the issue of ownership over the landholding but on the proper implementation of the CARP law in relation to the issuance, correction and cancellation of the CLOA/OCT which clearly lies within the jurisdiction of the DARAB[32].

Petitioners' main contention is that private respondents are not qualified CARP beneficiaries and the latter committed material misrepresentations leading to the issuance of the CLOA/OCT in question. These facts were attested[33] to by MARO Henry Pascual which was neither rebutted by the private respondents by presenting any contrary evidence. Both the PARAD and the DARAB[34] agreed with petitioners and also found that private respondents are not among the qualified CARP beneficiaries listed under Section 22 of R.A 6657, to wit:

Section 22. Qualified Beneficiaries. -- The lands covered by the CARP shall be distributed as much as possible to landless residents of the same barangay, or in the absence thereof, landless residents of the same municipality in the following order or priority:

- (a) agricultural lessees and share tenants;
- (b) regular farmworkers;
- (c) seasonal farmworkers
- (d) other farmworkers
- (e) actual tillers or occupants of public lands
- (f) collectives or cooperatives of the above beneficiaries
- (g) others directly working on the land

Private respondents were thus found to have materially misrepresented their qualifications which resulted to the issuance of CLOA No. 00238199/OCT C-13507 in their favor, which is a ground for the cancellation of the said CLOA/OCT pursuant to DAR Administrative Order No. 2 series of 1994[35].

It is settled that the findings of fact of an administrative agency must be respected as long as they are supported by substantial evidence, even if such evidence might not be overwhelming or even preponderant.[36] It is not the task of an appellate court to weigh once more the evidence submitted before the administrative body and to substitute its own judgment for that of the administrative agency in respect of sufficiency of evidence.[37] We are thus constrained to uphold the findings of the PARAD that private respondents committed material

misrepresentation of their qualifications as agrarian reform beneficiaries as such finding is supported by substantial evidence.

WHEREFORE, the instant petition is GRANTED. Accordingly, the Resolutions dated March 30, 2010 and August 31, 2011 of the Department of Agrarian Reform Adjudication Board (DARAB) in DARAB Case No. 1-06-569-99-IN are hereby REVERSED and SET ASIDE. The PARAD Order dated August 22, 2001 and DARAB Order dated January 16, 2008 are hereby REINSTATED.

SO ORDERED.

[*]Gonzales-Sison, (Acting Chairman), and [**]Ybañez, JJ., concur.

[*] Acting Chairperson per Office Order No. 485-14 -RSF dated November 24, 2014

[**] Acting Senior Member per Office Order No. 485-14 -RSF dated November 24, 2014

[1] Rollo, pp. 439-446 and 453-459.

[2] Id., pp. 287-305.

[3] Provincial Agrarian Reform Adjudicator.

[4] Rollo, pp. 391-394.

[5] Id., pp. 416-418.

[6] Id. pp. 150-153. Petitioners' amended petition.

[7] Municipal Agrarian Reform Office

[8] Id., pp. 133-134.

[9] Id., pp. 165-167.

[10] Id., pp. 156-161.

[11] Id., pp. 168-170.

[12] Pursuant to Republic Act No. 6657

[13] Id., pp. 77-82.

[14] Id., pp. 230-262.

[15] Supra note 9. The original is written in Spanish , thus petitioner's submitted an English translation thereof which is attached to their position paper as Exhibit A-1. Rollo, pp. 264-266.

[16] Spouses Vicente Llanes appointed Leandro Lucas as administrator as evidenced by Exhibits "E" and "E-1" attached to petitioner's position paper. Rollo, pp. 227-228.

[17] Spouses Emilio and Paula Llanes, heirs of Vicente Llanes, appointed Manrique Lallave as overseer as evidenced by Exhibits "G" and "G-1" attached to petitioner's position paper. Rollo, pp. 277-281.

[18] Attached as Exhibit "K" to petitioners' position paper. Rollo, pp. 284-285

[19] Section 22. Qualified Beneficiaries. -- The lands covered by the CARP shall be distributed as much as

possible to landless residents of the same barangay, or in the absence thereof, landless residents of the same municipality in the following order or priority:

- (a) agricultural lessees and share tenants;
- (b) regular farmworkers;
- (c) seasonal farmworkers
- (d) other farmworkers
- (e) actual tillers or occupants of public lands
- (f) collectives or cooperatives of the above beneficiaries
- (g) others directly working on the land

[20] Supra note 2.

[21] Rollo pp. 306-313.

[22] Id., pp. 333-334.

[23] Supra note 1.

[24] Supra note 2.

[25] Rollo, pp. 385-386.

[26] Supra note 4.

[27] 426 SCRA 217.

[28] Rollo pp. 403 -412

[29] Supra note 5..

[30] G.R. No. 158228, March 23, 2004.

[31] Dated March 30, 2010. Supra note 4.

[32] Section 1 (a) and (f), Rule II of the DARAB New Rules of Procedure provides that:

"Section 1. Primary and Exclusive Original and Appellate Jurisdiction.

The Board shall have primary and exclusive jurisdiction, both original and appellate, to determine and adjudicate all agrarian disputes involving the implementation of the Comprehensive Agrarian Reform Program (CARP) under Republic Act No. 6657, Executive Order Nos. 228, 229, and 129-A, Republic Act No. 3844 as amended by Republic Act No. 6389, Presidential Decree No. 27 and other agrarian laws and their implementing rules and regulations, specifically, such jurisdiction shall include but not be limited to cases involving the following:

- a) The rights and obligations of persons, whether natural or juridical, engaged in the management, cultivation, and use of all agricultural lands covered by the CARP and other agrarian laws;

xxx xxx xxx

- f) Those involving the issuance, correction and cancellation of Certificates of Land Ownership Awards (CLOAs) and Emancipation Patents (EPs) which are registered with the Land Registration Authority.

xxx xxx xxx

[33] Rollo pp. 284-285. Affidavit of Henry Pascual, marked as Exhibit "K" for petitioners.

[34] In its decision dated January 16, 2008. Supra note 1.

[35] Rule IV (B)(3) of DAR A.O. No. 2 series of 1194 provides: "xxx B. Grounds for the cancellation of registered EP's or CLOAs may include but not limited to the following:: xxx (3) Material misrepresentation of the ARB's basic qualifications as provided under Section 22 of R.A. No. 6657, P.D. No. 27 and other agrarian laws; xxx"

xxx

[36] Villaflor vs. CA, G.R. No. 95694, October 9, 1997, 280 SCRA 299.

[37] Id.

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