

FLORA POTENCIANO CAVILES, PETITIONER, VS. ARMANDO MATUNDAN AND ANY AND/OR ALL PERSONS CLAIMING RIGHTS AND INTERESTS UNDER THE LATE ARTEMIO MATUNDAN, RESPONDENTS.

Ponente: LIBREA-LEAGOGO, C.C., J.

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LIBREA-LEAGOGO, C.C., J.:

Before this Court is a Petition for Review[1] dated 17 July 2014 under Rule 43 of the Rules of Court, assailing the Decision[2] dated 29 November 2013 and Resolution[3] dated 03 June 2014 of the Department of Agrarian Reform Adjudication Board (DARAB) in DARAB Case No. 17300 (Reg. Case No. R-0403-0023-09), which denied the appeal and affirmed the Resolution[4] dated 19 January 2011 of Provincial Adjudicator Ramon I. Bausas (“Bausas,” for brevity) for Laguna, and denied petitioner's Motion for Reconsideration, respectively.

Per JRD verification,[5] no comment was filed as per CMIS entry. Thus, the third paragraph of the Resolutionp6[dated 22 January 2015 is reiterated and the Petition is submitted for decision.

FACTUAL ANTECEDENTS

Complainant Flora Potenciano-Caviles filed a Complaint[7] dated 02 December 2009 for termination of tenancy relationship, inventory and accounting of harvests dated 02 December 2009 against respondents Armando Matundan (“Armando,” for brevity) and all persons claiming rights and interests under the late Artemio Matundan (“Artemio,” for brevity) before the DARAB, Region IV-A, Office of the Provincial Adjudicator, San Pablo City.

Complainant alleged, inter alia, that: she is one of two children of the late Spouses Pelagio and Maxima Potenciano, who are the registered owners of a parcel of land located at Barangay Butong, Cabuyao, Laguna consisting of 33,868 sq. m., covered by TCT No. 191014; Maxima and Pelagio died intestate on 28 December 1987 and 05 November 1991, respectively; she is an actual and beneficial co-owner of the property with the heirs of her sibling, Max B. Potenciano; the property was covered by an Agricultural Leasehold Agreement (Kasunduan Buwisan sa Sakahan) entered into by Pelagio and Artemio on 04 November 1976; Artemio paid lease rentals to Pelagio and later on to her; since 1989, neither Artemio nor his wife Teodora, or after the former passed away, their eldest son, Armando, or his siblings have paid any lease rentals; such deliberate refusal of respondents to pay lease rentals to her or her co-owners is a ground for the former's dispossession from the property; and she is entitled to moral damages in the amount of not less than Php100,000.00 and attorney's fees of Php100,000.00 plus Php5,000.00 per appearance fee.

It appears that respondents filed an Answer with Motion to Dismiss on 01 March 2010, alleging, inter alia, that they have been religiously paying their lease rentals as stipulated in the Agricultural Leasehold Agreement.[8]

It further appears that on 22 April 2010, a Reply was submitted by complainant who continuously challenged the coverage of the property under the Operation Land Transfer (OLT) program; what is being covered by the DAR under the OLT program is only a 1.6 hectare portion of the property consisting of a total of 3.3863 hectares as

may be gleaned from the letter of Provincial Agrarian Reform Officer (PARO) Felixberto Q. Kagahastian (“Kagahastian,” for brevity).[9]

It also appears that respondents filed a Manifestation with Motion to Dismiss on 09 September 2009, praying that the Complaint be dismissed for lack of cause of action and for the reason that the same is grounded on an agrarian law implementation (ALI) case, which DARAB has no jurisdiction to try; and an Opposition thereto was submitted by complainant on 05 November 2010.[10]

In the Resolution[11] dated 19 January 2011, Provincial Adjudicator Bausas found, inter alia, that: respondents have always been dutifully remitting the lease rentals due to the landowner except when the property was already covered and placed under the OLT program on 26 November 1990; Artemio was granted an Emancipation Patent over the 1.6 hectares from the total landholding of 3.3863 hectares situated at Barangay Marinig, Cabuyao, Laguna; and it is highly impossible to deliver lease rentals to persons who are no longer deemed owners of a portion of the landholding. The dispositive portion reads:

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

1. GRANTING the respondents' Motion to Dismiss;
2. DISMISSING the instant (C)omplaint for utter lack of merit and;
3. DIRECTING the complainants (sic) to respect the peaceful possession of the respondents over the 1.6 hectare portion of the property awarded unto them.

No pronouncement as to cost.

SO ORDERED.”[12]

Complainant filed a Motion for Reconsideration[13] dated 23 February 2011, which was denied by Provincial Adjudicator Bausas in his Order[14] dated 26 May 2011.

Complainant filed a Notice of Appeal[15] and Appeal Memorandum,[16] both dated 13 June 2011.

In the assailed Decision[17] dated 29 November 2013, the DARAB denied the appeal and affirmed the Resolution dated 19 January 2011 of Provincial Adjudicator Bausas, the dispositive portion of which reads:

“WHEREFORE, the appeal is hereby DENIED for lack of merit and the appealed decision is AFFIRMED.

SO ORDERED.”[18]

Complainant filed a Motion for Reconsideration[19] dated 27 February 2014, which was denied in the assailed Resolution[20] dated 03 June 2014.

Hence, this Petition for Review.

RULING

Petitioner assigns the following errors, viz:

- “1. The DARAB erred when if (sic) found that the petitioner failed to establish that respondent and his deceased parents were remiss in their obligation to pay lease rentals.
2. The DARAB erred when it found that there is no ground to terminate the tenancy relationship and that respondent is entitled to security of tenure.
3. The DARAB erred when its (sic) failed to order respondent to render an accounting of the harvests.”[21]

Petitioner contends, inter alia, that: respondents were remiss in their obligation to pay lease rentals; respondents argue that the lease rentals have not been paid because the property had been covered under the OLT program pursuant to P.D. No. 27; when the 1.6 hectare portion of the property was sought to be covered by DAR in 1996 under its OLT program, R.A. No. 6657, the CARL, was already operative; she had been challenging the coverage of the property under the OLT program since 1990 until the present time; the coverage under the OLT program is not yet final and still pending with the DAR, thus, it is premature for respondents to cease to remit lease rentals to her; the remaining 1.7863 hectares of the property was not covered by the OLT program; the Certification issued by the Land Bank of the Philippines (LBP) that Teodora had an outstanding Farmer's Advance Remittance of Php4,950.00 only covers the 1.6 hectare portion while the remaining 1.7863 hectares are not covered by said remittance; no payments have been made by respondents or their predecessors-in-interest for the 1.7863 hectares; an advance remittance cannot be considered as full payment of the amortization for the 1.6 hectare portion; Artemio and his successors-in-interest have always been aware that the remaining 1.7863 hectare portion belonged to her and they could only remain as tenants for as long as they complied with the Agricultural Leasehold Agreement; respondents and their predecessors-in-interest dutifully remitted lease rentals until 1990; when a portion of the property was covered under the OLT program, no payments were made thereafter; respondents deliberately ceased to pay lease rentals sometime in 1990 and there has been no allegation that such non-payment was due to crop failure to the extent of 75% as a result of a fortuitous event; there is a valid ground to eject respondents from the landholding; respondents should be made to account for the harvests generated from the property from 2006 and pay rentals for 3 years prior to the initiation of the Complaint until the present time; and respondents should be held jointly and severally liable to pay Php100,000.00 plus Php5,000.00 appearance fee as attorney's fees.

The Petition is bereft of merit.

(T)his Court generally accords respect, even finality to the factual findings of quasi-judicial agencies, i.e., the PARAD and the DARAB, when these findings are supported by substantial evidence. The PARAD and the DARAB, by reason of their official position have acquired expertise in specific matters within their jurisdiction, and their findings deserve full respect; without justifiable reason, these factual findings ought not to be altered, modified, or reversed.[22]

(It) cannot (be) overemphasize(d) that in administrative proceedings, only substantial evidence, i.e., that amount of relevant evidence that a reasonable mind might accept as adequate to support a conclusion, is required.[23] Here, We find no cogent reason to reverse the findings of the Provincial Adjudicator and the DARAB, which are anchored on substantial evidence. Considering that the findings of the (Provincial) Adjudicator and the DARAB are uniform in all material respects, these findings should not be disturbed.[24]

Artemio was the agricultural lessee of landowner Pelagio by virtue of a Kasunduan Buwisan sa Sakahan.[25] The landholding located in Cabuyao, Laguna is devoted to the planting of palay.[26] Petitioner is the daughter of Pelagio, while respondent Armando is the son of deceased Artemio.

Petitioner alleged that sometime in 1990, respondents deliberately ceased to pay any lease rentals to her.[27] Non-payment of the lease rentals whenever they fall due is a ground for the ejectment of an agricultural lessee under paragraph 6, Section 36 of R.A. No. 3844. In relation to Section 2 of Presidential Decree (P.D.) No. 816, deliberate refusal or continued refusal to pay the lease rentals by the agricultural lessee for a period of two (2) years shall, upon hearing and final judgment, result in the cancellation of the CLT issued in the agricultural lessee's favor. The agricultural lessee's failure to pay the lease rentals, in order to warrant his dispossession of the landholding, must be willful and deliberate and must have lasted for at least two (2) years. The term "deliberate" is characterized by or results from slow, careful, thorough calculation and consideration of effects and

consequences, while the term “willful” is defined, as one governed by will without yielding to reason or without regard to reason. Mere failure of an agricultural lessee to pay the agricultural lessor's share does not necessarily give the latter the right to eject the former absent a deliberate intent on the part of the agricultural lessee to pay.[28]

Time and again, it has been ruled that he who alleges the affirmative of the issue has the burden of proof.[29] The records of this case are, however, bereft of any showing that the aforestated claim (of petitioner) was substantiated by any evidence tending to prove the same. Keeping in mind that bare allegations, unsubstantiated by evidence, are not equivalent to proof,[30] We cannot lend any credence to petitioner's allegation of non-payment by respondents of lease rentals. Under Section 37 of Republic Act No. 3844, as amended, xxx the burden of proof to show the existence of a lawful cause for the ejectment of the (respondents) as (agricultural lessees) rests upon the (petitioner) as agricultural (lessor). This proceeds from the principle that a tenancy relationship, once established, entitles the tenant to security of tenure.[31] Here, petitioner failed to discharge her burden.

As aptly found by the Provincial Adjudicator Bausas, viz: “(r)espondents have always been dutifully remitting the lease rental due (sic) the landowner(s) except when the property was already covered and placed under the Operation Land Transfer (OLT) program of the government on November 26,1990. Granted unto the late Artemio Matundan, father of herein respondent was an Emancipation Patent (EP) award over the 1.6 hectares from the total area of the landholding under controversy which is 3.3863 hectares situated at Brgy. Marinig, Cabuyao, Laguna. The generation of the Emancipation Patent was delayed due to the lost (sic) of the property's (o)riginal (t)ransfer (c)ertificate of (t)itle in the Register of Deeds which led to the reconstitution proceedings for the lost Transfer Certificate of Title No. 191014. By reason thereof, there was no truth that respondents failed to deliver the lease rentals to the landowners. It becomes highly impossible to deliver lease rentals to persons who are no longer deemed owners of a portion of the landholding.”[32]

Our law on agrarian reform is a legislated promise to emancipate poor farm families from the bondage of the soil. P.D. No. 27 was promulgated in the exact same spirit, with mechanisms which hope to forestall a reversion to the antiquated and inequitable feudal system of land ownership.[33] P.D. No. 27, which implemented the Operation Land Transfer (OLT) program, covers tenanted rice or corn lands. The requisites for coverage under the OLT program are the following: (1) the land must be devoted to rice or corn crops; and (2) there must be a system of share-crop or lease-tenancy obtaining therein.[34]

Both (DAR) Memorandum Circular No. 6 (series of 1978) and P.D. (No.) 816 were issued pursuant to and in implementation of P.D. (No.) 27.[35] (T)he MAR Circular merely provides guidelines in the payment of lease rentals/amortizations in implementation of P.D. (No.) 816. Under both P.D. (No.) 816 and the MAR Circular, payment of lease rentals shall terminate on the date the value of the land is established. Thereafter, the tenant-farmers shall pay amortizations to the Land Bank (of the Philippines) (LBP). The rentals previously paid are to be credited as partial payment of the land transferred to tenant-farmers.[36]

Here, a Notice of Coverage[37] was issued in 1990 by Municipal Agrarian Reform Officer (MARO) Belen B. De Torre to Pelagio, viz: “(p)ursuant to (sic) Land Transfer Program of the government (Presidential Decree No. 27)(,) you are hereby notified that your landholding located at Marinig, Cabuyao, Laguna is now covered under Operation Land Transfer.”[38] In a Certification[39] issued by MARO Maxima L. Mandocdoc, it was stated that: “(t)his is to certify that the Claim Folder of Pelagio Potenciano, covering a parcel of land located at Marinig, Cabuyao, Laguna embraced in TCT No. T-19014 with a total area of (3.3863) hectares has been covered by Operation Land Transfer under PD 27.”[40]

In a Certification[41] issued by the Land Bank of the Philippines, it was stated that: “xxx Ms. TEODORA

MATUNDAN has outstanding Farmers Advance Remittance to this office amounting to FOUR THOUSAND NINE HUNDRED FIFTY PESOS ONLY (P 4,950.00) for (sic) parcel of land under PD 27 situated in Cabuyao, Laguna.”[42] Petitioner received on 09 September 1996[43] a letterx[44] from PARO Kagahastian of Laguna, viz: “xxx an (sic) area of 1.6000 hectares was place(d) under the Department of Agrarian Reform Program by Operation Land Transfer (OLT) Scheme pursuant to Presidential Decree No. 27 (P.D. 27) whose Emancipation Patent (EP) is pending for registration before the Register of Deeds of Calamba, Laguna.”[45]

In another letter[46] dated 25 July 1997 of PARO Kagahastian, addressed to MARO Mandocdoc of Cabuyao, Laguna, he stated that: “(f)orwarding herewith letter-indorsement of Renato B. Alano, Director III for Operations, DAR-IV Pasig City relative to the land transfer claim of Pelagio Potenciano which was returned by Land Bank of the Philippines with the information that said landholding/landowner (was) already fully paid thru the lease rental paid by the FB. Please inform the landowner concerned regarding full payment made by the FB.”[47]

We find that the foregoing documents constitute as substantial evidence of the fact that respondents paid their lease rentals. To be deliberate or willful, the non-payment of lease rentals must be absolute, i.e., marked by complete absence of any payment. This cannot be said of the respondents' case.[48] Since (petitioner) failed to prove (non-payment) of (lease) rentals, (respondents) may not be ejected from the landholding.[49]

In the instant case, We find no compelling reason to disturb the following findings of the DARAB as the standard of substantial evidence is satisfied, viz:

“From this Board's assessment of the evidence at hand, we find that complainant-appellant failed to establish that the Matundans are remiss in their obligation to pay their lease rentals.

First, the Certification issued by the Land Bank of the Philippines xxx confirmed that respondent-appellee's mother, Teodora Matundan(.) had an outstanding Farmer's Advance Remittance in the amount of Four Thousand Nine Hundred Fifty Pesos (P4,950.00) covering the land owned by Pelagio Potenciano.

Second, the letter xxx dated 25 July 1997 of Felixberto Kagahastian, xxx (PARO) of Laguna, addressed to Maxima L. Mandocdoc, xxx (MARO) of Cabuyao, Laguna, mentioned that the claim folder of Pelagio Potenciano was returned by the Land Bank of the Philippines (LBP) with the information that his land was already fully paid through the lease rentals of the farmer-beneficiary.

Third, if indeed Artemio Matundan nor (sic) his wife Teodora Matundan and even respondent-appellee failed to pay their lease rentals since 1989, then why it is only in 2009 or for twenty (20) years that this present case was filed? Human experience dictates that the normal reaction if his/her tenant is not paying his/her lease rentals would have been for the complainant-appellant or his (sic) deceased father Pelagio Potenciano to register his/her protest at the earliest possible time.

All told, complainant-appellant failed to establish that respondent-appellee and his deceased parents were remiss in their obligation to pay lease rentals. As such, there is no ground to terminate the tenancy relationship and respondent-appellee is entitled to security of tenure and protection under our agrarian laws.”[50] (Emphasis supplied)

Considering the foregoing disquisition, We find no necessity to resolve the other matters raised by petitioner.

WHEREFORE, premises considered, the Petition is DENIED. Costs against petitioner.

SO ORDERED.

Lazaro-Javier, and Sadang, JJ., concur.

- [1] Rollo, pp. 06-14
- [2] Id. at 17-27
- [3] Id. at 28-29
- [4] Id. at 70-74
- [5] Id. at 152 (dorsal side)
- [6] Id. at 152
- [7] Id. at 30-33
- [8] Id. at 71
- [9] Id.
- [10] Id. at 71-72
- [11] Id. at 70-74
- [12] Id. at 74
- [13] Id. at 43-45
- [14] Id. at 46
- [15] Id. at 87
- [16] Id. at 88-93
- [17] Id. at 17-27
- [18] Id. at 27
- [19] Id. at 55-57
- [20] Id. at 28-29
- [21] Id. at 09
- [22] Heirs of Teresita Montoya, etc., et al. v. National Housing Authority, et al., G.R. No. 181055, 19 March 2014
- [23] Cf. Re: Allegations Made under Oath at the Senate Blue Ribbon Committee Hearing Held on September 26, 2013 against Associate Justice Gregory S. Ong, Sandiganbayan, A.M. No. SB-14-21-J [Formerly A.M. No. 13-10-06-SB], 23 September 2014
- [24] NGEI Multi-Purpose Cooperative, Inc., et al. v. Filipinas Palmoil Plantation, Inc., et al., G.R. No. 184950, 11 October 2012
- [25] Rollo, p. 36
- [26] Id.
- [27] Id. at 11
- [28] Cf. Ernesto L. Natividad v. Fernando Mariano, et al., G.R. No. 179643, 03 June 2013
- [29] Cf. Department of Education, etc. v. Mariano Tuliao, G.R. No. 205664, 09 June 2014

- [30] Cf. *Eufrocina Nieves, etc. v. Ernesto Duldulao, et al.*, G.R. No. 190276, 02 April 2014
- [31] *Id.*, citing *Sta. Ana v. Spouses Carpo*, 593 Phil. 108 (2008)
- [32] *Rollo*, p. 73
- [33] Cf. *Raymundo Coderias, etc. v. Estate of Juan Chioco, etc.*, G.R. No. 180476, 26 June 2013
- [34] Cf. *Heirs of Romulo D. Sandueta, etc. v. Domingo Robles, et al.*, G.R. No. 203204, 20 November 2013, citing *Daez v. CA*, 382 Phil. 742 (2000)
- [35] Cf. *Rolando Sigre v. Court of Appeals, et al.*; *Land Bank of the Philippines v. Court of Appeals, et al.*, G.R. Nos. 109568 and 113454, 08 August 2002
- [36] Cf. *Magdalena Coruna, et al. v. Saturnino Cinamin, et al.*, G.R. No. 154286, 28 February 2006, citing *Curso v. Court of Appeals*, 213 Phil. 506, 515, 513-514 (1984)
- [37] *Rollo*, p. 75
- [38] *Id.*
- [39] *Id.* at 149
- [40] *Id.*
- [41] *Id.* at 77
- [42] *Id.*
- [43] *Id.* at 08
- [44] *Id.* at 76
- [45] *Id.*
- [46] *Id.* at 119
- [47] *Id.*
- [48] *Ernesto L. Natividad v. Fernando Mariano, et al.*, *supra*
- [49] *Juan Galope v. Cresencia Bugarin, etc.*, G.R. No. 185669, 01 February 2012
- [50] *Rollo*, pp. 25-26

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