

**SAMAHANG MAGBUBUKID NG KAPDULA, INC.,  
PETITIONER-APPELLANT, VS. THE HONORABLE COURT OF APPEALS,  
PONCIANO DUCUSIN, AQUILINO DUCUSIN, EUFEMIO CABINGAN,  
LEONARDO DIAZ, REYNALDO PER...**

*G.R. No. 103953. March 25, 1999*

Ponente: PURISIMA, J.

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**PURISIMA, J.:**

At bar is a petition for review on certiorari under rule 45 of the Revised Rules of Court assailing the Decision[1] of the Court of Appeals in CA-G.R. SP No. 26173.

The facts that matter are as follows:

Macario Aro was the former owner of two (2) parcels of agricultural land with an aggregate area of 168.7 hectares, more or less, in Barangay Malinta, Dasmarinas, Cavite. The members of petitioner Samahang Magbubukid Ng Kapdula, Inc. were the tenants on the two (2) parcels of land.

Sometime in 1979 or 1980, Mr. Aro sold the said parcels of land to Arrow Head Golf Club, Inc., which was founded by Ricardo Silverio who envisioned to establish a car assembly plant within the area. In the process, the members of petitioner were evicted. But the establishment of a car assembly plant in the place never materialized.

The parcels of land in question were later leased to the spouses, Ruben Rodriguez and Gloria Bugagao, for a term of seven (7) years from July 8, 1983 to July 8, 1990[2], and were then developed into a sugarcane plantation, with the herein private respondents as the regular farmworkers.

On July 13, 1984, the same property was acquired by the Philippine National Bank ("PNB") at a Sheriff's auction sale.[3]

In 1986, the members of petitioner sought the assistance of the former Ministry of Agrarian Reform ("MAR"), now Department of Agrarian Reform ("DAR"), through then Minister Heherson Alvarez, for their reinstatement as farmworkers thereon, but nothing came out of such efforts.

The ownership of subject parcels of land was later transferred to the Asset Privatization Trust ("APT") which conveyed the same on March 19, 1991 to the Republic of the Philippines, represented by the DAR[4]

On March 26, 1991, in furtherance of its objective of instituting agrarian reform in the country, the DAR issued Certificate of Land Ownership ("CLOA") Nos. 1116[5] and 1117[6] for the said parcels of land in favor of the petitioner.

On September 27, 1991, the private respondents filed a Petition for Certiorari with the Court of Appeals, assailing the issuance of said CLOAs to the petitioner.

On January 30, 1992, the Court of Appeals granted the petition, disposing thus:

"WHEREFORE, the petition is hereby GRANTED in that the respondent Department of Agrarian Reform be directed to conduct a hearing and/or investigation, with due notice to the herein petitioners, to determine the rightful beneficiaries of the subject parcels of land in accordance with R.A. No. 6657 or the CARP; and to cause the cancellation of the Transfer Certificate of Title Nos. CLOA-1116 and 1117 in the name of private respondent, should private respondent be found not entitled to the subject parcels of land."[7]

Dissatisfied therewith, the petitioner has come to this Court to assail the Decision of the Court of Appeals, contending that:

## **I**

THE RESPONDENT COURT ERRED IN NOT DISMISSING THE PETITION FOR CERTIORARI FOR NON-EXHAUSTION OF ADMINISTRATIVE REMEDIES.

I-A THE RESPONDENT COURT ERRED IN ITS FINDING THAT HEREIN PRIVATE RESPONDENTS WERE NOT GIVEN OPPORTUNITY TO BE HEARD IN THE ADMINISTRATIVE PROCEEDINGS CONDUCTED PRECEDING THE ISSUANCE OF THE AWARDS.

I-B

THE RESPONDENT COURT ERRED IN ITS FINDING THAT DETERMINATION OF QUALIFIED BENEFICIARIES IS A DECISION OF THE SECRETARY AND THAT RESORTING TO THE DAR ADJUDICATION BOARD TO QUESTION SUCH DECISION IS UNAVAILING.

## **II**

THE RESPONDENT COURT ERRED IN ITS FINDING THAT THERE WAS FAILURE TO OBSERVE DUE PROCESS IN THE ISSUANCE OF TCT NOS. CLOA-1116 AND CLOA-1117 IN THE NAME OF HEREIN PETITIONER.

### **II-A**

THE RESPONDENT COURT ERRED IN NOT UPHOLDING THE PRESUMPTION THAT OFFICIAL DUTY HAS BEEN REGULARLY PERFORMED ABSENT EVIDENCE TO THE CONTRARY.

## **III**

THE RESPONDENT COURT ERRED IN DIRECTING THE DAR TO CONDUCT A HEARING AND/OR INVESTIGATION, WITH DUE NOTICE TO HEREIN PRIVATE RESPONDENTS, TO DETERMINE THE RIGHTFUL BENEFICIARIES OF THE SUBJECT PARCELS OF LAND IN ACCORDANCE WITH R.A. NO. 6657, AND TO CAUSE THE CANCELLATION OF TCT NOS. CLOA-1116 AND CLOA-1117 IN THE NAME OF HEREIN PETITIONER SHOULD IT BE FOUND NOT ENTITLED THERETO.

### **III-A**

THE RESPONDENT COURT ERRED IN NOT GIVING RESPECT AND REGARDING WITH FINALITY THE FINDINGS OF FACT OF DAR.

## **IV**

THE RESPONDENT COURT ACTED WITH GRAVE ABUSE OF DISCRETION AMOUNTING TO LACK OF JURISDICTION IN ITS FINDING OF FACTS WHICH IS NOT SUPPORTED BY EVIDENCE.

Petitioner-appellant's submissions boil down to two pivotal issues:

1. Whether or not there was observance of due process by the Department of Agrarian Reform prior to the issuance of CLOA Nos. 1116 and 1117 in favor of petitioner; and

2. Whether there was a need for the private respondents to exhaust administrative remedies before filing their petition for certiorari with the Court of Appeals.

Petitioner contends that before taking recourse to the Court of Appeals, the private respondents should have first exhausted all administrative remedies available to them. On the ground of non-exhaustion of administrative remedies, the respondent court should have dismissed the petition of private respondents. To buttress its stance, petitioner cited Section 50[8] of Republic Act No. 6657 ("RA 6657") and Section 1, Rule II of the Revised Rules of DAR Adjudication Board[9] vesting the DAR and DAR Adjudication Board ("DARAB") with jurisdiction to resolve agrarian reform disputes, including the issuance of CLOAs.

The Court of Appeals, on the other hand, opined that determination by Secretary of the Department of Agrarian Reform as to the rightful beneficiaries has the effect of a final ruling or award by the DAR itself and therefore, resort to DARAB to question the ruling of the Secretary would be improper. There is thus no need to exhaust administrative remedies, under the premises.

From the DARAB Revised Rules of Procedure, it can be gleaned that decisions of the DAR Secretary cannot be questioned before DARAB. Pertinent rules, provide:

"SECTION 1. Primary, Original and Appellate Jurisdiction. The Agrarian Reform Adjudication Board shall have primary jurisdiction, both original and appellate, to determine and adjudicate all agrarian disputes, cases, controversies, and matters or incidents involving the implementation of the Comprehensive Agrarian Reform Program under Republic Act No. 6657, Executive Order Nos. 229, 228 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 extend over but not be limited to the following:

x x x

(c) Cases involving the annulment or cancellation of orders or decisions of DAR officials other than the Secretary, lease contracts or deeds of sale or their amendments under the administration and disposition of the DAR and LBP;" (Rule II, DARAB Revised Rules of Procedure) (italics ours)

From the foregoing, it is decisively clear that DARAB may only entertain appeals from decisions or orders of DAR officials other than the Secretary. It is also irrefutable that the issuance of subject CLOAs constituted a decision of the Secretary, who issued and signed the same.[10]

Consequently, the propriety of the recourse by private respondents to the respondent court on a petition for certiorari, to assail the issuance by the DAR of the CLOAs in question, is beyond cavil. Under Section 54 of RA 6657, decisions and awards of the DAR may be brought to the Court of Appeals by certiorari.[11]

Time and again, this court has ruled that in cases of denial of due process, exhaustion of available administrative remedies is unnecessary[12] The aggrieved party may seek judicial relief outright.

But was there a denial of due process under the attendant facts and circumstances? Respondent court found that herein private respondents were denied the opportunity to ventilate their stance before the DAR. But according to the petitioner, during the investigation and conferences conducted on the question of inclusion of subject properties in the Comprehensive Agrarian Reform Program of the government, Mr. Ruben Rodriguez was notified of the same, as evidenced by Annexes "E"[13], "F"[14][1], "F-1"[15], and "F-2"[16]

Records show, however, that the letter (Annex "E"), which was supposed to be the notice to the private respondents regarding the inclusion of subject properties in the CARP, was ineffective. First of all, the letter of

Provincial Agrarian Reform Officer Serapio T. Magpayo to Mr. Ruben Rodriguez indicates no receipt of the same by Mr. Rodriguez nor was it signed by Mr. Magpayo. Secondly, if it was ever sent, it was sent too late, the same being dated June 5, 1991, when the said parcels of land had already been awarded to the members of petitioner. (The CLOAs under controversy were issued on March 26, 1991.) Thirdly, the letter was addressed to Mr. Ruben Rodriguez, who no longer possessed the said properties as his lease thereover ended on July 8, 1990.

There is thus a need for further hearings to determine the beneficiaries of subject parcels of land. In such hearings, the private respondents, who were deprived of an opportunity to be heard before the DAR, should participate. This is in pursuance of the provisions of Section 40(4)[17], in relation to Section 22[18] of RA 6657, providing for the order or priority of the qualified beneficiaries of CARP.

WHEREFORE, the petition is hereby DENIED and the Decision of the Court of Appeals in CA-G.R. SP No. 26173 AFFIRMED. No pronouncement as to costs.

**SO ORDERED.**

Romero (Chairman), Vitug, Panganiban, and Gonzaga-Reyes, JJ., concur.

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[1] Penned by Associate Justice Manuel C. Herrera and concurred by Associate Justices Alfredo L. Benipayo and Cancio C. Garcia.

[2] See Contract of Lease, Rollo, pp. 212-216.

[3] See Deed of Transfer, Rollo, pp. 276-279.

[4] Ibid.

[5] Rollo, pp. 280-283.

[6] Rollo, pp. 284-286.

[7] Rollo, pp. 21-26.

[8] "SECTION 50. Quasi-Judicial Powers of the DAR. --- The DAR is hereby vested with primary jurisdiction to determine and adjudicate agrarian reform matters and shall have exclusive original jurisdiction over all matters involving the implementation of agrarian reform, except those falling under the exclusive jurisdiction of the Department of Agriculture (DA) and the Department of Environment and Natural Resources (DENR).

x x x."

[9] "SECTION 1. Primary, Original and Appellate Jurisdiction. The Agrarian Reform Adjudication Board shall have primary jurisdiction, both original and appellate, to determine and adjudicate all agrarian disputes, cases, controversies, and matters or incidents involving the implementation of the Comprehensive Agrarian Reform Program under Republic Act No. 6657, Executive Order Nos. 229, 228 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 extend over but not be limited to the following:

x x x

f) Cases involving the issuance of Certificate of Land Transfer (CLT), Certificate of Landownership Award (CLOA) and Emancipation Patent (EP) and the administrative correction thereof;

x x x."

[10] Supra, footnotes 4 and 5.

[11] "SECTION 54. Certiorari. - Any decision, order, award, or ruling of the DAR on any agrarian dispute or on any matter pertaining to the application, implementation, enforcement, or interpretation of this Act and other pertinent laws on agrarian reform may be brought to the Court of Appeals by certiorari except as otherwise provided in this Act within fifteen (15) days from receipt of a copy thereof.

The findings of fact of the DAR shall be final and conclusive if based on substantial evidence."

[12] Reyes v. Subido, 66 SCRA 203.

[13] Rollo, p. 31.

[14] Rollo, p. 32.

[15] Rollo, p. 33.

[16] Rollo, p. 34.

[17] "SECTION 40. Special Areas of Concern. -- As an integral part of the Comprehensive Agrarian Reform Program, the following principles in these special areas of concern shall be observed:

x x x

(4) Idle, Abandoned, Foreclosed and Sequestered Lands - Idle, abandoned, foreclosed and sequestered lands shall be planned for distribution as home lots and family-size farmlots to actual occupants. If land area permits, other landless families shall be accommodated in these lands."

[18] "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 of 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; and
- (g) others directly working on the land.

x x x

A basic qualification of a beneficiary shall be his willingness, attitude, and ability to cultivate and make the land as productive as possible. The DAR shall adopt a system of monitoring the record or performance of each beneficiary, so that any beneficiary guilty of negligence or misuse of the land or any support extended to him shall forfeit his right to continue as such beneficiary. The DAR shall submit periodic reports on the performance of the beneficiaries to the PARC.

If, due to the landowner's retention rights or to the number of tenants, lessees, or workers on the land, there is not

enough land to accommodate any or some of them, they may be granted ownership of other lands available for distribution under this Act, at the option of the beneficiaries.

Farmers already in place and those not accommodated in the distribution of privately-owned lands will be given preferential rights in the distribution of lands from the public domain."

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