

**SUMALO HOMEOWNERS ASSOCIATION OF HERMOSA, BATAAN,
PETITIONER, VS. JAMES T. LITTON, EMMA L. LAPERAL, GLORIA L.
DEL RIO, GEORGE T. LITTON, JR., GRACE L. GALLEG0 AND THE
HEIRS OF E...***G.R. NO. 146061. August 31, 2006*Read online (full-text search, related cases, audio case brief): <https://batas.org/library/g-r-no-146061/>**YNARES-SANTIAGO, J.:**

Assailed in this Petition for Review on certiorari is the June 16, 2000 Decision[1] of the Court of Appeals in CA-G.R. SP No. 52014 reversing the Resolution of the Office of the President dated September 4, 1998 (Zamora Resolution) and reinstating the Resolution dated June 16, 1997 (Torres Resolution), as well as the October 23, 2000 Resolution[2] denying the motion for reconsideration.

The factual antecedents are as follows:

On August 16, 1989, respondents filed with the Department of Agrarian Reform (DAR) a voluntary offer to sell (VOS) their property located in Bgy. Sumalo, Hermosa, Bataan, consisting of three contiguous parcels of land, with an aggregate area of 213.6189 hectares and covered by Transfer Certificate of Title (TCT) Nos. 80135, 80136, 80137.[3] On August 26, 1991, the DAR Region III Office issued a Notice of Acquisition[4] informing the respondents that the DAR will only acquire 42.4034 hectares of the property. Thereafter, on July 6, 1993, the Provincial Agrarian Reform Officer (PARO) informed the respondents that DAR would acquire 45.3789 hectares at P1.17 per square meter or a total purchase price of P529,414.68.

Notwithstanding receipt of the DAR's offer of purchase, respondent withdrew their VOS and applied for the conversion of the property from agricultural use to industrial, commercial and residential uses. Respondents opted for conversion due to the enactment of Republic Act (R.A.) No. 7227 or The Bases Conversion and Development Act of 1992,[5] providing for the creation of a Special Economic and Free Port Zone in an area consisting of Olongapo City, Subic in Zambales and parts of the municipalities of Morong and Hermosa in the Province of Bataan, and the declaration by the Sangguniang Bayan of Hermosa and the Sangguniang Panlalawigan of Bataan that the Hermosa Agro-Industrial Estate, a property contiguous to the land of the respondents, is an industrial area.[6] Likewise, the Department of Agriculture (DA) has determined that respondents' property is not economically suitable for agricultural production[7] and that there is no tenurial relationship between them and the occupants of the property. The respondents further alleged that the construction of light structures in the areas adjacent to their property, as well as the proposed Subic Bay Metropolitan Authority (SBMA) National Highway thru their property warrant the application for reclassification.

On May 14, 1996, DAR Secretary Ernesto D. Garilao denied[8] respondents' application for conversion of the property. The motion for reconsideration was likewise denied on September 18, 1996, hence respondents appealed to the Office of the President docketed as O.P. Case No. 97-A-7020. During the pendency of O.P. Case No. 97-A-7020, the Sangguniang Bayan of Hermosa, Bataan issued Ordinance No. 96004 reclassifying the area which includes the subject properties from agricultural to industrial zone.

On June 16, 1997, the Office of the President, through Executive Secretary Ruben D. Torres issued a Resolution[9] disposing respondents' appeal as follows:

WHEREFORE, pursuant to the spirit and intent of RA No. 6557, the Orders dated 14 May 1996 and 18 September 1996 by the Honorable Secretary of Agrarian Reform, are hereby SET ASIDE. Accordingly, the application for conversion of the entire 213.6819 hectare property of the applicants-appellants located at Bgy. Sumalo, Hermosa, Bataan is hereby APPROVED.

SO ORDERED.[10]

Aggrieved by the issuance of the Torres Resolution, the petitioners sought a reconsideration of the same. The Office of the President, this time represented by Executive Secretary Ronaldo B. Zamora, issued on September 4, 1998 a Resolution[11] giving due course to the motion for reconsideration of the petitioners. The dispositive portion of the Zamora Resolution reads:

WHEREFORE, the instant motion for reconsideration is hereby given due course, and the Resolution of this Office dated June 16, 1997 is hereby REVERSED. The orders of the Secretary of Agrarian Reform dated May 14, 1996 and September 18, 1996, are hereby REINSTATED.

SO ORDERED.[12]

Respondents appealed by way of a petition for review[13] under Rule 43 of the Rules of Court with the Court of Appeals which rendered the assailed decision which reads:

WHEREFORE, the OP Resolution dated September 4, 1998 (Zamora Resolution) is hereby REVERSED and SET ASIDE, and the OP Resolution dated June 16, 1997 (Torres Resolution) is REINSTATED.

SO ORDERED.[14]

Petitioners' motion for reconsideration was denied[15] hence the present petition raising the following issues:

WHETHER THE COURT OF APPEALS CORRECTLY HELD THAT THE PETITIONERS ARE NOT REAL PARTIES IN INTEREST TO THE CASE.

WHETHER THE COURT OF APPEALS CORRECTLY ANCHORED ITS ASSAILED DECISION ON THE CASE OF FORTICH v. CORONA.

In the case of Fortich v. Corona,[16] the Office of the President issued on March 29, 1996 through Executive Secretary Ruben D. Torres a resolution approving the conversion of 144-hectare land from agricultural to agro-industrial/institutional area. The decision was met with vehement opposition by some alleged farmer beneficiaries which culminated in a dramatic and well publicized hunger strike that caught nationwide attention. This led to the issuance by the Office of the President, through then Deputy Executive Secretary Renato C. Corona, of the so-called "Win-Win" Resolution on November 7, 1997 substantially modifying the decision rendered by Executive Secretary Torres after it had already become final and executory. The "Win-Win" Resolution approved the conversion to agro-industrial area only to the extent of 44 hectares, and ordered the remaining 100 hectares to be distributed to qualified farmer beneficiaries.

Aggrieved by the issuance of the "Win-Win" Resolution, the petitioners are now before us in a special civil action for certiorari and prohibition. Finding merit in the contentions raised by the petitioners, we ruled that the "Win-Win" Resolution which substantially modified the March 29, 1996 Decision after it has attained finality, is void.[17]

As regards the standing of the purported farmer-beneficiaries who sought to intervene in the said case the

recognized rule in this jurisdiction is that a real party in interest is a party who would be benefited or injured by the judgment or is the party entitled to the avails of the suit.[18] Interest within the meaning of the rule means material interest, an interest in issue and to be affected by the decree, as distinguished from mere interest in the question involved, or a more incidental interest.[19] Real Interest means a present substantial interest, as distinguished from a mere expectancy or a future, contingent, subordinate or consequential interest.[20]

The petitioners in the instant case claim that they have been identified as qualified beneficiaries of the Litton property under the Comprehensive Agrarian Reform Program (CARP) citing Section 22 of R.A. No. 6657 or the Comprehensive Agrarian Reform Law of 1988 (CARL):[21]

SEC. 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 farm workers;
- (c) seasonal farm workers;
- (d) other farm workers;
- (e) actual tillers or occupants of public lands;
- (f) collective or cooperatives of the above beneficiaries; and
- (g) others directly working on the land.

Petitioners claim that while they may not qualify either as agricultural lessees, share tenants, regular farm workers, seasonal farm workers, or as actual tillers or occupants of public lands, they allegedly fall within the ambit of the definition of "other farm workers", "collective or cooperative of the above beneficiaries", and "others directly working on the land". They claim that in the absence of lessees, tenants, farm workers or actual tillers, those directly working on the land become qualified as beneficiaries. They also allege that they have been working on the Litton property for a long time.

The petition lacks merit.

The claim that they have been working on the Litton property as farm workers is contradicted by the Ocular Inspection Report[22] prepared by the DA Region III Office. The report not only recommended that the Litton property is best suited for purposes other than agricultural production, it also observed that the only notable developments on the property are residential houses, roads and recreational facilities. The ocular inspection report did not mention any agricultural developments to support the contention of the petitioners that they have been actually working on the land. If petitioners have indeed worked on Litton property for some time, the fruits of such endeavor should have been manifest and easily noticed by the DA representatives who conducted the ocular inspection. Moreover, the December 14, 1994 certification[23] of the Municipal Agrarian Reform Office (MAR) of Hermosa, Bataan stated that the subject properties are untenanted. Further, in the Certification[24] issued on May 2, 1994, the DA Region III Office observed that 60% of the Litton Property is under shubland/grassland and the remaining 40% is utilized for residential, institutional, roads, orchard and sporadic small areas cultivated to vegetables. The issuance of these public documents carry with it the presumption of regularity which we cannot disregard in the absence of evidence to the contrary.[25]

Petitioners also failed to substantiate the claim that they have been identified as qualified beneficiaries of the Litton property under the CARP. The CARL is specific in its requirements for registering qualified beneficiaries:

SEC. 15. Registration of Beneficiaries. – The DAR in coordination with the Barangay Agrarian Reform Committee (BARC) as organized in this Act, shall register all agricultural lessees, tenants and farm workers

who are qualified to be beneficiaries with the assistance of the BARC and the DAR shall provide the following data:

- a) Names and members of their immediate farm household;
- b) Location and area of the land they work;
- c) Crops planted; and
- d) Their share in the harvest or amount of rental paid or wages received.

A copy of the registry or list of all potential CARP beneficiaries in the barangay shall be posted in the barangay hall, school or other public buildings in the barangay where it shall be open to inspection by the public at all reasonable hours.

Aside from their self-serving assertions, the records is devoid of proof that the petitioners have been identified and registered as qualified beneficiaries. The findings of the Torres Resolution are quite revealing:

The thriving farming community adverted to by the Honorable DAR Secretary in his Order is in reality not composed of tenants of the Littons but mere occupants of homelots without their consent, who use the property primarily for residential purposes and commercial activities and who have been subject of ejectment suits by the Littons.

We find the opposition raised by the Sumalo Homeowners Association to the application for conversion to be bereft of substance. It appears that the oppositors are not farmers-tillers but occupants of homelots and are the same defendants in the ejectment suit. x x x.[26]

From the foregoing, it is clear that petitioners, whose claim of being qualified beneficiaries is self-serving and bereft of basis, are not real parties in interest in this case. As held in *Fortich v. Corona*: [27]

With respect to the motion for reconsideration filed by the applicants for intervention, we likewise find the same unmeritorious. The issue of the applicant's right to intervene in this proceedings should be laid to rest. The rule in this jurisdiction is that a party who wishes to intervene must have a "certain right" or "legal interest" in the subject matter of the litigation. Such interest must be "actual, substantial, material, direct and immediate, and not simply contingent and expectant."

Here, the applicants for intervention categorically admitted that they were not tenants x x x but were merely seasonal farmworkers in a pineapple plantation on the subject land which was under lease for ten (10) years to the Philippine Packing Corporation. Respondent, then DAR Secretary Ernesto Garilao, also admitted in his Order of June 7, 1995 that "the subject land is neither tenanted nor validly covered for compulsory acquisition x x x."

Under Section 4, Article XIII of the 1987 Constitution, the right to own directly or collectively the land they till belongs to the farmers and regular farmworkers who are landless, and in the case of other farmworkers, the latter are entitled to receive a just share of the fruits' of the land. The pertinent portion of the aforesaid constitutional provision mandates:

Sec. 4. The State shall, by law, undertake an agrarian reform program founded on the right of farmers and regular farmworkers, who are landless, to own directly or collectively the lands they till or in the case of other farmworkers, to receive a just share of the fruits thereof. x x x. (Emphasis supplied)

Commenting on the above-quoted provision, the eminent constitutionalist, Fr. Joaquin G. Bernas, S.J., one of the framers of the 1987 Constitution, declares that under the agrarian reform program the equitable distribution of the land is a right given to landless farmers and regular farmworkers to own the land they till, while the other or seasonal farmworkers are only entitled to a just share of the fruits of the land.

Thus, the Court of Appeals correctly found that petitioners in the instant case are not real parties in interest, to wit:

In the case at bench, the members of respondent Sumalo make no pretense that they are agricultural lessees or tenants or employees or laborers in an agricultural enterprise or farm of the petitioners, for the latter have none, much less are they (Sumalo members) the owners of the subject property. In their protest to the petitioner's application for conversion they merely averred "clearing, tilling and planting the land under claim of ownership." But the fact is that the parcels of land are titled in the names of the petitioners.

Accordingly, the members of Sumalo can never be considered as farmers or farmworkers, much less regular farmworkers, under the Comprehensive Agrarian Reform Law as conceived in the Constitution. Then DAR Secretary Ernesto P. Garilao, in his Order denying the [respondents'] conversion application, described the members of Sumalo as mere "occupants of the subject area" and never as farmers or farmworkers. They are, therefore completely wanting of the actual, substantial, material, direct and immediate and not simply contingent and expectant," interest that would qualify them as a real party in interest under the standard set forth in the Fortich case. x x x.[28]

Since petitioners failed to establish their standing as real parties in interest, they have no personality to assail the Torres Resolution. As earlier stated, the Torres Resolution allowing the conversion of the Litton property was rendered on June 16, 1997. DAR Secretary Garilao received a copy of the Torres Resolution on June 18, 1997. He did not file a motion for reconsideration nor did he appeal. Thereafter, on September 17, 1997, petitioners interposed a motion for reconsideration. On October 28, 1997, the DAR Secretary manifested that it was adopting the motion for reconsideration interposed by the petitioners.[29]

Administrative Order No. 18, Series of 1987, prescribes the rules and regulations governing appeals to the Office of the President. Section 7 of the said issuance provides:

SEC. 7. Decisions/resolutions/orders of the Office of the President shall, except as otherwise provided for by special laws, become final after the lapse of fifteen (15) days from receipt of a copy thereof by the parties, unless a motion for reconsideration thereof is filed within such period.[30]

Under Executive Order No. 292, The Administrative Code of 1987, the decision of an agency shall become final and executory 15 days after the receipt of a copy thereof by the party adversely affected unless within that period an administrative appeal or judicial review, if proper, has been perfected. One motion for reconsideration may be filed, which shall suspend the running of the period.[31]

The Torres Resolution was received by DAR Secretary Garilao on June 18, 1997. On September 17, 1997, petitioners filed a motion for reconsideration. On October 28, 1997, or 132 days after receipt of the Torres Resolution, DAR Secretary Garilao filed a manifestation adopting the petitioners' motion for reconsideration. Clearly the Torres Resolution has already become final and executory by the time petitioners filed the motion for reconsideration, assuming they have the legal standing to file the same. Petitioners argue they were belatedly served a copy of the Torres Resolution, hence they cannot be faulted for filing a late motion for reconsideration.

We examined the records of this case and we found no evidence to support the contention that petitioners were belatedly served a copy of the Torres Resolution. No document in the records exists to prove that petitioners received a copy of the Torres Resolution 15 days prior to the filing of their motion for reconsideration on September 17, 1997.

Since the motion for reconsideration of the petitioners cannot be considered to have been timely filed by a real party in interest, it never tolled the running of the 15-day period within which to file a motion for reconsideration or an appeal. As such, the Torres Resolution had attained finality when petitioners filed their motion for reconsideration. Thus, the Zamora Resolution which reversed the Torres Resolution which is already final and executory was issued in disregard of the rules and basic legal precept that accord finality to administrative determinations.

The orderly administration of justice requires that the judgments/resolutions of a court or quasi judicial body must reach a point of finality set by the law, rules and regulations. The noble purpose is to write finis to disputes once and for all. This is a fundamental principle in our justice system, without which there could be no end to litigations. Utmost respect and adherence to this principle must always be maintained by those who wield the power of adjudication. Any act which violates such principle must be struck down.[32]

Procedural rules should be treated with utmost respect and due regard since they are designed to facilitate the adjudication of cases to remedy the worsening problem of delay in the resolution of rival claims and in the administration of justice. The requirement is in pursuance to the bill of rights inscribed in the Constitution which guarantees that "all person shall have a right to the speedy disposition of their cases before all judicial, quasi-judicial and administrative bodies" The adjudicatory bodies and the parties to a case are thus enjoined to abide strictly by the rules.[33]

In fine, the Court of Appeals correctly reversed the Zamora Resolution because it was issued in excess of jurisdiction and in violation of the fundamental and time-honored principle of finality to administrative determinations.[34] The Torres Resolution has become final and executory hence can no longer be altered or modified.

WHEREFORE, the petition is DENIED. The June 16, 2000 Decision of the Court of Appeals in CA-G.R. SP No. 52014 reversing the Resolution of the Office of the President dated September 4, 1998 (Zamora Resolution) and reinstating the Resolution dated June 16, 1997 (Torres Resolution) and its October 23, 2000 Resolution denying the motion for reconsideration, are AFFIRMED.

No pronouncement as to costs.
SO ORDERED.

Panganiban, C.J., (Chairperson), Austria-Martinez, Callejo, Sr. and Chico-Nazario, JJ., concur.

[1]Rollo, pp. 55-69. Penned by Associate Justice Salvador J. Valdez, Jr. and concurred in by Associate Justices Renato C. Dacudao and Andres B. Reyes Jr.

[2] Id. at 71.

[3] See DAR (VOF) Form No. 1, CA rollo, pp. 113-114.

[4] See Annex 8, CA rollo, p. 111.

[5] Approved March 13, 1992.

[6] Rollo, pp. 56-57.

[7] See Re-Ocular Inspection Report dated November 14, 1997, CA rollo, p. 112.

[8] Id. at 201-203.

[9] Id. at 24-28.

[10] Id. at 28.

[11] Id. at 29-33.

[12] Id. at 30.

[13] CA rollo, pp. 2-23.

[14] Rollo, p. 69.

[15] Id. at 71.

[16] G.R. No. 131457, April 24, 1998, 289 SCRA 624.

[17] Id.

[18] RULES OF COURT, Rule 3, Sec. 2.

[19] VSC Commercial Enterprises v. Court of Appeals, G.R. No. 121159, December 16, 2002, 394 SCRA 74, 79.

[20] Id.

[21] Signed into law on June 10, 1988.

[22] CA rollo, p. 305.

[23] Id. at 300.

[24] Id. at 301.

[25] RULES OF COURT, Rule 131, Sec. 3(m).

[26] CA rollo, p. 27.

[27] G.R. No. 131457, November 17, 1998, 298 SCRA 678, 694-695.

[28] Rollo, p. 66.

[29] Id. at 60.

[30] See Amadore v. Romulo, G.R. No. 161608, August 9, 2005, 466 SCRA 397, 410.

[31] ADMINISTRATIVE CODE, Book VII, Chapter III, Section 15.

[32] Fortich v. Corona, supra note 16 at 651.

[33] Fortich v. Corona, supra note 28 at 690-691.

[34] Id. at 691.

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