CONCEPCION TORALBA, PETITIONER, VS. FRANCISCO MERCADO, RESPONDENT.

G.R. No. 146480. July 14, 2004

Ponente: QUISUMBING, J.

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QUISUMBING, J.:

This is a petition for review on certiorari of the Decision,[1] dated July 28, 1999, and Resolution,[2] dated November 25, 1999, of the Court of Appeals, affirming the Decision,[3] dated September 2, 1997, of the Department of Agrarian Reform Adjudication Board in DARAB Case No. 5192. The DARAB upheld the Decision,[4] dated June 24, 1996, of the Provincial Adjudication Board (PAB) of Urdaneta, Pangasinan, in DARAB Case No. 01-1079-EP-'96 which affirmed the ownership of the respondent over the thirteen thousand square meters (13,000 sq. m.) of rice land at the Lydia Depusoy Estate in Nancalobasaan, Urdaneta, Pangasinan.

The facts as found by the PAB and affirmed by the DARAB are as follows:

When Presidential Decree No. 27[5] took effect on October 21, 1972, the Lydia Depusoy Estate located at Nancalobasaan, Urdaneta, Pangasinan, was placed under the Operation Land Transfer (OLT) Program of the Department of Agrarian Reform (DAR).[6] Petitioner Concepcion Toralba[7] was among the qualified farmer-beneficiaries. She was issued a Certificate of Land Transfer (CLT) No. 059306 covering 1.28 hectares or 13,000 sq. m. more or less of the Lydia Depusoy Estate, designated as Lot No. 05-A/70, subject of the present case.

However, on September 26, 1988, based on a waiver[8] and a resolution[9] from the Samahang Nayon, Regional Director Antonio M. Nuesa of DAR, San Fernando, La Union (Region I) issued an Order[10] canceling the CLT of the petitioner and re-allocating the lot to respondent Francisco Mercado.

On February 9, 1996, petitioner instituted an action for recovery of possession and damages[11] against the respondent before the DARAB. In her Complaint, she alleged that she was a tenant of long standing of the disputed land and in 1995, respondent took possession of one-half of the northern portion by planting palay. Petitioner claims that again, in November of the same year, the respondent planted palay, this time on the whole area. Petitioner prayed she be declared the tenant-lessee and/or amortizing-tenant of the land. She asked that the respondent be directed to stop disturbing her possession of the land and to pay damages.

In Answer, respondent Francisco Mercado claimed he had been tilling the land in open, continuous and actual possession since 1988. He asserted that petitioner's right over the said property was cancelled with finality and thereafter re-allocated to him. In support of his claim, he attached a copy of the DAR Order and petitioner's waiver of rights.

On June 24, 1996, the PAB ruled for respondent. It said that the petitioner had no valid cause of action and no interest over the land since she had waived her right over it. The petitioner was ordered to cease and desist from entering the land. The PAB cited the DAR Order, the dispositive portion of which reads:

> WHEREFORE, premises considered, the instant Petition/Protest/Application is hereby approved/granted. Accordingly, the following CLT/s are hereby cancelled and new CLT/s Emancipation Patent/s issued in favor of the new allocatee/s.
>
> CLT NO.
>
> PMS/LOT AREA FORMER CLT-HOLDER NEW ALLOCATEE/S
>
> 059306 058-A/70 1.28 Has. CONCEP[C]ION TORRALBA FRANCISCO MERCADO
>
> SO ORDERED.[12]

The PAB also cited the investigation report dated July 26, 1988 of the Agrarian Reform Team which stated that:

> As per investigation conducted by the undersigned, former FB Concepcion Toralba is no longer the actual tiller to the area allocated to her under PD 27 within the Lydia Depusoy Estate situated at Barangay Nancalobasaan, Urdaneta, Pang. whereby it was found out that Mr. Francisco Mercado is now the actual tiller by virtue of a waiver of right and resolutions presented by the officers of the Samahang Nayon and that the actual occupant has shown interest in acquiring said parcel of land under P.D. 27.[13]

In her appeal to the DARAB, petitioner denied waiving her right and interest over the subject property. She alleged that the signatures appearing on the waiver were all forgeries. As proof, petitioner submitted an affidavit[14] dated July 12, 1996, executed by the notary public Atty. Higinio A. Agsalud, denying his signature on the waiver in question.

On September 2, 1997, the DARAB affirmed the decision of the Provincial Adjudicator finding no clear and convincing evidence to show falsity of the waiver.[15] Instead, the DARAB found that the cancellation of the petitioner's CLT and subsequent re-allocation in favor of the respondent was valid. The DARAB ruled that there was strict compliance with the requisites for the cancellation and re-allocation of the CLT as provided for in DAR Memorandum Circular No. 8, Series of 1980[16] and Memorandum Circular No. 4[17] Series of 1983.

Thus, petitioner elevated the case to the Court of Appeals. On July 28, 1999, the Court of Appeals[18] affirmed in toto the DARAB's decision. On November 25, 1999, it denied petitioner's motion for reconsideration.

Hence, this petition for review on certiorari, assigning two errors:

> I
>
> THE HON. COURT OF APPEALS PATENTLY ERRED IN NOT FINDING THE WAIVER OF RIGHT NULL AND VOID.
>
> II
>
> THE HON. COURT OF APPEALS PATENTLY ERRED IN NOT DECLARING THE PETITIONER THE RIGHTFUL TENANT BENEFICIARY OF THE SUBJECT LANDHOLDING.[19]

The core issue is whether the transfer of petitioner's rights to the land to respondent Mercado is in violation of P.D. No. 27.

Prefatorily, we note that the question whether the signatures on the waiver were forgeries is a factual issue that has been settled below. The CA affirmed the DARAB's findings that petitioner failed to prove the forgeries through clear and convincing evidence. The records reveal that during the proceeding before the DARAB, the petitioner was directed[20] and given ample opportunity to present the Notary Public. But instead, she only presented an affidavit executed by the Notary Public denying his signature on the instrument. Worse, the affidavit

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was presented long after the PAB ruled that Concepcion Toralba no longer had any rights over the subject landholding. Entrenched is the principle that findings of fact of the Court of Appeals are final and conclusive on this Court and will not be disturbed on appeal, more so, if the said findings coincide with those of the DARAB, an administrative body with expertise on the matters within its specific and specialized jurisdiction.[21] Thus, we find no reason to disturb the findings on the issue of the forgery.

On the validity of the waiver, we must stress that P.D. No. 27 states:

> Title to land acquired pursuant to this Decree or the Land Reform Program of the Government shall not be transferable except by hereditary succession or to the Government in accordance with the provisions of this Decree, the Code of Agrarian Reform and other existing laws and regulations. [22]

Worth noting, Memorandum Circular No. 7, Series of 1979, of the Ministry of Agrarian Reform, states:

> Despite the above prohibition, however, there are reports that many farmer-beneficiaries of P.D. 27 have transferred the ownership, rights and/or possession of their farms/homelots to other persons or have surrendered the same to their former landowners. All these transactions/ surrenders are violative of P.D. 27 and therefore null and void.
>
> . . .

Pursuant to P.D. No. 27, a farmer-beneficiary cannot make any valid form of transfer of the land adjudicated to them, except to the government or by hereditary succession to their respective successors.[23] The farmer-beneficiary alone has title over the agricultural land covered by the Certificate of Land Transfer granted to him. In Victoriano Torres v. Leon Ventura,[24] the Court did not hesitate to declare void ab initio the contract executed by an allocatee under P.D. No. 27 relinquishing his rights over the landholding awarded to him. Likewise, as held in Gloria Cahinusayan Vda. de Oliver v. Sesinando Cruz,[25] rights and interests covered by CLTs are beyond the commerce of man.

The purpose of the agrarian reform law is to ensure the farmer-beneficiary's continued possession, cultivation and enjoyment of the land he tills. To do otherwise is to revert back to the old feudal system whereby the landowners reacquired vast tracts of land and thus circumvent the government's program of freeing the tenant-farmers from the bondage of the soil.[26]

Nonetheless, a second look at the present transaction reveals that petitioner voluntarily surrendered her landholding to the Samahang Nayon, a legally permissible conveyance, for being in favor of the government.[27] In Corpuz v. Grospe,[28] voluntary surrender to the Samahang Nayon qualifies as a surrender or transfer to the government because such action forms part of the mechanism for the disposition and the re-allocation of farmholdings of tenant-farmers who refuse to become beneficiaries of P.D. No. 27.

DAR Memorandum Circular No. 8, Series of 1980 and DAR Memorandum Circular 4, Series of 1983 set out the procedure by which any tenant-farmer who abandons, waives or refuses to become a beneficiary under P.D. No. 27 may validly forfeit his CLT. It requires (1) a recommendation from a duly authorized Samahang Nayon (or agrarian reform team leader) of other qualified tenant-farmers who shall be substituted to all rights and obligations of the abandoning or surrendering tenant-farmer;[29] (2) an investigation or hearing conducted on the lands covered prior to its disposal and/or re-allocation; and (3) an order or decision declaring the disqualification and removal of the tenant concerned.

We find that the foregoing requisites are present in this case. Firstly, in 1986, the Samahang Nayon, through its Resolution No. 80, declared that Concepcion Toralba relinquished her right to the land allocated to her. Then it recommended three qualified tenant-farmers for substitution and from among them, respondent was found the

most qualified to till the land. Secondly, the Agrarian Reform Team (ART),[30] in its Investigation Report[31] dated July 26, 1988, found that petitioner no longer tilled the area allocated to her. Instead, it was the respondent who was the actual tiller of the farm. Finally, an Order[32] was issued by the DAR San Fernando, La Union (Region I), granting the re-allocation of the petitioner's CLT in favor of the herein respondent.

Given the facts and circumstances in this case, we see no persuasive justification, much less compelling reason, to reverse the decision reached below. No error was committed by the Court of Appeals in affirming the DARAB's decision.

WHEREFORE, the petition is hereby DENIED for lack of merit. The Decision dated July 28, 1999 of the Court of Appeals in CA G.R. SP No. 48881 is AFFIRMED. No pronouncement as to costs.

SO ORDERED.

Puno, (Chairman), Austria-Martinez, Callejo, Sr., and Tinga, JJ., concur.

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[1] Rollo, pp. 16-20. Penned by Associate Justice Delilah Vidallon-Magtolis, with Associate Justices Jesus M. Elbinias, and Edgardo P. Cruz concurring.

[2] Id. at 21.

[3] Records, pp. 116-129.

[4] Id. at 65-67.

[5] Presidential Decree No. 27 – Decreeing the Emancipation of Tenants from the Bondage of the Soil, Transferring to Them the Ownership of the Land They Till and Providing the Instruments and Mechanism Therefor.

[6] Calvo v. Vergara, G.R. No. 134741, 19 December 2001, 372 SCRA 650, 651.

[7] Also spelled as "Torralba" in other pleadings. Petitioner signed her waiver of rights with "Toralba."

[8] Records p. 48.

[9] Id. at 46.

[10] Id. at 49.

[11] Id. at 1-3.

[12] Id. at 49.

[13] Id. at 47.

[14] Id. at 80.

[15] Id. at 123.

[16] Guidelines in the Disposition and Re-allocation of Farmholdings of Tenant-Farmers who Refuse to Become Beneficiaries of Presidential Decree No. 27.

[17] Supplemental Guidelines to Govern Transfer Action of Areas Covered by P.D. 27 by Reason of Abandonment, Waiver of Rights and Illegal Transactions.

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[18] Rollo, pp. 16-20.

[19] Id. at 11.

[20] Records, p. 31.

[21] Padunan v. Department of Agrarian Reform Adjudication Board, G.R. No. 132163, 28 January 2003, 396 SCRA 196, 201 citing Corpuz v. Grospe, G.R. No. 135297, 13 June 2000, 333 SCRA 425, 435.

[22] Supra, note 5.

[23] Torres v. Ventura, G.R. No. 86044, 2 July 1990, 187 SCRA 96, 104.

[24] Ibid.

[25] CA-G.R. No. SP-11691-CAR, 22 June 1981, p. 12.

[26] Id. at 10-11; Corpuz v. Grospe, supra.

[27] Corpuz v. Grospe, supra, at 429.

[28] Id. at 439.

[29] Ibid.

[30] Records, p. 47. Conducted by Agrarian Reform Team (ART) Amelia C. Rilloraza and ART Leader Antonio P. Abalos.

[31] Ibid.

[32] Id. at 49.

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