

**ANGELITA, REYNALDO, NARCISO, CECILIA, FEDERIO AND LEONIDA
ALL SURNAMED LEVARDO AND NORMA PONTANOS VDA. DE
LEVARDO, FOR HERSELF AND AS PROPOSED GUARDIAN AD LITEM
OF HER MINOR DAU...**

G.R. No. 165494. March 20, 2009

Ponente: AUSTRIA-MARTINEZ, J.

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AUSTRIA-MARTINEZ, J.:

Before this Court is a petition for review on certiorari under Rule 45 of the Rules of Court seeking to set aside the September 27, 2004 Decision[1] of the Court of Appeals (CA) in CA-G.R. SP No. 69220 which affirmed the June 20, 2000 Resolution[2] and January 21, 2002 Resolution[3] of the Department of Agrarian Reform Adjudication Board (DARAB).

Stripped of the non-essentials, the facts of the case are as follows:

DARAB Case No. 3361

Asuncion Belizario (Belizario) is the owner of a parcel of land with an area of 4.3488 hectares located in Binan, Laguna. On May 17, 1971, Belizario donated the said parcel of land to herein respondent Tomas Yatco (Tomas) as evidenced by a Deed of Donation Inter Vivos. Said land is tenanted by Aguido Levardo (Aguido). During his lifetime, Aguido executed a "Pinanumpaang Salaysay,"[4] where he declared:

x x x x

Na AKO, sampu ng aking pamilya ay nagpasiya na buong puso at laya, na ibalik, isasauli at ibalik ang lahat ng aking karapatan sa paggawa o pananakahan sa nasabing x x x hectarya x x x area at x x x centares ng naulit ng isang lagay na lupa, sa may-ari ng nabanggit na lupa dahil sa aming kagustuhang umiba ng hanapbuhay, ng higit ang pagkikitaan kaysa pananakahan.

Na AKO, sampu ng aking anak ay lubos na nagpapasalamat sa kagandahang loob ng mga may-ari na nabanggit na lupa, sa mabuting pakikisama nila sa aking kapatid at sa kanya ring pagbibigay ng pabuya at bayad pinsala (Disturbance fee) sa aking ginagawang pagbabalik, pagsasauli at pagbibigay ng lahat ng karapatan sa paggawa sa naulit na x x x hectarya x x x area x x x centares na aking sinasaka.

Na sa aking ginagawang pagbabalik, pagsasauli at pagbibigay ng lahat ng aking karapatan sa paggawa nasabing bukid sa may-ari nito ay kaalam ang aking kapatid at lahat kami ay walang gagawing paghahabol salapi o ano pa man laban sa may-ari nitong lupang nabanggit, sa hukuman o sa Ministry of Agrarian Reform.[5]

The foregoing document was also signed by Aguido's children, namely: Angelita, Reynaldo, Narciso, Cecilia, all surnamed Levardo (petitioners), and was notarized on April 1986. By virtue of the said document, Tomas paid to Aguido disturbance compensation amounting to P2,000,000.00. Aguido died on October 9, 1986.

On April 27, 1990, Tomas sold the said parcel of land to respondent Gonzalo Puyat and Sons, Inc. (Puyat Corporation).[6]

On May 24, 1991, petitioners filed with the Office of the Provincial Agrarian Reform Adjudicator (PARO) a complaint for the annulment of the Deed of Donation Inter Vivos and Deed of Absolute Sale, and to declare as null and void ab initio the waiver of tenancy rights of the late Aguido.[7] Petitioners claim that the land in dispute was covered by Operation Land Transfer (OLT) pursuant to Presidential Decree No. 27 (P.D. No. 27).[8] Specifically, petitioners contend that they were already deemed the owners of the land on the basis of an alleged Certificate of Land Transfer (CLT) in the name of their father Aguido, which was never issued by the DAR, but on the basis of an alleged certified xerox copy of a Masterlist of tenants wherein his name appeared.[9]

DARAB Case No. 3362

Herein respondent Leoncio Yatco (Leoncio) is the owner of a parcel of land with an area of 4.2406 hectares located in Binan, Laguna. Said land is tenanted by Francisco Levardo (Francisco) and his son Hernando, a co-petitioner in the present petition. During his lifetime, Hernando executed a "Pinanumpaang Salaysay,"[10] where he declared:

x x x x

Na AKO, sampu ng aking pamilya ay nagpasiya ng buong puso at laya, na ibinalik, isasauli at ibalik ang lahat ng aking karapatan sa paggawa o pananakahan sa nasabing xxx hectarya xxx area at xxx centares ng naulit na isang lagay na lupa, sa may-ari ng nabanggit na lupa dahil sa aming kagustuhang umiba ng hanap buhay ng higit and pagkikitaan sa panakahan.

Na AKO, sampu ng aking mga anak ay lubos na nagpapasalamat sa kagandahang loob ng mga may-ari na nabanggit na lupa, sa mabuting pakikisama nila sa aking mga magulang at sa kanya ring pagbibigay ng pabuya at bayad pinsala (Disturbance fee) sa aking ginagawang pagbabalik, pagsasauli at pagbibigay ng lahat ng karapatan sa paggawa sa nauli't na x x x hectarya x x x area x x x centares na aking sinasaka.

Na sa aking ginagawang pagbabalik, pagsasauli at pagbibigay ng lahat ng aking karapatan sa paggawa nasabing bukid sa may-ari nito ay kaalam ang aking magulang at lahat kami ay walang gagawing paghahabol salapi o ano pa man laban sa may-ari nitong lupang nabanggit, sa hukuman o sa Ministry of Agrarian Reform.[11]

The foregoing document was also signed by Francisco and was notarized on January 10, 1990. By virtue of the said agreement, Leoncio paid to Hernando the amount of P2,417,142.00 as disturbance compensation. Leoncio thereafter sold the parcels of lands to the Puyat Corporation.

On July 8, 1991, Hernando, together with Francisco, filed with the PARO a complaint for the Annulment of Deed of Donation Inter Vivos and Deed of Absolute Sale and to declare as null and void ab initio the waiver of tenancy rights executed by him. Hernando claims that the land in dispute was covered by an OLT pursuant to P.D. No. 27.[12] More specifically, Hernando claims that he and his father were already deemed the owners of the land on the basis of an alleged CLT in their names, which was never issued by the DAR, but on the basis of an alleged certified xerox copy of a Masterlist of tenants wherein their names appeared.[13]

THE PARO RULING

In DARAB Case No. 3361

On December 3, 1993, the PARO rendered a Decision,[14] declaring the waiver of tenancy rights, the Deed of Donation Inter Vivos and the Deed of Sale as null and void. Furthermore, the PARO ordered the Department of

Agrarian Reform (DAR) to issue an Emancipation Patent Title in favor of the heirs of Aguido.

In DARAB Case No. 3362

On December 15, 1993, the PARO rendered a Decision,[15] declaring the waiver of tenancy rights and the Deed of Sale as null and void. The PARO also ordered the DAR to issue an Emancipation Patent Title in favor of Francisco and Hernando.

Respondents filed a motion for reconsideration questioning both decisions of the PARO.

On September 5, 1994, the PARO issued an Order[16] granting respondents' motion, the dispositive portion of which reads as follows:

WHEREFORE, in light of the foregoing, the defendants VERIFIED MOTION FOR RECONSIDERATION is hereby GRANTED and the DECISIONS sought to be reconsidered are hereby SET ASIDE and in lieu thereof, a decision is entered as follows:

FIRST (DARAB CASE NO. 0116)

- Declaring the Waiver of tenancy rights as valid x x x.
- Declaring and upholding the validity of the Deed of Donation Intervivos (Exhibit "K") and the Deed of Sale (Exhibit "N") x x x.

SECOND CASE (DARAB CASE NO. 0125)

- Declaring the Waiver of tenancy rights as valid x x x
- Declaring and upholding the validity of the Deed of Sale (Exhibit "H") x x x x

In both cases, subject landholdings were declared outside OLT coverage and untenanted.

SO ORDERED.[17]

In said Order, the PARO ruled that the lands in dispute were outside OLT coverage, and that no CLTs were issued and registered with the Register of Deeds.[18] The PARO further ruled that the waivers of tenancy rights executed by petitioners were duly notarized, and that in order to disprove the presumption of regularity in its favor, there must have been clear, convincing and more than merely preponderant evidence. The PARO ruled that there was no proof to overcome the presumption of regularity of the aforementioned public documents and thus upheld the law in favor of the validity of said documents.[19]

Petitioners then appealed the PARO Order to the DARAB.

The DARAB Ruling

On March 29, 2000 the DARAB issued a Decision[20] reversing the September 5, 1994 Order of the PARO and reinstating the December 3, 1993 Decision of the PARO.

Respondents then filed a Motion for Reconsideration of the DARAB Decision. On June 20, 2000, the DARAB issued a Resolution[21] granting the motion for reconsideration. The dispositive portion of said decision reads as follows:

WHEREFORE premises considered, the defendants-appellees verified Motion for Reconsideration is hereby granted and the Decision dated March 29, 2000 rendered by the Board is hereby RECONSIDERED and SET ASIDE and the ORDER dated September 5, 1994 rendered by the Provincial Adjudicator a quo is hereby AFFIRMED and REINSTATED.

SO ORDERED.

In said Order, the DARAB ruled that the lands in dispute were outside OLT coverage, and that no CLTs were issued to petitioners. Moreover, the DARAB held that the waiver of tenancy rights by Aguido was valid and enforceable and binding on the petitioners, who were also signatories to the document.[22] Likewise, the DARAB upheld that validity of the waiver of tenancy rights of Hernando which was also signed by his father Francisco.

Petitioners filed a Motion for Reconsideration which was, however, denied by the DARAB on January 21, 2002. Petitioners then appealed the DARAB Decision to the CA.

The CA Ruling

On September 27, 2004, the CA rendered a decision denying[23] the petition, the dispositive portion of which reads:

WHEREFORE, the petition is DENIED due course, and the Resolution of DARAB issued on June 20, 2000, as well as its Resolution denying the motion for reconsideration of petitioners dated January 21, 2002 are both AFFIRMED in all respect.

SO ORDERED.[24]

Pursuant to the Court's ruling in *Ernesto v. Court of Appeals*[25] that no motion for reconsideration may be entertained from the said decision of the CA, under Section 18, P.D. No. 946, petitioners appealed to this Court via herein petition, with the following assignment of errors:

- WHETHER PRESIDENTIAL DECREE NO. 27, TRANSFERRING OWNERSHIP OF THE IRRIGATED RICE LANDS IN FAVOR OF PETITIONERS, PREDECESSORS FRANCISCO LEVARDO AND HERNANDO LEVARDO, AND AGUEDO LEVARDO, BOTH DECEASED, WHO WERE AGRICULTURAL TENANTS OF RICE LANDS WERE DEEMED OWNERS OF THE LAND[S] THEY WERE TILLING;
- WHETHER SAID PRECESSORS OF PETITIONERS HAVE PAID FOR THE COSTS OF THE LAND[S] PURSUANT TO EXECUTIVE ORDER NO. 228 ISSUED ON JULY 7, 1987, AND AS SUCH, THE ABSOLUTE OWNERS THEREOF;
- WHETHER THE CERTIFICATE[S] OF LAND TRANSFER ISSUED IN FAVOR OF PETITIONERS-PREDECESSORS NULLIFY THE WAIVER OF RIGHTS EXECUTED BY THEM AND WHETHER THE CERTIFICATES OF LAND TRANSFER WHICH WERE CANCELLED WITHOUT GIVING THEM RIGHT TO BE HEARD [ARE] LEGAL AND VALID.
- WHETHER THE LANDOWNER LEONCIO YATCO MAY LEGALLY AND VALIDLY CONVEY THE RICE LAND[S] COVERED BY PRESIDENTIAL DECREE NO. 27 AND [OF] WHICH THE PETITIONERS PREDECESSORS WERE THE ABSOLUTE OWNERS IN FAVOR OF RESPONDENT PUYAT AND SONS, INC.[26]

The Court's Ruling

The petition is not meritorious.

The basic issue in the case at bar is whether the lands in dispute are covered by P.D. No. 27 entitled, "Decreeing the emancipation of tenants from the bondage of the soil transferring to them the ownership of the land[s] they till and providing the instruments and mechanism therefore." The pertinent portions of the Decree are as follows:

x x x x

This shall apply to tenant-farmers of private agricultural lands primarily devoted to rice and corn under a system of share-crop or lease-tenancy, whether classified as landed estate or not;

The tenant farmer, whether in land classified as landed estate or not, shall be deemed owner of a portion constituting a family-size farm of five (5) hectares if not irrigated and three (3) hectares if irrigated. (Emphasis Supplied)

P.D. No. 27 should be read in conjunction with Letter of Instruction No. 474 (LOI No. 474) and the DAR Memorandum on the "Interim Guidelines on Retention by Small Landowners" dated July 10, 1975 (DAR Memorandum).

The pertinent portion of LOI No. 474 is as follows:

- You shall undertake to place the Land Transfer Program of the government pursuant to Presidential Decree No. 27, all tenanted rice/corn lands with areas of seven hectares or less belonging to landowners who own other agricultural lands of more than seven hectares in aggregate areas or lands used for residential, commercial, industrial or other urban purposes from which they derive adequate income to support themselves and their families. (Emphasis and underscoring supplied)

The pertinent portion of the DAR Memorandum is as follows:

x x x x

- Tenanted rice and/or corn lands seven (7) hectares or less shall not be covered by Operation Land Transfer. The relation of the land owner and tenant-farmers in these areas shall be leasehold x x x (Emphasis supplied)

Based on the foregoing, it is clear that the lands in dispute do not fall under the coverage of P.D. No. 27. The DAR Memorandum is categorical that lands with seven hectares or less shall not be covered by OLT. In DARAB Case No. 3361, the land in dispute only had an area of 4.3488 hectares. In DARAB Case No. 3362, the land in dispute only has an area of 4.2406 hectares.

Furthermore, LOI No. 474 contains a provision that lands less than seven hectares or less may still fall under the coverage of P.D. No. 27, if the landowner owns other properties. On this point, this Court agrees with the finding of the DARAB, when it observed that there was no record of any circumstance found by DAR field personnel that the landowner owned other agricultural lands in excess of seven hectares or urban land area, from which he derived adequate income for his support and that of his family.[27] It was incumbent on petitioners to show that respondents owned other properties in excess of seven hectares, since he who alleges a fact has the burden of proving it.[28] Moreover, as found by the DARAB, there is nothing of record to show that CLTs have in fact been issued to petitioners or their predecessors.[29]

Based on the DAR Memorandum, the relationship of petitioners and respondents shall be one of leasehold. This Court finds that respondents have complied with Section 28 of Republic Act No. 3844:[30]

Section 28. Termination of Leasehold by Agricultural Lessee During Agricultural Year -

The agricultural lessee may terminate the leasehold during the agricultural year for any of the following causes:

x x x x

(5) Voluntary surrender due to circumstances more advantageous to him and his family. (Emphasis supplied)

Based on the evidence on record, respondents paid Aguido P2,000,000.00 and Hernando P2,417,142.00 as disturbance compensation. A reading of the Pinanumpaang Salaysay executed by petitioners show that they gave

up their leasehold rights "dahil sa aming kagustuhang umiba ng hanap buhay ng higit ang pagkikitaan kaysa panakahan." The money given by respondents as disturbance compensation was indeed advantageous to the families of petitioners, as it would have allowed them to pursue other sources of livelihood.

Petitioners did not refute in their pleadings the authenticity of the documents purporting to be their waiver of tenancy rights. As a matter of fact, they themselves attached the said documents to their complaints and argued that said waivers were obtained through fraud and misrepresentation, since they were unaware that CLTs were issued in their names.[31] However, such argument deserves scant consideration, since it has been established that no such CLTs were issued to petitioners; and more importantly, the lands in dispute do not fall under the coverage of P.D. No. 27. In addition, said waivers of tenancy rights were notarized and therefore the same have the presumption of regularity in their favor.[32] There is nothing on record to convince this Court to hold otherwise.

The documents presented by petitioners to prove that CLTs were in fact issued in their names have no probative value. An examination of the documents shows that they are two photocopied pages of what purports to be a "Masterlist of Tenants issued CLTs." [33] Page 6801, where the name of Aguido is listed, appears to be a certified xerox copy sourced from the Bureau of Land Acquisition and Distribution. Page 5695, where the names of Hernando and Francisco are listed, is not so authenticated; thus, its source is highly suspect. These two documents are not sufficiently useful in proving the fact that the CLTs, which would be the best evidence of petitioners' claim over the subject properties, were actually issued. At best, they only serve to prove the probability that CLTs may have been issued in the name of the petitioners. These documents do not and cannot override the PARO and DARAB findings that no CLTs were issued to petitioners.

Moreover, assuming arguendo that CLTs were actually issued to petitioners, a CLT does not vest in the farmer/grantee ownership of the land described therein. At most, the CLT merely evidences the government's recognition of the grantee as partly qualified to await the statutory mechanism for the acquisition of ownership of the land titled by him as provided in P.D. No. 27. Neither is this recognition permanent or irrevocable.[34] Herein petitioners cannot escape the fact that the lands in dispute do not fall under the coverage of P.D. No. 27; and thus, any supposed or alleged CLTs issued in their names are without bases.

Because petitioners have received millions of pesos as disturbance compensation and the lands in dispute do not fall under the coverage of P.D. No. 27, this Court cannot allow them to renege on their agreement with respondents. It must be remembered that the protective mantle of social justice was never meant to disregard the rights of landowners. Consequently, the conveyances made to respondents Puyat Corporation are valid.

Because of the foregoing, it would be unnecessary to discuss the other issues raised by petitioners.

WHEREFORE, the petition is denied for lack of merit.

The September 27, 2004 Decision of the Court of Appeals in CA-G.R. SP No. 69220 is hereby AFFIRMED.

Costs against petitioners.

SO ORDERED.

Ynares-Santiago, Tinga[*], Nachura, and Peralta, JJ., concur.

[*] In lieu of Justice Minita V. Chico-Nazario, per Special Order dated March 17, 2009.

[1] Penned by Associate Justice Eugenio S. Labitoria with the concurrence of Associate Justices Rebecca de Guia-Salvador and Rosalinda Asuncion-Vicente, rollo, pp. 73-83.

[2] Id. at 57-65

[3] Id. at 70-71.

[4] Annex "H" of Complaint, DARAB Records, Vol. I, pp. 27-28; Annex "3" of Supplemental Motion to Dismiss, id. at 143.

[5] Id. at 240.

[6] Rollo, p. 60.

[7] Id. at 288.

[8] Id. at 34.

[9] Id. at 177.

[10] Annex "D" of Complaint, DARAB Records, Vol. II, p. 86.

[11] Rollo, p. 245.

[12] Id. at 34.

[13] Id. at 178.

[14] CA rollo, pp. 107-123.

[15] Rollo, pp. 138-152.

[16] Id. at 176-194.

[17] Rollo, pp. 193-194.

[18] Id. at 189.

[19] Id. at 190.

[20] Id. at 39-54.

[21] d. at 57-65.

[22] Rollo, p. 61.

[23] Id. at 73-83.

[24] Id. at 82.

[25] No. L- 52178, September 28, 1982, 116 SCRA 755.

[26] Rollo, p. 311.

[27] Rollo, p. 61.

[28] Antonio v. Estrella, No. L- 73319, December 1, 1989, 156 SCRA 68.

[29] Antonio v. Estrella, supra note 28, at 62 and 64.

[30] Agricultural Land Reform Code, August 8, 1963, as amended by Republic Act No. 6389.

[31] Rollo, p. 128.

[32] Antonio v. Estrella, *supra* note 28.

[33] Exhibit "I," DARAB Records, Vol. 1, p. 211; Exhibit "F," DARAB Records, Vol. II, p. 222.

[34] Pagtalunan v. Tamayo, G.R. No. 54281, March 19, 1990, 183 SCRA 252.

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