

LAND BANK OF THE PHILIPPINES, PETITIONER, VS. MANUEL O. GALLEGO, JR., JOSEPH L. GALLEGO AND CHRISTOPHER L. GALLEGO, RESPONDENTS.

G.R. No. 173226. July 29, 2013

Ponente: BRION, J.

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BRION, J.:

We rule on the amount of just compensation due respondents Manuel O. Gallego, Jr., Joseph L. Gallego, and Christopher L. Gallego for the 120-hectare portion, more or less, of their property situated in Barangays Sta. Rita and Concepcion, Cabiao, Nueva Ecija, placed under the government's land reform program under Presidential Decree No. 27 and Republic Act (R.A.) No. 6657 (the Comprehensive Agrarian Reform Law of 1988).

On August 10, 2006, petitioner Land Bank of the Philippines (LBP) filed a Rule 45 petition for review on certiorari[1] challenging the September 29, 2005 Decision[2] and the June 23, 2006 Resolution[3] of the Court of Appeals (CA) in CA-G.R. SP No. 77676. In its September 29, 2005 decision, the CA affirmed with modification the March 14, 2003 Decision[4] of the Regional Trial Court, Third Judicial Region, Branch 29, Cabanatuan City, acting as a Special Agrarian Court (RTC-SAC), in Agr. Case No. 127. The CA reduced the amount of just compensation that the RTC-SAC fixed at P52,209,720.00 to P30,711,600.00.

The Factual Antecedents

We restate the facts of the case, as found by this Court in its January 20, 2009 Decision,[5] as follows:

Respondents Manuel O. Gallego, Jr., Joseph L. Gallego and Christopher L. Gallego are the co-owners of several parcels of agricultural lands located in Barangay Sta. Rita and Barangay Concepcion in Cabiao, Nueva Ecija. The lands have an aggregate area of 142.3263 hectares and are covered by Transfer Certificate of Title Nos. T-139629, T-139631 and T-139633.

Sometime in 1972, the DAR placed a portion of the property under the coverage of Presidential Decree No. 27 (P.D. No. 27). However, the DAR and respondents failed to agree on the amount of just compensation, prompting respondents to file on 10 December 1998 a petition before the RTC of Cabanatuan City. The petition, docketed as Agrarian Case No. 127-AF, named the DAR and herein petitioner Land Bank of the Philippines (LBP) as respondents and prayed that just compensation be fixed in accordance with the valuation formula under P.D. No. 27 based on an Average Gross Production of 109.535 cavans per hectare including interest at 6% compounded annually as provided under PARC Resolution No. 92-24-1.

Petitioner LBP filed an answer, averring that only 76.8324 hectares and not 89.5259 hectares as was alleged in the petition were placed under the coverage of P.D. No. 27 and that just compensation should be determined based on an Average Gross Production of 65 cavans and/or 56.6 cavans per hectare which were the values at the time of taking of the property. Although the DAR did not file an answer, it was represented at the hearings by a certain Atty. Benjamin T. Bagui.

During the course of the hearing of the petition, the coverage of respondents' lands had expanded to a bigger

area. In order to conform to the increase in the area placed under agrarian reform, respondents filed on 14 October 2002 an amended petition, stating that as certified by the Municipal Agrarian Reform Office (MARO) of Cabiao, Nueva Ecija, 122.8464 hectares of the property had already been placed under the operation of P.D. No. 27. In the answer filed by the DAR as well as during pre-trial, the counsels for DAR and petitioner LBP stipulated that the property subject of the petition was irrigated and had a total area of 120 hectares, more or less.

After the pre-trial conference, the trial court issued an Order dated 08 November 2002, embodying the agreed stipulation that the property placed under agrarian reform had an area of 120 hectares, more or less x x x. In a Supplemental Pre-Trial Order dated 25 November 2002, the trial court stated that in view of the parties' agreement that the property was irrigated and had an area of 120 hectares, the only factual issue to be resolved would be the correct Average Gross Production x x x on which just compensation would be fixed.

On 14 March 2003, the trial court rendered a Decision, adopting respondents' formula which was based on an Average Gross Production of 121.6 cavans per hectare. x x x

x x x x

Both petitioner LBP and the DAR separately moved for the reconsideration of the trial court's Decision. In its Order dated 28 April 2003, the trial court denied both motions.

Only petitioner LBP appealed from the trial court's Decision. According to petitioner LBP, the trial court erred in applying values that had no basis in law instead of adopting the Average Gross Production established by the Barangay Committee on Land Production under DAR Circular No. 26, series of 1973, and the mandated Government Support Price of P35 per cavan of palay under Section 2 of Executive Order (E.O.) No. 228.

Upon motion by respondents, the Court of Appeals issued a Resolution on 5 November 2004, ordering the release of P2,000,000.00 in favor of respondents as partial execution of the Decision of the trial court. The appellate court allowed the partial execution on the grounds that respondent Manuel Gallego was in need of an urgent medical operation and that there was no longer any question that respondents were entitled to just compensation.

The Court of Appeals rendered the assailed Decision on 29 September 2005. The appellate court agreed that the values applied by the trial court in fixing just compensation had no legal basis because the formula under P.D. No. 27 and E.O. No. 228 mandated a Government Support Price of P35.00 per cavan of palay. x x x

x x x x

Petitioner LBP sought reconsideration but was denied in a Resolution dated 23 June 2006. Hence, the instant petition[.][6] (citation omitted)

In a decision dated January 20, 2009, we denied the petition, reversed and set aside the September 29, 2005 and the June 23, 2006 rulings of the CA, and remanded the case to the CA for further reception of evidence and for the determination of the amount of just compensation under the terms of Section 17 of R.A. No. 6657 and Department of Agrarian Reform Administrative Order (DAR A.O.) No. 05-98, as amended.

On February 18, 2009, the LBP filed an urgent omnibus motion (for partial reconsideration of the January 20, 2009 decision and for referral of the instant case to the Court sitting en banc).[7] In its April 29, 2009 resolution, the Court denied the LBP's motion. The CA submitted its Report[8] on April 30, 2009.

The CA's Report

In the April 30, 2009 Report,[9] the CA recommended two alternative solutions for computing the disputed just compensation. In the first alternative, the CA recommended the use of the alternate formula "LV=(CS x 0.9) + (MV x 0.1)" as proposed by the respondents, for a just compensation of Ninety-Five Million, Three Hundred Fifty

Thousand, Forty-Nine Pesos and 27/100 (P95,350,049.27). In the second alternative, the CA recommended the use of the basic formula “ $LV = (CNI \times 0.6) + (CS \times 0.3) + (MV \times 0.1)$ ” as provided under Item II.A. of DAR A.O. No. 05-98, for a just compensation of Fifty Million, Four Hundred Thirty-One Thousand, Five Hundred Six Pesos (P50,431,506.00).

First alternative recommended by
the CA for computing just
compensation

In determining the amount of just compensation, both parties agreed that reference should be made to DAR A.O. No. 05-98. The formula for computing just compensation, as outlined in Item II.A. of DAR A.O. No. 05-98, reads:

A. There shall be one basic formula for the valuation of lands covered by VOS or CA:

$$LV = (CNI \times 0.6) + (CS \times 0.3) + (MV \times 0.1)$$

Where: LV = Land Value

CNI = Capitalized Net Income

CS = Comparable Sales

MV = Market Value per Tax Declaration

The above formula shall be used if all the three factors are present, relevant, and applicable.

When, however, the factors of Capitalized Net Income (CNI), Comparable Sales (CS) or Market Value per Tax Declaration (MV) are not all present, relevant and applicable, Item II.A. of DAR A.O. No. 05-98 provides for three alternate formulae:

A.1 When the CS factor is not present and CNI and MV are applicable, the formula shall be:

$$LV = (CNI \times 0.9) + (MV \times 0.1)$$

A.2 When the CNI factor is not present, and CS and MV are applicable, the formula shall be:

$$LV = (CS \times 0.9) + (MV \times 0.1)$$

A.3 When both the CS and CNI are not present and only MV is applicable, the formula shall be:

$$LV = MV \times 2$$

Since DAR A.O. No. 05-98 provides for alternate formulae depending on the presence, relevance and applicability of the indicated factors, the LBP and the respondents arrived at significantly divergent amounts for land value when the presence, relevance and applicability of the indicated factors were differently appreciated.

A. The LBP's computation

The LBP claimed that the amount of just compensation should be fixed at Twenty Four Million, Six Hundred Sixty-Five Thousand, Seven Hundred Forty-Nine Pesos and 99/100 (P24,665,749.99) using the alternate formula “ $LV = (CNI \times 0.9) + (MV \times 0.1)$,”^[10] as provided under Item II.A.1 of DAR A.O. No. 05-98. The LBP insisted that the Appraisal Report^[11] presented by the respondents, as basis for computing the CS factor, should not be used, following Items II.C.2.b and II.C.2.c of DAR A.O. No. 05-98.^[12] Item II.C.2.b requires that the expropriated property, as well as the property subject of the comparable sales transactions, should be similar in topography and land use, while Item II.C.2.c provides that the comparable sales transactions should have been

executed within the period of January 1, 1985 to June 15, 1988 and registered within the period of January 1, 1985 to September 13, 1988. The LBP claimed that the property subject of the comparable sales transactions (some were residential subdivision lots)[13] and the respondents' property (which is agricultural) are not devoted to identical purposes and the data used in the Appraisal Report were not registered and were executed beyond the allowable period. Considering the absence of CS, the LBP applied the alternate formula " $LV = (CNI \times 0.9) + (MV \times 0.1)$."

In arriving at the amount of P24,665,749.99, the LBP separately computed the CNI and the MV and then added the figures arrived at for each factor. The LBP used the following formula (as provided under Item II.B, DAR A.O. No. 05-98) and data in computing for the "CNI":[14]

$$CNI = AGP \times SP \times NIR$$

$$0.12$$

Where: AGP = Annual Gross Production

SP = Selling Price

NIR = Net Income Rate

AGP = 9,000 kg/ha based on the AGP of irrigated lands in Brgy. San Fernando Sur for the years 2005 and 2006 as certified to by the Municipal Agriculturist of Cabiao, Nueva Ecija[15]

SP = 15.54 /kg based on the selling price of palay for the year 2008 as shown on the Farm Prices Survey Provincial Summary[16]

NIR = 20% as fixed by DAR A.O. No. 5

Thus: $CNI = 9,000 \times 15.54/\text{kg} \times 0.20$

$$0.12$$

$$CNI = P233,100.00/\text{ha} \text{ or } P23.31/\text{sqm}[17]$$

In computing for the "MV," the LBP used the following formula (per DAR A.O. No. 05-98) and data:[18]

$$MV = UMV \times LAF \times RCPI$$

Where: UMV = Unit Market Value

LAF = Location Adjustment Factor

RCPI = Regional Consumer Price Index

UMV = P200,050.00/ha for first class irrigated rice lands based on the schedule of unit market values of different agricultural lands for the year 2006 from the Provincial Assessor of Nueva Ecija[19]

LAF = 91% as fixed by DAR A.O. No. 5

RCPI = 1.0 as fixed by DAR A.O. No. 5

Thus: $MV = P200,050.00/\text{ha} \times 0.91 \times 1.0$

$$MV = P182,045.50/\text{ha}[20]$$

Finally, the LBP computed the total land value as follows:

$$LV = (CNI \times 0.90) + (MV \times 0.10)$$

$$= (P233,100.00/\text{ha} \times 0.90) + (P182,045.50/\text{ha} \times 0.10)$$

$$= \text{P}227,994.55/\text{ha}$$

$$\text{TLV} = \text{LV} \times \text{total area subjected to CARP}$$

$$= \text{P}227,994.55/\text{ha} \times 108.1857$$

$$\text{TLV} = \text{P}24,665,749.99[21]$$

B. The respondents' computation

The respondents, on the other hand, claimed that the amount of just compensation should be fixed at Ninety-Five Million, Three Hundred Fifty Thousand, Forty-Nine Pesos and 27/100 (P95,350,049.27) using the alternate formula "LV = (CS x 0.9) + (MV x 0.1)"[22] per Item II.A.2, DAR A.O. No. 05-98.

The respondents took exception to the LBP's use of the factor "CNI" in computing the amount of just compensation; they argued that the LBP used flawed data. The respondents pointed out that the data used by the LBP for "AGP" pertained to: (1) a barangay different from where the subject property was located, although these barangays belonged to the same municipality; and (2) a year different from the data that the LBP used for selling price (SP). Considering the absence of CNI, the respondents applied the alternate formula "LV = (CS x 0.9) + (MV x 0.1)."

In arriving at the amount of P95,350,049.27, the respondents presented in evidence the Appraisal Report[23] to compute for the "CS" which showed that different portions of the property command different selling prices, depending on the location and use. For the "MV," the respondents submitted the 2006 Tax Declaration[24] and computed for its value by dividing the stated adjusted market value by the land area. The respondents computed the land value (LV) as follows:[25]

- Lot A = consists of 60.7331 hectares and commands a selling price of P100.00/sqm

$$\text{LV} = (\text{P}100.00/\text{sqm} \times 0.9) + (15.95/\text{sqm} \times 0.1)$$

$$= \text{P}90.00/\text{sqm} + \text{P}1.595/\text{sqm}$$

$$= \text{P}91.595/\text{sqm} \times 607,331 \text{ sqm}$$

$$\text{LV} = \text{P}55,628,482.94$$

- Lot B = consists of 49.4807 hectares and commands a selling price of P75.00/sqm

$$\text{LV} = (\text{P}75.00/\text{sqm} \times 0.9) + (15.95/\text{sqm} \times 0.1)$$

$$= \text{P}67.50/\text{sqm} + \text{P}1.595/\text{sqm}$$

$$= \text{P}69.095/\text{sqm} \times 494,807 \text{ sqm}$$

$$\text{LV} = \text{P}34,188,689.66$$

- Lot C = consists of 11.8744 hectares and commands a selling price of P50.00/sqm

$$\text{LV} = (\text{P}50.00/\text{sqm} \times 0.9) + (15.95/\text{sqm} \times 0.1)$$

$$= \text{P}45.00/\text{sqm} + 1.595/\text{sqm}$$

$$= \text{P}46.595 \times 118,744 \text{ sqm}$$

$$\text{LV} = \text{P}5,532,876.68$$

Adding all three figures, the respondents arrived at the following total land value:

$$\text{TLV} = \text{P}55,628,482.94 + \text{P}34,188,689.66$$

+ P5,532,876.68

= P95,350,049.27[26]

Confronted with these two conflicting computations, the CA was inclined to consider the respondents' computation which used the alternate formula "LV = (CS x 0.9) + (MV x 0.1)."[27] The CA gave the following reasons:

First, as the respondents pointed out, the available data for computing the CNI was irrelevant and inapplicable as not only did the data used for computing the AGP pertain to a different barangay; it also referred to a year different from the data used for computing the SP.

Second, the LBP included only 108.1857 hectares of the respondents' property in its computation of just compensation, although the parties had already agreed before the RTC-SAC that the total area acquired by the government was 122.8464 hectares, more or less.

Third, the amount proposed by the LBP was unreasonably low inasmuch as the respondents had not been paid, up to this date, the amount due them as just compensation for their property. In addition, several infrastructural developments had been made in the area and certain portions of the property had already been devoted to more lucrative purposes other than agriculture.

Finally, the amount proposed by the LBP ran contrary to the January 20, 2009 Decision of this Court which declared that the amount to which the respondents are entitled as just compensation should not be lower than P30,711,600.00 (the amount which the CA awarded in its earlier Decision).

Second alternative recommended by the
CA for computing just compensation

In arriving at the amount of P50,431,506.00 using the basic formula "LV = (CNI x 0.6) + (CS x 0.3) + (MV x 0.1)," the CA sustained both the LBP's computation of the CNI (P23.31) and the respondents' computation of the CS (P100, P75 and P50).[28] For the MV, the CA used the market value reflected on the latest available Tax Declaration. Applying these figures to the formula, the CA computed the just compensation as follows:[29]

Lot A = consists of 60.7331 hectares and commands a selling price of P100.00/sqm

LV = (P23.31 x 0.6) + (P100 x 0.3) + (P15.95 x 0.1)

= P13.986 + P30.00 + P1.820

= P 45.806 x 607,331 sqm

LV = P27,682,754.00

Lot B = consists of 49.4807 hectares and commands a selling price of P75.00/sqm

LV = (P23.31 x 0.6) + (P75 x 0.3) + (P15.95 x 0.1)

= P13.986 + P22.5 + P1.820

= P 38.306 x 494,807 sqm

LV = P18,842,745.00

Lot C = consists of 11.8744 hectares and commands a selling price of P50.00/sqm

LV = (P23.31 x 0.6) + (P50 x 0.3) + (P15.95 x 0.1)

= P13.986 + P15.00 + P1.820

$$= P30.80 \times 118,744 \text{ sqm}$$

$$LV = P3,658,027.00$$

$$\text{Total LV} = P27,682,754.00 + P18,842,745.00 + P3,658,027.00$$

$$= P50,431,506.00$$

The CA justified this second alternative by harking on the established judicial prerogative of the courts to determine the amount of just compensation, upon proper evaluation of the three factors and with due consideration of the list provided in Section 17 of R.A. No. 6657. Thus, the CA considered the data used by the LBP (for the CNI) and by the respondents (for the CS) as “substantially compliant” and therefore relevant and applicable despite the respective objections raised by the parties to the other’s computation.

The Court’s Ruling

After consideration of the record and of the parties’ respective arguments, we adopt the second alternative recommended by the CA using the basic formula “ $LV = (CNI \times 0.6) + (CS \times 0.3) + (MV \times 0.1)$.” We, however, arrived at the slightly different amount of Fifty Million, Four Hundred Thirty-Two Thousand, Sixty-Three Pesos and 89/100 (P50,432,063.89).

We find that the second alternative presents a more accurate formula and computation in the determination of the just compensation due the respondents for their property. As pointed out earlier, DAR A.O. No. 05-98 provides the basic formula “ $LV = (CNI \times 0.6) + (CS \times 0.3) + (MV \times 0.1)$ ” for valuating lands acquired pursuant to the government’s agrarian reform program. In cases where not all three factors of CNI, CS and MV are present, relevant and applicable, the same regulation provides three alternate formulae that can be used to compute for just compensation.

In the present case, we deem all three factors of CNI, CS and MV “relevant and applicable” for, as the CA observed, they substantially complied with the prescribed formula. In disregarding the computation proposed by the LBP, the CA found inapplicable the data necessary to compute the CNI because they pertained to different locations and calendar years. Nevertheless, in offering the second alternative which used the prescribed basic formula, the CA essentially pointed out that the data necessary for determining the CS were equally inapplicable as they did not comply with the requirements of Items II.C.2.b and II.C.2.c of DAR A.O. No. 05-98. If we were to strictly apply the formula laid down in DAR A.O. No. 05-98 and disregard both the CNI and CS factors to be equally flawed, then the only present, relevant and applicable factor left is MV, which, when used following the third alternate formula “ $LV = MV \times 2$,” will significantly reduce the just compensation to an absurd amount. Clearly, we cannot support this, as our agrarian reform laws never intended to deprive landowners of their property without just compensation. Just compensation refers to the full and fair equivalent of the property taken from the owner.[30] In several cases,[31] we emphasized that to be “just,” the compensation must be real, substantial, full and ample.

Applying, therefore, the values used by the LBP for the factors CNI (P23.31) and MV (P18.20455) and the value used by the respondents for the factor CS (P100, P75 and P50), we compute the just compensation (with emphasis on the figures that differed from those found in the CA’s computation) as follows:

Lot A = consisting of 60.7331 hectares with a selling price of P100.00/sqm

$$LV = (P23.31 \times 0.6) + (P100 \times 0.3) + (P18.20455 \times 0.1)$$

$$= P13.986 + P30.00 + P1.820455$$

$$= P45.806455 \times 607,331 \text{ sqm}$$

$$LV = P27,819,680.121605$$

Lot B = consisting of 49.4807 hectares with a selling price of P75.00/sqm

$$LV = (P23.31 \times 0.6) + (P75 \times 0.3) + (P18.20455 \times 0.1)$$

$$= P13.986 + P22.5 + P1.820455$$

$$= P38.306455 \times 494,807 \text{ sqm}$$

$$LV = P18,954,302.079185$$

Lot C = consisting of 11.8744 hectares with a selling price of P50.00/sqm

$$LV = (P23.31 \times 0.6) + (P50 \times 0.3) + (P18.20455 \times 0.1)$$

$$= P13.986 + P15.00 + P1.820455$$

$$= P30.806455 \times 118,744 \text{ sqm}$$

$$LV = P3,658,081.69252$$

$$\text{Total LV} = P27,819,680.121605 + P18,954,302.079185$$

$$+ P3,658,081.69252$$

$$\text{Total LV} = P50,432,063.89331$$

Considering that as of May 26, 2010, the respondents had already received a total of Twenty-Nine Million, Five Hundred Thirty-Eight Thousand, Eight Hundred Twenty Pesos and 38/100 (P29,538,820.38) as partial payment,[32] they should now receive the balance of Twenty Million, Eight Hundred Ninety-Three Thousand, Two Hundred Forty-Three Pesos and 51/100 (P20,893,243.51) which represents the difference between the just compensation of P50,432,063.89 and the amount they have received.

The respondents are entitled to an award of 12% per annum on the amount of just compensation for the LBP's delay in payment

As a final note, we observe that the CA did not make any finding or recommendation with regard to the interests to which the respondents may be entitled to receive in addition to the just compensation. In their various pleadings before the lower courts, the respondents prayed for the payment of interests in addition to the proper determination of the just compensation due them. We cannot disregard the significance of their prayer for the records and the surrounding circumstances of this case sufficiently convince us that a delay in the payment occurred chargeable to the LBP.

The records show that the government had taken the respondents' property in 1972 pursuant to its agrarian reform program. More than four decades and three generations of the Gallegos after,[33] the respondents have yet to receive the full and fair equivalent of the property taken from them. All of the farmer-beneficiaries of their property had benefited and continues to benefit from the portions respectively received by each of them, and, in fact, several of them had either sold or converted their respective portions to non-agricultural ventures, contrary to the intents of our agrarian reform laws. The respondents, all the while however, had been permanently deprived of any income from their property.

We also observed that the LBP initially valued the respondents' property at P12,110.11/h (totaling P1,289,674.27 for 106.4957h)[34] which is roughly 97% lower than the RTC-SAC's valuation of P425,000.00/h (totaling

P52,209,720.00 for 122.8464h).[35] As we held in *Apo Fruits Corporation v. Land Bank of the Philippines*,[36] this staggering difference in the valuation of the respondents' property "betrays the lack of good faith on the part of the government in dealing with the landowners." [37] The sheer inadequacy of this amount prompted the respondents to initiate this action. Twenty years passed and long after the title to the respondents' property had been transferred to the various farmer-beneficiaries,[38] the respondents have only been paid a total of P29,538,820.38 (the bulk of which – P26,359,793.38 - was paid only in 2010) or roughly half of the actual value of their property as finally determined by this Court.

These circumstances – the gross inadequacy of the LBP's valuation of the respondents' property and the loss of income suffered by the respondents - taken together undeniably confirm the unconscionable delay in the payment of just compensation. Just compensation does not only refer to the full and fair equivalent of the property taken; it also means, equally if not more than anything, payment in full without delay.[39] Consequently, we deem it proper to award the respondents 12% interest per annum from the time of taking until full payment. In several cases,[40] this Court has awarded, by way of damages, 12% interest on the amount of just compensation, which, in effect, makes the obligation on the part of the government one of forbearance.[41] "This is to ensure prompt payment of the value of the land and limit the opportunity loss of the owner that can drag from days to decades." [42]

WHEREFORE, in view of these considerations, we collectively hereby award respondents Manuel O. Gallego, Jr., Joseph L. Gallego, and Christopher L. Gallego the sum of Fifty-Two Million, Four Hundred Thirty-Two Thousand, Sixty-Three Pesos and 89/100 (P52,432,063.89) as just compensation for the property covered by G.R. No. 173226, *Land Bank of the Philippines v. Manuel O. Gallego, Jr., et al.*, with interests at twelve percent (12%) on the outstanding principal. In light of the initial payments of P1,179,027.00 (per the May 13, 2002 Regional Trial Court-Special Agrarian Court order), P2,000,000.00 (per the November 5, 2004 Court of Appeals resolution), and P26,359,793.38 (per the May 26, 2010 letter of the respondents' counsel), corresponding deductions should be made from the total principal due in reckoning the interests and the total amount still due as final payment under this Resolution. No costs.

SO ORDERED.

Velasco, Jr., (Chairperson), Abad, Perez, and Perlas-Bernabe, JJ., concur.

[1] Rollo, pp. 23-53.

[2] Penned by Associate Justice Josefina Guevara-Salonga, and concurred in by Associate Justices Hakim S. Abdulwahid and Fernanda Lampas-Peralta; *id.* at 54-63.

[3] *Id.* at 66-67.

[4] Penned by Judge Ubaldino A. Lacurom; *id.* at 107-115.

[5] *Id.* at 398-416. Penned by then Associate Justice Dante O. Tinga.

[6] *Id.* at 399-404.

[7] *Id.* at 432-447.

[8] Penned by Associate Justice Bienvenido L. Reyes (now a member of this Court), and concurred in by Associate Justices Isaias P. Dicdican and Marlene Gonzales-Sison; *id.* at 618-639.

[9] *Ibid.*

[10] *Id.* at 628-629. See also the LBP's Memorandum dated March 25, 2009; *id.* at 522-546.

[11] Prepared by Philippine Appraisal Co., Inc., dated August 4, 2006, attached as Annex "A" to the respondents' Comment; pages subsequent to page 230.

[12] C.2 The criteria in the selection of the comparable sales transaction (ST) shall be as follows:

x x x x

b. The land subject of acquisition as well as those subject of comparable sales transactions should be similar in topography, land use, i.e., planted to the same crop. Furthermore, in case of permanent crops, the subject properties should be more or less comparable in terms of their stages of productivity and plant density.

c. The comparable sales transactions should have been executed within the period January 1, 1985 to June 15, 1988, and registered within the period January 1, 1985, to September 13, 1988. [emphases ours]

[13] See Appraisal Report; CA rollo, pp. 447-448.

[14] Rollo, p. 628.

[15] CA rollo, p. 482.

[16] *Id.* at 483-493.

[17] Rollo, p. 629.

[18] *Ibid.*

[19] CA rollo, pp. 494-495. Per the certification of the Provincial Assessor, the 2006 Schedule of Market Value still applied for 2008; CA rollo, p. 501.

[20] Rollo, p. 629.

[21] *Ibid.*

[22] *Id.* at 630-631. See also the respondents' Memorandum dated March 25, 2009, *id.* at 549-562.

[23] *Supra* note 13.

[24] CA rollo, pp. 465-467.

[25] Rollo, pp. 630-631.

[26] *Id.* at 631.

[27] *Id.* at 631-636.

[28] *Id.* at 636-637.

[29] *Id.* at 637-638. The figures cited here were merely copied from the CA's Report. Clearly, the CA committed errors in its computation.

[30] *Association of Small Landowners in the Philippines, Inc. v. Hon. Secretary of Agrarian Reform*, 256 Phil. 777, 812 (1989); and *Apo Fruits Corporation v. Land Bank of the Philippines*, G.R. No. 164195, April 5, 2011, 647 SCRA 207, 218.

[31] *Association of Small Landowners in the Philippines, Inc. v. Hon. Secretary of Agrarian Reform*, *supra*, at 812, citing *City of Manila v. Estrada*, 25 Phil. 208 (1913); and *Land Bank of the Philippines v. Hon. Natividad*,

497 Phil. 738, 747 (2005).

[32] The respondents on various dates received the following amounts: P1,179,027.00 per the RTC-SAC Order dated May 13, 2002 (Records, Folder 1, Vol. 1, p. 95); P2,000,000.00 per the CA Resolution dated November 5, 2004 (CA rollo, pp. 216-217, and CA decision dated September 29, 2005, *supra* note 2); and P26,359,793.38 per the May 26, 2010 letter of the respondents' counsel (rollo, p. 881; and this Court's resolution dated October 4, 2010, rollo, p. 887).

[33] The property was originally owned by Manuel V. Gallego, Sr. who died prior to the filing of the petition before the RTC-SAC. He was succeeded by his children, Julius Caesar O. Gallego and respondent Manuel O. Gallego, Jr. Julius Caesar O. Gallego died in 1989; he was survived by his sons, respondents Christopher L. Gallego and Joseph L. Gallego. Christopher L. Gallego died in 1999 while the case was pending before the RTC-SAC. (Respondents' Comment to the Petition dated January 25, 2007; rollo, succeeding pages after page 230).

[34] *Id.* at 119.

[35] *Id.* at 114.

[36] *Supra* note 30.

[37] *Id.* at 221-222.

[38] The emancipation patents had been distributed to the various farmer-beneficiaries from 1988-2000; Records, Folder 1, Vol. 1, pp. 59-73.

[39] *Apo Fruits Corporation v. Land Bank of the Philippines*, *supra* note 30, at 222.

[40] *Land Bank of the Philippines v. Esther Anson Rivera, et al.*, G.R. No. 182431, February 27, 2013; and *Land Bank of the Philippines v. Wycoco*, 464 Phil. 83 (2004). See also *Apo Fruits Corporation v. Land Bank of the Philippines*, *supra* note 30; and *Land Bank of the Philippines v. Honeycomb Farms Corporation*, G.R. No. 169903, February 29, 2012, 667 SCRA 255.

[41] *Land Bank of the Philippines v. Esther Anson Rivera, et al.*, *supra*; and *Land Bank of the Philippines v. Wycoco*, *supra*, at 100.

[42] *Land Bank of the Philippines v. Esther Anson Rivera, et al.*, *supra* note 40.

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