



Republic of the Philippines
Supreme Court
Manila

SECOND DIVISION

REMMAN ENTERPRISES, G.R. No. 132073
INC.,
Petitioner,

-versus-

HON. ERNESTO GARILAO,
in his capacity as Secretary of
the Department of Agrarian
Reform and EDUARDO
ADRIANO, PABLITO
ADRIANO, ET. AL.,
Respondents.

X-----X

EDUARDO ADRIANO, ET. G.R. No. 132361
AL.,
Petitioners,

Present:

CARPIO, J.,
Chairperson,
DEL CASTILLO,*
PEREZ,
SERENO, and
REYES, JJ.

-versus-

HON. COURT OF APPEALS,
REMMAN ENTERPRISES,
INC. and HON. ERNESTO D.
GARILAO, in his capacity as
Secretary of Agrarian Reform,
Respondents.

Promulgated:

JUL 25 2012

H.M. Cabalag, Perfecto
HL

X-----X

RESOLUTION

PEREZ, J.:

On 27 September 2006, this Court issued a Resolution¹ deferring the complete adjudication of the two (2) Consolidated Petitions for Review on Certiorari² filed by Remman Enterprises, Inc. (Remman) in G.R. No. 132073 and Eduardo Adriano, et. al. (Adriano, et. al.) in G.R. No. 132361. We quote the disposition:

IN LIGHT OF THE FOREGOING, we hold in abeyance the Resolution of the consolidated Petitions in G.R. No. 132073 and G.R. No. 132361 until after a final determination as to the validity of the emancipation patents issued to Eduardo Adriano, et. al in DARAB Case No. IV-Ca. 0087-92. No pronouncement as to costs.³

The background of the case follows:

Parcels of land with an aggregate area of 46.9180 hectares situated in Brgy. San Jose, Dasmariñas, Cavite are owned by Nieves Arguelles vda. De Saulog, Marietta A. Saulog, Maura A. Saulog, Virginia A. Saulog, Teodoro A. Saulog, Melquiades A. Saulog, Bernard Raymond T. Saulog, Lilia A. Saulog and Patrocino M. Saulog (Saulogs).

In 1989, the parcels, covered by Operation Land Transfer (OLT), were distributed to farmer-beneficiaries and emancipation patents were given to Eduardo Adriano, Pablito Adriano, Ignacio Villena, Domingo Sayoto, Eduardo Villena, Dominador Mantillas, Pablito R. Mantillas, Graciano Maglian, Leopoldo Calitis, Rene Galang, Francisco Hayag, Francisco

* Per Special Order No. 1257 dated 19 July 2012.

¹ *Rollo* (G.R. No. 132073), pp. 393-411, *rollo* (G.R. No. 132361), pp. 340-358.

² Id. at 10-52, id. at 14-27.

³ Id. at 410, id. at 357.

Santarin, Pedro Pastor, Rolando Pastor, Marcos Mendoza and Eusebio Clorina.

On 6 February 1993, the Saulogs filed a Petition for Annulment of Resolution of Department of Agrarian Reform (DAR) Region IV Director, Certificates of Land Transfer, Emancipation Patents and CLOA's against the DAR Regional Director of Region IV Wilfredo B. Leano⁴ docketed as DARAB Case No. IV-Ca-0087-92. The subject of the annulment is a 27.8530 ha. portion of the 46.9180 hectares⁵ sold by the Saulogs in favor of Remman, a private domestic corporation engaged in the business of housing or subdivision developments.⁶

The matter of annulment arose because the parcels of land are the same parcels distributed to farmer beneficiaries by the DAR pursuant to OLT in 1989 and thereafter issued with corresponding Emancipation Patents.⁷

On 26 April 1993, Presiding Provincial Agrarian Reform Adjudicator (PARAD) of Cavite Glicerio G. Arenal rendered a decision in favor of the Saulogs. However, the Department of Agrarian Reform Adjudication Board (DARAB), upon appeal, vacated the appealed decision and remanded the case to the PARAD for non-joinder of indispensable parties and for further reception of evidence. The original petition was amended to include the farmer-beneficiaries Adriano, et. al. as intervenors being the holders of the Emancipation Patents covering the same land.⁸

⁴ Id. at 417-426.

⁵ Id. at 270.

⁶ Id. at 395.

⁷ Id. at 271.

⁸ Id. at 423.

On 7 February 1995, while the DARAB case was pending, the Saulogs sold their aggregate land to Remman for a consideration of Fifty Two Million Pesos (₱52,000,000.00) as evidenced by the Deed of Sale executed by the parties.⁹ As a consequence, Remman intervened in the DARAB case as the new owner of the land.

On 17 August 1995, Remman also filed with the DAR an application for exemption from the coverage of CARP of the 46.9180 hectares earlier purchased from the Saulogs. The application was filed through the Socialized Housing One-Stop Processing Center (SHOPC). The lands covered by this application are summarized as follows:

<u>Name of Registered Owner</u>	<u>Title No.</u>	<u>Area (in has.)</u>
Marietta Saulog Vergara	T-231847	3.000
Maura Saulog Aguinaldo	T-231848	3.000
Virginia A. Saulog	T-231849	3.000
Teodoro A. Saulog	T-231850	3.000
Ruben A. Saulog	T-231851	3.000
Lilia Saulog Venturina	T-231852	3.000
Melquiades A. Saulog	T-231853	3.000
Luciana A. Saulog	T-231854	3.000
Nieves Arguelles Saulog	T-240093	1.5124
-do-	T-240094	1.5124
-do-	T-240095	1.5124
-do-	T-240096	1.5124
-do-	T-240097	1.5124
-do-	T-240098	1.5124
-do-	T-240099	1.5124
-do-	T-240100	2.3322
-do-	T-240101	9.9990 ¹⁰

Remman submitted the following documents to support its claim of exemption:

1. HLURB Certification dated February 16, 1995 issued by Engr. Alfredo M. Tan II stating that the subject parcels of land appear to be

⁹ Id. at 218-220.
¹⁰ Id. at 223.

- within the Residential Zone (R-1) based on HSRC (now HLRB) Approved Zoning Map per HSRC Resolution No. R-42-A-3 dated February 9, 1981;
2. NIA Certification dated December 21, 1995 issued by Jose F. Ner, Provincial Irrigation Officer I stating that the properties are not covered by Presidential Administrative Order No. 20 because they are not irrigated nor irrigable land within the areas programmed for irrigation development under the NIA Irrigation Development Program with firm funding commitment;
 3. Certification from Engr. Gregorio C. Bermejo of the Office of the Municipal Engineer/Building Official stating that the properties are within the Residential Zone as per Approved Land Use Plan of the Municipality of Dasmariñas dated February 11, 1981 under Resolution No. R-42-A-3 by the then HSRC (now HLRB).¹¹

On 5 June 1996, Secretary Ernesto D. Garilao (Secretary Garilao) issued an Order denying the application for exemption of Remman. The dispositive portion reads:

WHEREFORE, premises considered, and after having found that the instant application lacks merit, Order is hereby issued denying the same and placing the herein properties involving seventeen (17) parcels of land with an aggregate of 46.9180 hectares located at Brgy. San Jose, Dasmariñas, Cavite under CARP coverage.¹²

The Order explained that though the deed of sale was submitted, it was not notarized nor registered with the Register of Deeds. Therefore, it is not an official document and does not bind third parties. Hence, DAR still considered the Saulogs as the owners and Remman does not possess personality to file the application.¹³

Another reason for the denial is the Certification dated 3 November 1995 of Municipal Agrarian Reform Council Reform Officer Amelia M. Rolle stating that the subject properties were covered by OLT under P.D. 27.

¹¹ Id. at 224.

¹² Id. at 226.

¹³ Id. at 225.

Also, the National Irrigation Administration (NIA) certified that the parcels of lands are not irrigated was supplanted by the Report of Arturo Lipio, the SHOPC-DAR Desk Officer of Region IV, stating that the subject landholdings are indeed irrigated. This fact was admitted by Remman in the Information Sheet filed before the SHOPC.¹⁴ Since the landholding is irrigated, the application cannot be processed for conversion pursuant to Administrative Order No. 20, Series of 1992.¹⁵

Remman filed a Motion for Reconsideration¹⁶ on 5 July 1996.

On 4 September 1996, Secretary Garilao issued an Order¹⁷ partially granting the prayer of Remman. The coverage of the exemption was ordered reduced to 15.31915 hectares representing the share of Nieves vda. De Saulog. To quote the dispositive portion:

PREMISES CONSIDERED, after having gone through all arguments, this Order is hereby issued:

1. Confirming the coverage of the 15.31915 hectare tenanted rice and corn share of Nieves vda. de Saulog under Operation Land Transfer;
2. Granting the retention of the other heirs of 1.39265 hectares of tenanted rice and corn, each, subject to the filing by the applicant of the proper petition in the proper forum;
3. Requiring the Municipal Agrarian Reform Officer to cause the preparation of Contracts of Agricultural Leaseholds between the owners of the lands and the farmer-tenants of the retained areas;
4. Excluding from the coverage of Agrarian Reform the 19.065 hectare land planted to mango by virtue of Section 3(c) of R.A. No. 6657, subject to the payment of disturbance compensation; and
5. Instructing the Regional Director of Region IV and the Provincial Agrarian Reform Officer to cause the proper execution of this Order.¹⁸

¹⁴ Id. at 226

¹⁵ Interim Guidelines on Agricultural Land Use Conversion, 7 December 1992.

¹⁶ Id. at 228-267.

¹⁷ Id. at 268-277.

¹⁸ Id. at 276.

The Order explained that the owners, with the exception of Nieves vda. De Saulog, can retain their lands pursuant to the retention limits under P.D. 27. Nieves vda. De Saulog is not allowed by the Letter of Instructions No. 474¹⁹ to retain her land.

Not fully satisfied with the ruling of the Secretary, Remman filed a Petition for Review²⁰ before the Court of Appeals (CA) for a partial review of the 4 September 1996 Order of the DAR Secretary.

The appellate court in CA-G.R. SP No. 42004, affirmed with modification the assailed order. To quote:

WHEREFORE, the appealed decision of the Secretary is hereby **AFFIRMED** with **MODIFICATION** only with respect to No. 4 of the dispositive portion, deleting therefrom the payment of disturbance compensation, such that [it] should read this wise:

¹⁹

LETTER OF INSTRUCTIONS NO. 474

TO : *The Secretary of Agrarian Reform*

WHEREAS, last year I ordered that small landowners of tenanted rice/corn lands with areas of less than twenty-four hectares but above seven hectares shall retain not more than seven hectares of such lands except when they own other agricultural lands containing more than seven hectares or land used for residential, commercial, industrial or other urban purposes from which they derive adequate income to support themselves and their families;

WHEREAS, the Department of Agrarian Reform found that in the course of implementing my directive there are many landowners of tenanted rice/corn lands with areas of seven hectares or less who also own other agricultural lands containing more than seven hectares or lands used for residential, commercial, industrial or other urban purposes where they derive adequate income to support themselves and their families;

WHEREAS, it is therefore necessary to cover said lands under the Land Transfer Program of the government to emancipate the tenant-farmers therein.

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Philippines, do hereby order the following:

1. You shall undertake to place under 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.

2. Landowners who may choose to be paid the cost of their lands by the Land Bank of the Philippines shall be paid in accordance with the mode of payment provided in Letter of Instructions No. 273 dated May 7, 1973.
October 21, 1976.

²⁰*Rollo* (G.R. No. 132073), pp. 83-134.

4. Excluding from the coverage of Agrarian reform the 19.065 hectare land planted with mango by virtue of Sections 3(c) and 11 of R.A. [No.] 6657.²¹

Thereafter, motions for reconsideration were filed by both Remman and Adriano, et. al. before the CA, but the appellate court denied both petitions on 8 January 1998.

Remman and Adriano, et.al. filed their Petitions for Review on Certiorari under Rule 45 of the Rules of Court before this Court docketed as G.R. No. 132073 and G.R. No. 132361, respectively.

Remman, in G.R. No. 132073, presented several assignment of errors which it classified as errors of law, mixed questions of facts and law and general assignments.²²

It alleged that the appellate court erred when:

1. It failed to properly ascertain the real findings on disputed facts which thereafter became the basis of the application of the law;²³
2. It concluded that the farmer-beneficiaries are full owners of the lands by virtue of E.O. 228 and P.D. 27;²⁴
3. It failed to conclude that the lands involved were already effectively converted into residential lands by virtue of the rezoning of the *Sangguniang Bayan* of Dasmariñas, Cavite and approved by the Housing and Land Use Regulatory Board (HLURB);²⁵

²¹ Id. at 61.

²² Id. at 24.

²³ First and Second Assignments of Error. Id. at 27-28.

²⁴ Third Assignment of Error. Id. at 25

²⁵ Fourth Assignment of Error. Id.

4. It failed to conclude that the subject lands are “strip lands,” reserved for uses other than agricultural under the provisions of P.D. No. 399;²⁶
5. It failed to rule on the validity of the emancipation patents;²⁷ and
6. It failed to conclude that the subject lands are urban lands under R.A. 7279 and R.A. 6657.²⁸

On the other hand, Adriano, et. al, in G.R. No. 132361 alleged error on the part of the appellate court when it refused to declare as null and void the 4 September 1996 Order of the DAR Secretary and failed to remand the case to the court of origin for further proceedings.²⁹

As earlier discussed, this Court deferred the final adjudication of the cases because of the pendency of DARAB case on the validity of the emancipation patents covering the same parcels of land which are also the objects of the application for exemption from the coverage of CARP by Remman. The Court reasoned that a complete resolution of the application for exemption requires a prior final finding that the emancipation patents issued to Eduardo Adriano, et. al. are null and void.³⁰

Accordingly, Atty. Ma. Lourdes C. Perfecto, then Assistant Chief, Judicial Records Office, Supreme Court, wrote a letter addressed to the DAR Secretary to inquire about the status of the DARAB Case No. IV-Ca-0087-92.³¹

²⁶ Fifth Assignment of Error. Id.

²⁷ Sixth Assignment of Error. Id. at 26.

P.D. No. 399, 28 February 1974 - Limiting The Use of a Strip of One Thousand Meters of a land along any existing, Proposed or On-Going Public Highway or Road, until the Government shall have a competent study and have formulated a Comprehensive and Integrated Land Use and Development Plan.

²⁸ Eight Assignment of Error. Id.

²⁹ *Rollo* (G.R. No. 132361), pp. 20, 22.

³⁰ *Rollo* (G.R. No. 132073), pp. 409-410.

³¹ Letter dated 2 March 2007. Id. at 412.

In reply to the query, Assistant Secretary Delfin B. Samson informed Atty. Perfecto that the DARAB Case has already been dismissed per Order dated 26 December 1996 issued by Provincial Adjudicator Barbara P. Tan.³²

However, a reading of the dispositive portion of the Order³³ reveals that the said DARAB case was dismissed without prejudice on the basis of prejudicial question.³⁴ The said prejudicial question, as indicated by the Order, refers to the question about the emancipation patents action on which has also been deferred by this Court. The Order states:

“Final disposition of said issues [referring to the emancipation patents and exclusion from the land transfer program on the ground of reclassification] shall serve as the basis for the availability or denial of the relief sought for in the instant cases for cancellation of emancipation patents.”³⁵

To break the cycle, this Court resolves to remand the case to the PARAD of Cavite for a determination of the validity of the emancipation patents.

WHEREFORE, this case is hereby **REMANDED** to the Office of the Provincial Adjudicator of Cavite to determine the validity or invalidity of the emancipation patents of the farmer-beneficiaries affected by the application for exemption from the CARP coverage filed by Remman Enterprises, Inc. The Provincial Agrarian Reform Adjudicator is **ORDERED** to inform this Court about its final decision on the matter within five (5) days from its finality.

SO ORDERED.

³² Letter dated 2 July 2007. Id. at 416.

³³ Id. at 417-426.

³⁴ Dispositive portion of the Order. Id. at 425.

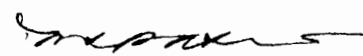
³⁵ Id.



JOSE PORTUGAL PEREZ
Associate Justice

WE CONCUR:


ANTONIO T. CARPIO
Senior Associate Justice
Chairperson



MARIANO C. DEL CASTILLO
Associate Justice


MARIA LOURDES P. A. SERENO
Associate Justice


BIENVENIDO L. REYES
Associate Justice

CERTIFICATION

I certify that the conclusions in the above ~~Resolution~~ had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.


ANTONIO T. CARPIO
Senior Associate Justice
(Per Section 12, R.A. 296,
The Judiciary Act of 1948, as amended)