



Republic of the Philippines
Supreme Court
Manila
SECOND DIVISION

MARIO REYES,
Petitioner,

G.R. No. 200713

Present:

CARPIO, J., Chairperson,
BRION,
DEL CASTILLO,
PERLAS-BERNABE, and
LEONEN,* JJ.

- versus -

HEIRS OF PABLO FLORO,
Respondents.

Promulgated:

DEC 11 2013

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DECISION

CARPIO, J.:

The Case

Before us is a petition for review on certiorari¹ assailing the Decision² dated 21 December 2010 and Resolution³ dated 13 February 2012 of the Court of Appeals in CA-G.R. SP No. 100857, which affirmed the Resolution⁴ dated 16 May 2007 of the Department of Agrarian Reform Adjudication Board in DARAB Case No. 14369 declaring petitioner was not a tenant and ordering him to vacate the property.

* Designated acting member per Special Order No. 1627 dated 6 December 2013.

¹ Under Rule 45 of the 1997 Revised Rules of Civil Procedure.

² *Rollo*, pp. 99-113. Penned by Justice Amelita G. Tolentino with Justices Normandie B. Pizarro and Ruben C. Ayson, concurring.

³ *Id.* at 7-13. Penned by Justice Amelita G. Tolentino with Justices Normandie B. Pizarro and Ricardo R. Rosario, concurring.

⁴ *Id.* at 84-93.

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The Facts

The subject of the litigation involves a parcel of land identified as Lot 5 of the Consolidated Subdivision Plan (LRC) Pcs-25816 covered by Transfer Certificate of Title (TCT) No. 279800.⁵ The land, primarily devoted to rice production and consisting of 62,186 square meters, is located in Longos, Malolos, Bulacan.

On 3 May 2004, petitioner Mario Reyes (Reyes) filed with the Provincial Agrarian Reform Adjudicator (PARAD) of Malolos City, Bulacan, a Complaint⁶ for Pre-Emption and Redemption, Maintenance of Peaceful Possession, Occupation and Cultivation with prayer for the issuance of Restraining Order/Injunction against Zenaida Reyes (Zenaida); Sun Industrial Corporation (Sun Industrial); the Register of Deeds of Tabang, Guiginto, Bulacan; and respondents, heirs of Pablo Floro, namely: Elena F. Vichico, Valeriano L. Floro, Ernesto L. Floro, Victoria Floro-Basilio, Avelina C. Floro, Elsie C. Floro, Samuel C. Floro, Josephine C. Floro, Jerome C. Floro, and Pablito Floro.

In the Complaint, Reyes alleged that the land was formerly owned by Carmen T. Bautista (Bautista) under one lot title, TCT No. T-264134. On 16 September 1983, Bautista allegedly sold the land to Zenaida as evidenced by a Deed of Absolute Sale with Agricultural Tenants Conformity.⁷ Before Bautista sold the land, Reyes was allegedly one of her tenant-lessees.

A day after the alleged sale, Bautista supposedly executed a document entitled *Pagpapatunay*⁸ dated 17 September 1983 claiming that she was the original owner of the land and acknowledging Reyes as her tenant, even though not registered with the Department of Agrarian Reform. In the same document, Bautista attested that Reyes did not sign the deed of sale since he did not want to give up his tenancy rights. Thereafter, Zenaida registered the land in her name under TCT No. 279800. On 19 December 1983, Zenaida executed an Agricultural Leasehold Contract⁹ with Reyes, her brother.

Reyes then recounted that sometime in January 2004, three unknown persons introduced themselves as brokers and claimed that the heirs of Floro and Sun Industrial were selling the land, which had already been transferred to their names, and demanded that Reyes vacate the premises or else they would be forced to evict him. Reyes stated that he was the agricultural lessee of Zenaida based on a Certification¹⁰ dated 4 May 1995 issued by the Municipal Agrarian Reform Officer (MARO) of Sto. Rosario, Malolos, Bulacan. However, without Reyes' knowledge and consent, Zenaida

⁵ Id. at 53-54. TCT is in the name of Zenaida P. Reyes and is a transfer from TCT No. T-264134.

⁶ Id. at 46-48. Docketed as DARAB Case No. R-03-02-0433 2004.

⁷ Id. at 164-165.

⁸ Id. at 166.

⁹ Id. at 159-160.

¹⁰ Id. at 52.

conveyed and transferred ownership of the land in favor of the late Pablo Floro and executed a deed of assignment with waiver of rights in favor of Sun Industrial.

Reyes stated in the Complaint that as an agricultural lessee, he wanted to acquire the land according to the approved *Barangay* Committee on Land Production (BCLP) in the locality, by way of pre-emption and redemption, under Sections 11¹¹ and 12¹² of Republic Act No. (RA) 3844, as amended by RA 6389,¹³ or otherwise known as the Agricultural Land Reform Code.¹⁴ Thus, Reyes implored that a restraining order be issued against defendants upon receipt of the Complaint and, after hearing, prayed for the following: (1) to make the restraining order/injunction permanent; (2) to declare the documents on the transfer of ownership of the land in the names of the respondent heirs and Sun Industrial null and void *ab initio*; (3) to pay the amount of the redemption price based on the approved BCLP in the locality under Section 12 of RA 3844; and (4) to order the Registry of Deeds of Tabang, Guiginto, Bulacan to cancel all existing TCTs issued in the name of the respondent heirs and Sun Industrial and to issue new TCTs in his favor by virtue of Sections 11 and 12 of RA 3844.¹⁵

On 28 May 2004, Zenaida filed her Answer with Counterclaim.¹⁶ She alleged that since 1983 Reyes was the actual occupant, cultivator and agricultural tenant-lessee over the subject land. Zenaida also stated that: (1) she timely received Reyes' rental payments as agricultural tenant-lessee and he complied with the terms and conditions of the agricultural leasehold contract which they have entered into; (2) as registered owner of the land, she had all the legal rights to dispose of the land without Reyes' consent; (3) she had no knowledge that Reyes wanted to acquire the land and/or exercise his rights of pre-emption and redemption; and (4) she never tried to eject Reyes from the land; thus, the issuance of a temporary restraining order

¹¹Section 11. *Lessee's Right of Pre-emption* - In case the agricultural lessor decides to sell the landholding, the agricultural lessee shall have the preferential right to buy the same under reasonable terms and conditions: Provided, That the entire landholding offered for sale must be pre-empted by the Land Authority if the landowner so desires, unless the majority of the lessees object to such acquisition: Provided, further, That where there are two or more agricultural lessees, each shall be entitled to said preferential right only to the extent of the area actually cultivated by him. The right of pre-emption under this Section may be exercised within ninety days from notice in writing which shall be served by the owner on all lessees affected.

¹²Section 12. *Lessee's Right of Redemption* - In case the landholding is sold to a third person without the knowledge of the agricultural lessee, the latter shall have the right to redeem the same at a reasonable price and consideration: Provided, That the entire landholding sold must be redeemed: Provided, further, That where there are two or more agricultural lessees, each shall be entitled to said right of redemption only to the extent of the area actually cultivated by him. The right of redemption under this Section may be exercised within two years from the registration of the sale, and shall have priority over any other right of legal redemption.

¹³ Code of Agrarian Reforms of the Philippines which took effect on 10 September 1971.

¹⁴An Act to Ordain the Agricultural Land Reform Code and to Institute Land Reforms in the Philippines, including the Abolition of Tenancy and the Channeling of Capital into Industry, Provide for the Necessary Implementing Agencies, Appropriate Funds Therefor and for Other Purposes, which took effect on 8 August 1963.

¹⁵ *Rollo*, p. 48.

¹⁶ *Id.* at 57-59.

was unnecessary. As counterclaim, Zenaida asked for moral and exemplary damages.

On 17 November 2004, Sun Industrial filed its Answer denying the material allegations in the Complaint. Sun Industrial raised the defense that it was an innocent assignee and purchaser for value in good faith. Sun Industrial alleged that the subject land, now covered by TCT No. T-1188 in its name, has no tenant or agricultural lessee. Otherwise, such fact would have been annotated at the back of its title. Sun Industrial pointed out that the two previous titles of the land showed that it was not covered by Operation Land Transfer. Sun Industrial declared that it became the registered owner of the land on 11 September 1989 or several years before the alleged issuance of the MARO Certification dated 4 May 1995. Thus, since Zenaida ceased to be the owner of the land in 1995, she could no longer institute Reyes as tenant. Sun Industrial filed a counterclaim and prayed for the dismissal of the complaint and payment of attorney's fees and costs of suit.

On 6 December 2004, respondent heirs filed their Answer with special and affirmative defenses and damages. Respondent heirs maintained that they are the lawful owners of several parcels of land covered by TCT Nos. 51068, 85587, 85588, 51062, 51066, 51065 and 51069 registered with the Registry of Deeds of Bulacan. Respondent heirs asserted that before Sections 11 and 12 of RA 3844 may be applied, it must first be established that a tenancy or leasehold relationship existed between Reyes and Pablo Floro and/or his heirs. They added that while Zenaida is the alleged registered owner of the land in the Complaint, the same is not valid since she never acquired a valid and defensible title to the land. They averred that Zenaida was convicted of falsification of public documents by the Regional Trial Court (RTC) of Bulacan, Branch 22, in Criminal Case No. 9252-M. Since Zenaida falsified and forged the signature of Pablo Floro to transfer the subject land under her name, she could not validly enter into any voluntary dealings with anybody including Reyes and neither could they suffer for the misdeeds of Zenaida since they were also victims of an illegal transfer of ownership. Further, the respondent heirs alleged that Reyes did not cultivate the land since 1995 as certified by the *Punong Barangay* of Longos, Malolos, Bulacan nor did Reyes tender a reasonable purchase price within 180 days from the transfer of the land. Thus, respondent heirs prayed for the dismissal of the complaint as well as the payment of moral and exemplary damages plus attorney's fees, litigation expenses and costs of suit.

In a Decision¹⁷ dated 29 November 2005, the PARAD decided the case in favor of Reyes, as a tenant-lessee entitled to redemption. The PARAD added that Zenaida's conviction in a criminal case will not sever

¹⁷

Id. at 61-73.

Reyes' tenancy relations, having been instituted by the previous owner, and thus entitled to security of tenure as guaranteed by law. The dispositive portion of the Decision states:

WHEREFORE, premises considered, judgment is hereby rendered in favor of the plaintiff and against defendants, and Order is hereby issued as follows:

1. FINDING the plaintiff a legitimate tenant-lessee of the subject landholding;
2. GRANTING the right of the plaintiff to redeem the subject property from the defendant FLOROs and Sun Industrial Corporation;
3. Directing the plaintiff to pay the defendants the reasonable redemption price as follows:
 - a) Valeriano Floro is entitled to Php.10,821.00 over his two lots with an aggregate area of 14,967 sq.m. under TCT Nos. T-51062 and T-51066;
 - b) Avelina Floro, et al. are entitled to Php.10,821.00 over their two lots under TCT Nos. T-85588 and T-85587 with an aggregate area of 14,967 sq.m.;
 - c) Elena Vichico is entitled to Php.10,907.90 over her two titles under TCT Nos. T-51065 and T-51069 with an aggregate area of 15,087 sq.m.;
 - d) Victoria Floro-Basilio is entitled to Php.5,210.20 over her title covered by TCT No. T-51068 with an area of 7,288 sq.m.;
 - e) Sun Industrial Corporation is entitled to Php.5,411.65 for its 7,485 sq.m. embraced by TCT No. T-1188;
4. Directing the Registry of Deeds of Bulacan to cancel TCT Nos. T-51062, T-51066, T-85588, T-85587, T-51065, T-51069, T-51068, and T-1188 issued in favor of the defendant FLOROs and Sun Industrial Corporation and issue a new title in the name of Mario Reyes after payment of the required legal fees pursuant to existing rules and regulations of the Land Registration Authority.

Claims and counterclaims are dismissed for lack of merit.

SO ORDERED.¹⁸

Respondent heirs filed an appeal¹⁹ with the Department of Agrarian Reform Adjudication Board (DARAB). In a Decision²⁰ dated 11 December 2006, the DARAB affirmed the decision of the PARAD and denied the appeal for lack of merit.

Respondent heirs filed a Motion for Reconsideration. In a Resolution²¹ dated 16 May 2007, the DARAB reconsidered and set aside its Decision dated 11 December 2006. The resolution declared that Reyes was not a tenant and ordered him to vacate the property.

¹⁸ Id. at 72-73.

¹⁹ Docketed as DARAB Case No. 14369 (Reg. Case No. R-03-02-0433'04).

²⁰ *Rollo*, pp. 74-83.

²¹ Id. at 84-93.

The DARAB found that the PARAD failed to consider the following evidence submitted by respondent heirs to prove that they were the owners of the subject land: (1) the Deed of Reconveyance of Four (4) Parcels of Land dated 31 March 1986 executed by Zenaida in favor of Pablo Floro which provides:

WHEREAS, FIRST PARTY (defendant-appellee Zenaida Reyes) by means of false pretenses, strategy and stealth succeeded to take hold of SECOND PARTY'S owner's duplicate original copy of said Transfer Certificate of Title Annexes "A", "B", "C" and "D" hereof and on or about July 23, 1985 FIRST PARTY made it appear that SECOND PARTY (Pablo Floro) executed a certain "DEED OF ABSOLUTE SALE OF FOUR (4) PARCELS OF LAND" over the said above described Four (4) parcels of land covered by said Transfer Certificates of Title Annexes "A", "B", "C" and "D" hereof, purportedly in her favor for an alleged consideration of ₱35,000 and forged and falsified on said deed SECOND PARTY'S signature as vendor, a copy of said deed to the foregoing effect is hereto attached and marked as Annex "E" to form an integral part hereof.²²

(2) the Decision dated 1 June 2001 of the RTC of Malolos, Bulacan, Branch 22 in Criminal Case No. 9252-M entitled "*People of the Philippines v. Zenaida Reyes*" for falsification of public documents, the dispositive portion of which reads:

WHEREFORE, in view of all the foregoing, it can be deduced that the 62,000 square meters or the nine (9) titles originally belong to Pablo Floro and the accused somehow got hold of the four (4) land titles from Pablo Floro and transferred it to her name by signing the signature of Pablo Floro in the Deed of Absolute Sale dated July 23, 1985 (Exh. "C" and "C-1"). Later on in the Deed of Reconveyance of four (4) Parcels of Land she executed (Exh. "N") she admitted having forged and falsified the signature of Pablo [Floro] in Exh. "C" and "C-1."

Accused Zenaida Reyes is hereby found guilty beyond reasonable doubt and is hereby sentenced to suffer the penalty of four (4) months of arresto mayor as minimum to four (4) years and two (2) months of prision correccional as maximum and to pay a fine of Five Thousand Pesos (₱5,000.00).

SO ORDERED.²³

and (3) the Decision dated 29 September 2004 of the Court of Appeals in CA-G.R. CV No. 68557 entitled "*Victoria Floro-Basilio v. Zenaida Reyes and Sun Industrial Corporation*" for annulment of title, where the CA found that there is no dispute on Pablo Floro's ownership over the land and declared the titles of Zenaida and Sun Industrial as void. The CA stated that Zenaida registered the land under her name by obtaining possession of the duplicate original of TCT No. T-280518 in the name of Pablo Floro and executing a fictitious deed of absolute sale in her favor by forging the

²² Id. at 148.

²³ CA rollo, p. 215.

signature of Pablo Floro. Subsequently, Zenaida executed a deed of assignment and waiver of rights in favor of Sun Industrial which, despite the affidavit of adverse claim and notice of *lis pendens* annotated on the title, foreclosed the mortgage on the property and secured the issuance of TCT No. T-1188 in its name. The dispositive portion of the Decision provides:

WHEREFORE, the appeal is granted and the trial court's Decision dated June 28, 2000 is set aside. TCT No. T-295804 in the name of Zenaida Reyes and the subsequent TCT No. T-1188 in the name of Sun Industrial Corporation are nullified. Defendant-appellee Zenaida Reyes is ordered to pay to plaintiff-appellant ₱50,000.00 as moral damages, ₱50,000.00 as exemplary damages and the costs of suit.

SO ORDERED.²⁴

Reyes filed a Motion for Reconsideration on 20 June 2007 and sought the reversal of the Resolution dated 16 May 2007. In an Order²⁵ dated 6 September 2007, the DARAB set aside the resolution and reinstated the PARAD's Decision dated 29 November 2005.

Respondent heirs then filed a petition for review with the Court of Appeals.

The Ruling of the Court of Appeals

In a Decision²⁶ dated 21 December 2010, the Court of Appeals reversed and set aside the DARAB's Decision dated 11 December 2006 and Order dated 6 September 2007. The appellate court ruled that Zenaida was never the owner of the land; thus, no tenancy relations existed between her and Reyes. The dispositive portion of the Decision states:

WHEREFORE, premises considered, the appealed *decision* dated December 11, 2006 and the *order* dated September 6, 2007 of the DARAB are REVERSED and SET ASIDE. Accordingly, the resolution of the DARAB dated May 16, 2007 is REINSTATED.

SO ORDERED.²⁷

Reyes filed a Motion for Reconsideration. In a Resolution²⁸ dated 25 July 2011, the appellate court granted Reyes' motion and affirmed the findings and conclusions of the PARAD Decision dated 29 November 2005, as sustained on appeal by the DARAB in its Decision dated 11 December 2006 and Order dated 6 September 2007.

²⁴ *Rollo*, p. 156.

²⁵ *Id.* at 94-97.

²⁶ *Supra* note 2.

²⁷ *Rollo*, pp. 112-113.

²⁸*Id.* at 116-120. Penned by Justice Amelita G. Tolentino with Justices Normandie B. Pizarro and Ricardo R. Rosario, concurring.

The respondent heirs filed a Motion for Reconsideration. In a Resolution²⁹ dated 13 February 2012, the appellate court granted the motion. The 25 July 2011 Resolution was nullified and set aside and the 21 December 2010 Decision was reinstated.

Hence, the instant petition.

The Issue

The main issue for our resolution is whether or not Reyes is a *de jure* tenant or lessee who is entitled to redemption, pre-emption, peaceful possession, occupation and cultivation of the subject land.

The Court's Ruling

The petition lacks merit.

At the outset, it must be stressed that only questions of law may be reviewed by this Court in an appeal by certiorari. Findings of fact by the Court of Appeals are final and conclusive and cannot be reviewed on appeal to this Court. However, this Court may disregard the factual findings of the CA when the appellate court's findings of facts conflict with those of the DARAB, as well as the PARAD, which are administrative bodies with expertise on matters within its specific and specialized jurisdiction.³⁰

Reyes contends that (1) the *Pagpapatunay*³¹ dated 17 September 1983 from Carmen Bautista, the original owner of the land, stating that Reyes was one of her tenants; and (2) the Certification³² dated 4 May 1995 from the MARO stating that Reyes is an agricultural lessee over the land owned by Zenaida, are enough evidence to prove that he is a tenant. Reyes insists that the consent of the Floros is not necessary since tenancy relations is not terminated by changes in ownership in case of sale or transfer of legal possession.

Respondent heirs, on the other hand, maintain that Reyes is not an agricultural lessee because: (1) there was no valid contract between Reyes and Zenaida nor between Reyes and Bautista; (2) Reyes has not personally cultivated the parcel of land; (3) Reyes did not share any harvest with any landowner; and (4) the claim of Reyes is not supported by substantial evidence.

²⁹ Supra note 3.

³⁰ *Esquivel v. Atty. Reyes*, 457 Phil. 509 (2003); *Heirs of Jose Juanite v. Court of Appeals*, 425 Phil. 905 (2002).

³¹ *Rollo*, p. 166.

³² *Id.* at 52.

This Court takes judicial notice of two cases: (1) *Zenaida Reyes v. People of the Philippines*, G.R. No. 184728; and (2) *Sun Industrial Corporation v. Victoria Floro-Basilio*, G.R. No. 169674.

The first case, originally docketed as Criminal Case No. 9252-M, the RTC of Malolos, Bulacan, Branch 22, in a Decision dated 1 June 2001, convicted Zenaida of falsification of public documents as defined and penalized under Article 172 of the Revised Penal Code. On appeal, the CA, in CA-G.R. CV No. 26058, affirmed the RTC in a Decision dated 11 June 2008. Elevated to this Court, we issued a Resolution³³ dated 8 December 2008, affirming the decision of the appellate court. The resolution attained finality on 5 May 2009.³⁴

In the second case, Victoria Floro-Basilio, one of the respondents in the present case, filed a complaint for annulment of title against Zenaida and Sun Industrial with the RTC of Malolos, Bulacan, Branch 12, docketed as Civil Case No. 352-M-95. The RTC dismissed the complaint. On appeal, docketed as CA-G.R. CV No. 68557, the CA in a Decision³⁵ dated 29 September 2004 upheld the title of Pablo Floro and declared the titles of Zenaida and Sun Industrial as void. The CA stated that since the title of Zenaida was fraudulently acquired on the basis of a forged deed of sale, her title is null and void and the subsequent registration of the property in the name of Sun Industrial, as mortgage creditor of Zenaida, is also void. Sun Industrial appealed the CA's decision to this Court, which was denied in a Resolution³⁶ dated 21 November 2005. Likewise, the Motion for Reconsideration was denied with finality in a Resolution³⁷ dated 6 March 2006.

In determining tenancy relations between the parties, it is a question of whether or not a party is a *de jure* tenant. The essential requisites of a tenancy relationship are: (1) the parties are the landowner and the tenant; (2) the subject is agricultural land; (3) there is consent; (4) the purpose is agricultural production; (5) there is personal cultivation; and (6) there is sharing of harvests. All these requisites are necessary to create a tenancy relationship between the parties. The absence of one does not make an occupant, cultivator, or a planter, a *de jure* tenant. Unless a person establishes his status as a *de jure* tenant, he is not entitled to security of tenure nor is he covered by the Land Reform Program of the government under existing tenancy laws.³⁸

³³ Id. at 139-141.

³⁴ Id. at 142.

³⁵ Id. at 143-156.

³⁶ Id. at 157.

³⁷ Id. at 158.

³⁸ *Isidro v. Court of Appeals*, G.R. No. 105586, 15 December 1993, 228 SCRA 503.

In the present case, there is no dispute that the property under litigation is an agricultural land. The controversy mainly lies on whether the parties are the true and legitimate landowner and tenant.

Reyes relies on the certifications from the MARO and Bautista, the alleged original owner, manifesting that he was a tenant of the subject land to prove that a tenancy relationship exists.

This is untenable.

The MARO certification is merely preliminary and does not bind the courts as conclusive evidence that Reyes is a lessee who cultivates the land for purposes of agricultural production. In *Bautista v. Araneta*,³⁹ we held that certifications issued by administrative agencies or officers that a certain person is a tenant are merely provisional and not conclusive on the courts. Here, the certification from Bautista has little evidentiary value, without any corroborative evidence. The certification was not notarized and Bautista was not even presented as a witness. Similarly, Reyes was not included as a legitimate and properly registered agricultural tenant in the supposed Deed of Absolute Sale with Agricultural Tenants Conformity which Bautista executed in favor of Zenaida.

Further, the genuineness of the agricultural leasehold contract that Zenaida entered into with Reyes is doubtful. The records show that respondent heirs submitted two documentary evidence with the PARAD which the provincial adjudicator disregarded: (1) a MARO Certification⁴⁰ dated 9 May 2005 manifesting that there is no copy on file, with the Municipal Land Reform Office of Malolos, Bulacan, of the supposed leasehold contract; and (2) a *Pagpapatunay*⁴¹ dated 8 June 2004 from the *Punong Barangay* of Malolos, Bulacan attesting that since the year 1995 until the date of the affidavit, the subject land was not being used for farming, cultivation or any agricultural purpose. These evidence can only mean that the leasehold contract was falsified.

In addition, it should be kept in mind that Zenaida was convicted of falsification of public documents as affirmed in our Resolution dated 8 December 2008 in G.R. No. 184728. Zenaida registered and transferred to her name four land titles owned by Pablo Floro by forging the signature of Pablo Floro in a deed of sale. Likewise, in G.R. No. 169674 for annulment of title, we affirmed the ruling of the appellate court in declaring the titles issued in the name of Zenaida and Sun Industrial as void.

³⁹ 383 Phil. 114 (2000), citing *Oarde v. Court of Appeals*, 345 Phil. 457 (1997).

⁴⁰ *Rollo*, p. 161.

⁴¹ *Id.* at 163.

The findings of fact of the RTC of Malolos, Branch 22 in its Decision dated 1 June 2001 in Criminal Case No. 9252-M provide us a better understanding on who among the parties is the real owner of the subject land. The relevant portions of the decision provide:

The accused is charged [with] falsification of public documents based on the Deed of Absolute Sale of four parcels of land dated July 23, 1985 allegedly executed by Pablo Floro in her (accused) favor.

X X X X

There was no document presented to prove the claim of the accused that she was the lawful owner of the properties subject matter of this case, particularly the original title of the 62,186 square meters agricultural land in Longos, Malolos, Bulacan before it was subdivided into nine (9) residential lots. Since all the records of the Register of Deeds from 1987 [onwards] were destroyed because of a fire that hit the said office in 1987. Only a certification dated July 8, 1987 (Exhibit "B") which was signed by Register of Deeds Elenita Corpuz certifying that the office of the Register of Deeds, Malolos, Bulacan together with all the titles, documents, office equipment and supplies have been totally burned during the fire conflagration on March 7, 1987 was presented.

Both counsels did not submit their memorandum despite orders of the court to do so.

Hence, for further clarification of this case, resort is made to the decision rendered by Judge Crisanto Concepcion (Exhibit "2," "2-a," "2-b" of this case) of Regional Trial Court of Malolos, Bulacan, Branch 12 in Civil Case No. 352-M-95 dated June 28, 2000 in the case of Victoria Floro Basilio vs. Zenaida Reyes, et al., wherein the issue who between the late Pablo Floro and defendant Zenaida Reyes was the real owner of the parcel of land in question [as] to the same property now in litigation here in Criminal Case No. 9252-M. The following were resolved:

- 1) If the late Pablo Floro was the owner, it would be hard to believe that defendant Zenaida Reyes acquired her title from him legally.
- 2) Defendant Zenaida Reyes has shown how and from whom she originally acquired the 62,186 square meters agricultural land in Longos, Malolos, Bulacan as reflected in her Exhibit "1", the Deed of Absolute Sale with Agricultural Tenants Conformity executed by and between her, as vendee, and Carmen T. Bautisa, as vendor, before it was subdivided into nine separate residential lots in accordance with her accommodation to Pablo Floro to use them as collaterals in his name, so as to secure a much bigger bank loan. The Registry of Deeds file copy of this Deed of Sale, like all the nine titles registered in the name of Pablo Floro, as well as those of other registered related documents, must have been included in those burned and destroyed during the fire that hit the Registry on March 7, 1987, but there is no strong reason not to accept its faithfulness.
- 3) It is a clear history of the origin of the property in question, showing that its ownership was first transferred by the original owner Carmen T. Bautista to Zenaida P. Reyes before it was subdivided into nine

lots to be used as bank loan collaterals in the name of the late Pablo Floro by way of accommodation only, for his mistress.

4) The facts shown by Zenaida Reyes are also consistent with her contention that her sale to Pablo Floro for that purpose and Pablo Floro's subsequent re-sale to her when they decided not to go on with the projected bank loan were all simulated. It was only unfortunate that when his heirs discovered his real property of nine (9) lots in Bulacan in his name, they decided to partition them among themselves, perhaps thinking that all the while their father had after all real property in the province, including the first four (4) lots already resold in a simulated sale by the old man.

5) The Deed of Reconveyance (Exhibit "N" in this case) of the four (4) lots prepared by the lawyer and Corporate Secretary of the Floros and ostensibly signed by defendant Reyes who denied and belied it, cannot alter the credence of her side of the matter, particularly the origin of her ownership of the whole property before it was subdivided without her actually losing such right, until she finally gave it up in favor of her co-defendant Sun Industrial Corporation. She seemed to be an experienced businesswoman who would not just incriminate herself so recklessly in writing that "by means of false pretenses, strategy, and stealth" she obtained from a more experience[d] known industrialist, possession of the four land titles, including the title to Lot 5-C. Her explanation on how she re-obtained them as the true owner is more reliable than the generalized "means of false pretenses, strategy and stealth."

The facts stated in the aforesaid decision of Judge Crisanto Concepcion (although the decision is still pending appeal) jibed with the substantive facts stated by accused Zenaida Reyes in the instant case.

However, the Court notes that Zenaida Reyes' Exh. "1" – in Civil Case No. 352-M-95 which is the Deed of Absolute Sale with Agricultural Tenant[s] Conformity executed by and between her (Zenaida Reyes) as Vendee, and Carmen T. Bautista as Vendor, before it was subdivided into nine (9) separate residential lots in accordance with her accommodation to Pablo Floro to use them as collateral in his name, so as to secure a much bigger loan – was not presented as evidence in Court.

Likewise, it does not appear that the original of said Exh. "1" was ever presented in RTC, Branch 12 in the Civil Case as implied from the decision of RTC, Branch 12 that "the Registry of Deeds file copy of this Deed of Sale, like all the nine (9) titles registered in the name of Pablo Floro, as well as those of other related documents, must have been included in those burned and destroyed during the fire that hit the Registry on March 7, 1987, but there is no strong reason not to accept its faithfulness."

This Court however is of the belief that there are in fact strong reasons not to believe its faithfulness since there are other copies of the same which were not burned that should be presented to prove that there was in fact such a sale from Carmen T. Bautista to Zenaida Reyes to wit: 1) the Notary Public's copy; 2) the copy of the Court (Notary Publics [sic] are supposed to furnish copies of their notarized document to [the] Court that approved their application for Notary

Public); 3) BIR copy for the payment of the Capital Gains Tax; 4) the copy of the Archives (National Library). These copies were never presented in this Court or in the RTC, Branch 12 nor explained as why they were not presented. This is therefore clearly suppression of evidence which would therefore be adverse if produced.

Likewise, when the accused testified in Court and admitted that he signed on the space provided in the Deed of Sale for the seller which is her name and she also signed in behalf of Don Pablo for the sale of the property to Don Pablo Floro because the bank requires the borrower to have a paying capacity and the property must be in the name of the mortgagor (Don Pablo), this Deed of Sale was never presented in Court. (This refers to the sale of the 62,000 square meters from Reyes to Floro before it was subdivided to nine (9) titles). Her testimony is not clear on this point.

This claim of the accused is uncorroborated since the Deed of Sale was not presented in Court nor a copy thereof which normally should be with 1) the Notary Public; 2) the Court (Notary Publics [sic] are supposed to furnish copies of their notarized document to the Court [that] approved their commission as notary public); 3) the BIR for the payment of the Capital Gains Tax; or 4) the Archives (National Library). Likewise, the subdivision plan and Deed for Partition of the 62,000 sq. meters since it was subdivided. This would show who really is the registered owner of the 62,000 sq. meters.

Furthermore, the accused testified that she only transferred four (4) titles back to her name because she doesn't have enough money to pay for the Register of Deeds for the nine (9) titles which she claimed to be her own. But why should she be the one to pay for the registration (transfer expenses for the nine (9) titles [from] Floro to her) according to her she simulatedly transferred those 9 titles to Floro for the latter's benefit to get a better loan? Should it not be Floro?

WHEREFORE, in view of all the foregoing, it can be deduced that the 62,000 square meters or the nine (9) titles originally belong to Pablo Floro and the accused somehow got hold of the four (4) land titles from Pablo Floro and transferred it to her name by signing the signature of Pablo Floro in the Deed of Absolute Sale dated July 23, 1985 (Exh. "C" and "C-1"). Later on in the Deed of Reconveyance of four (4) Parcels of Land she executed (Exh. "N") she admitted having forged and falsified the signature of Pablo [Floro] in Exh. "C" and "C-1."

Accused Zenaida Reyes is hereby found guilty beyond reasonable doubt and is hereby sentenced to suffer the penalty of four (4) months of arresto mayor as minimum to four (4) years and two (2) months of prision correccional as maximum and to pay a fine of Five Thousand Pesos (₱5,000.00).

SO ORDERED.⁴² (Emphasis supplied; underscoring in the original)

⁴²

CA rollo, pp. 211-215.

Thus, from the findings of the lower court that Zenaida failed to submit concrete and reliable evidence to lend credence to her claim of ownership of the subject land, it has been clearly established that Zenaida is not the true and lawful owner and only concocted a story unworthy of belief. As a consequence, the agricultural leasehold contract which Reyes entered into with Zenaida is void.

Next, Reyes failed to submit any proof that he personally cultivated the land for agricultural production or that he shared the harvests with the landowner. Reyes only submitted a picture of a hut erected on the land as an incident to his right to cultivate the land as a tenant. This is not enough to prove that a leasehold relationship exists.

Lastly, Reyes insists that the consent of the Floros is not necessary since tenancy relations is not terminated by changes in ownership. In *Valencia v. Court of Appeals*,⁴³ we held that while it is true that tenancy relations is not terminated by changes of ownership in case of sale, alienation or transfer of legal possession, as stated in Section 10 of RA 3844:

Section 10. *Agricultural Leasehold Relation Not Extinguished by Expiration of Period, etc.* - The agricultural leasehold relation under this Code shall not be extinguished by mere expiration of the term or period in a leasehold contract nor by the sale, alienation or transfer of the legal possession of the landholding. In case the agricultural lessor sells, alienates or transfers the legal possession of the landholding, the purchaser or transferee thereof shall be subrogated to the rights and substituted to the obligations of the agricultural lessor.

this provision assumes that a tenancy relationship exists. In this case, no such relationship was ever created between Reyes and respondent heirs nor between Reyes and Zenaida because Zenaida is not the true and lawful owner of the agricultural land. Since Reyes' claim on his supposed tenancy rights is based on the leasehold contract, as well as the certifications from Bautista and the MARO, which were found to be inadequate to prove that an agricultural tenancy relationship exists, then Reyes' assertions must fail.

In sum, the certifications from Bautista and the MARO declaring Reyes to be a tenant are not enough evidence to prove that there is a tenancy relationship. One claiming to be a *de jure* tenant has the burden to show, by substantial evidence, that all the essential elements of a tenancy relationship are present. Since Reyes is not a *de jure* tenant or lessee, he is not entitled to the benefits of redemption, pre-emption, peaceful possession, occupation and cultivation of the subject land, as provided under existing tenancy laws.

⁴³449 Phil. 711, 733 (2003), citing *Endaya v. Court of Appeals*, G.R. No. 88113, 23 October 1992, 215 SCRA 109.

WHEREFORE, we **DENY** the petition. We **AFFIRM** the Decision dated 21 December 2010 and Resolution dated 13 February 2012 of the Court of Appeals in CA-G.R. SP No. 100857.

SO ORDERED.



ANTONIO T. CARPIO
Associate Justice


WE CONCUR:




ARTURO D. BRION
Associate Justice



MARIANO C. DEL CASTILLO
Associate Justice



ESTELA M. PERLAS-BERNABE
Associate Justice



MARVIC MARIO VICTOR F. LEONEN
Associate Justice

ATTESTATION

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



ANTONIO T. CARPIO

Associate Justice

Chairperson

CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution, and the Division Chairperson's Attestation, I certify that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.



MARIA LOURDES P. A. SERENO

Chief Justice