



Republic of the Philippines
Supreme Court

Manila

FIRST DIVISION

**LAND BANK OF THE
PHILIPPINES,**

Petitioner,

- versus -

G.R. No. 188046

Present:

SERENO, C.J.,
Chairperson,
LEONARDO-DE CASTRO,
BERSAMIN,
VILLARAMA, JR., and
REYES, JJ.

**AMERICAN RUBBER
CORPORATION,**

Respondent.

Promulgated:

JUL 24 2013

X-----X

DECISION

VILLARAMA, JR., J.:

Before us is a petition for review on certiorari filed by Land Bank of the Philippines (LBP) assailing the August 26, 2008 Decision¹ and May 12, 2009 Resolution² of the Court of Appeals (CA)-Mindanao Station in CA-G.R. SP No. 00990-MIN which affirmed with modification the Orders³ dated June 16, 2005 and March 14, 2006 of the Regional Trial Court (Special Agrarian Court [SAC]) of Pagadian City, Branch 18.

The facts follow:

American Rubber Corporation (respondent) is the registered owner of two parcels of land with a combined area of 940.7276 hectares situated in Barangay Baluno, Isabela City, Basilan. The first parcel with an area of 927.9366 hectares is covered by Transfer Certificate of Title (TCT) No. T-1286, while the second parcel consists of 12.7910 hectares under TCT No. T-1285.⁴

¹ *Rollo*, pp. 89-118. Penned by Associate Justice Rodrigo F. Lim, Jr. with Associate Justices Michael P. Elbinias and Ruben C. Ayson concurring.

² *Id.* at 121-122.

³ Records, Vol. I, pp. 233-245, 275-276. Penned by Presiding Judge Reinerio (Abraham) B. Ramas.

⁴ Records, Vol. III, p. 2. The areas of TCT Nos. T-1285 and T-1286 are sometimes stated as 12.7970 and 922.9930, respectively, while the combined area is sometimes stated as 935.7906 in some parts of the records. See also pages 4 to 5 of the Commissioners' Report on retained areas.

Sometime in January 1998, respondent voluntarily offered to sell the two parcels and another property (TCT No. T-4747) together with all improvements for the total price of ₱105,732,921.00. Subsequently, respondent offered to sell only the properties covered by TCT Nos. T-1285 and T-1286 at the higher amount of ₱83,346.77 per hectare, for the total price of ₱1,066,588.60 (12.7970 hectares) and ₱76,928,492.00 (922.9930 hectares), respectively.⁵

The Department of Agrarian Reform (DAR) initially acquired 835.0771 hectares of respondent's landholding, with an average valuation of ₱64,288.16 per hectare or for a total amount of ₱53,685,570.62. Subsequently, an additional 37.7013 hectares were also covered, with an average valuation of ₱62,660.10 per hectare or for a total amount of ₱1,604,141.34. The total area acquired by DAR was 888.6489 hectares valued by petitioner at **₱55,682,832.67**.⁶

Since respondent rejected DAR's offer based on petitioner's valuation, the Provincial Agrarian Reform Office (PARO) endorsed the claim folder to the Department of Agrarian Reform Adjudication Board (DARAB) Central Office for summary administrative proceedings.⁷ DAR also requested petitioner to deposit the amount fixed as compensation for respondent's land. On February 22, 2000, petitioner deposited in cash and agrarian reform bonds the sum of ₱53,685,570.62.⁸ Upon orders of the DAR Secretary, respondent's titles were partially cancelled and new transfer certificates of title were issued over the areas taken in the name of the Republic of the Philippines on August 7, 2000. Thereafter, DAR issued Certificates of Land Ownership Award (CLOAs) in favor of the agrarian reform beneficiaries.⁹

Exasperated by DARAB's inaction for more than two years, respondent filed in the Regional Trial Court (SAC) a suit¹⁰ for judicial determination of just compensation (Civil Case No. 4401-2K2). Petitioner filed a motion to dismiss¹¹ on the ground of non-exhaustion of administrative remedies, citing the pendency of administrative proceedings and respondent's admission that it had withdrawn and collected the preliminary amount of compensation deposited by petitioner. On January 28, 2003, the SAC denied the motion to dismiss.¹² Petitioner's motion for reconsideration was likewise denied.¹³

Pursuant to the Rules of Court, the SAC designated three commissioners nominated by the parties: an IBP member (Ret. Judge Cecilio G. Martin) as Chairman, and Engr. Sean C. Collantes from the Development

⁵ Id. at 115, 117-118.

⁶ Id. at 120.

⁷ Records, Vol. I, p. 2.

⁸ Records, Vol. III, pp. 142-143.

⁹ Records, Vol. I, p. 2.

¹⁰ Id. at 1-4.

¹¹ Id. at 30-33.

¹² Id. at 43-44.

¹³ Id. at 46-50, 57.

Bank of the Philippines and BIR Revenue Officer Cesar P. Dayagdag as Members.

On July 29, 2004, the Commissioners' Report¹⁴ was submitted to the Court, with the following findings and recommendation:

INVESTIGATIONS TAKEN

On March 8, 2004[,] we conducted an ocular inspection. The entire membership of the Court appointed commissioners were all present and both the contending parties also sent their duly authorized representatives.

Our ocular inspection reveal that both parcels of land are predominantly planted to rubber with an approximate density of 290-295 rubber trees per hectare. There are relatively smaller portions thereof which are devoted to the production of rice, cacao, coffee, black pepper, and coconuts. Also found inside the rubber plantation are plant nurseries, office buildings and other infrastructures. The land has an airstrip of about 10 hectares and is likewise traversed and criss-crossed by plantation roads, which were built by plaintiff, American Rubber, containing an area of 27 hectares more or less. The location [of] the rubber plantation is approximately 8 kilometers to the city proper of Isabela, Basilan.

During the course of ocular inspection, some of our members inquired from occupants/workers of the rubber plantation and adjoining owners to get information on the probable selling price of land particularly rubberland. Our inquiry revealed that rubberland commands a selling price of between P120,000 to P150,000 depending on the size of the land and condition of the rubber trees.

x x x x

x x x we conducted inquiries from the different government agency/officials such as the City Assessors Office of Isabela, Department of Agriculture, Register of Deeds, Department of Agrarian Reform, and the Bureau of Internal Revenue for the purpose of obtaining information on the approximate selling price of rubberland in the Isabela City area. Our investigation reveal that the reasonable selling price of rubber [land] within the City of Isabela ranges from P90,000 to P150,000.

During the March 26, 2004 hearing, defendant LBP submitted a Valuation Summary for plaintiff's property while the plaintiff submitted a copy of the appraisal report prepared by Cuervo Appraisers Inc. x x x

x x x x

RECOMMENDATIONS

x x x x

In VIEW of all the foregoing considerations, this Commission hereby recommends that just compensation of the [plaintiff's] property be fixed at ONE HUNDRED FIFTEEN MILLION THREE HUNDRED SEVENTY TWO THOUSAND TWO HUNDRED SIX PESOS

¹⁴ Records, Vol. III, pp. 2-19.

(P115,372,206) x x x.¹⁵

On June 16, 2005, the SAC issued an Order¹⁶ adopting the Commissioners’ recommendation:

WHEREFORE, judgment is hereby rendered ordering defendant LBP and DAR to jointly and severally pay [plaintiff] the following:

1. Just compensation of [plaintiff’s] property amounting to ONE HUNDRED FIFTEEN MILLION THREE HUNDRED SEVENTY TWO THOUSAND TWO HUNDRED SIX PESOS (P115,372,206) which amount is broken down below:

LAND USE	AREA TAKEN	VALUE/ HECTARE	TOTAL VALUE
Rubberland	814.6625	P130,342	P106,184,739
Riceland	14.8470	P126,000	P 1,870,722
Coconutland	5.5676	P 98,430	P 548,018
Cacaoland	0.8971	P157,063	P 140,901
Idle/Rawland	13.4160	P 80,000	P 1,073,280
Black Pepper land	0.5918	P218,013	P 129,020
Plant Nursery	1.5574	P200,000	P 311,480
Plantation road	27.5043	P130,342	P 3,584,496
Airstrip	10.1970	P150,000	P 1,529,550
		GRAND TOTAL	P115,372,206

2. Interest based on the 91-day treasury bills rate as provided for under Section 18 of R.A. 6657 be reckoned from the [date] when [plaintiff’s] property was taken and/or transferred to the Republic of the Philippines

3. Commissioners fees to be taxed as part of the costs pursuant to Section 12, Rule 67, of the 1997 RCP, as amended, which shall be claimed in a Bill of Costs to be submitted to the Court for its evaluation and proper action thereto;

4. Reasonable attorney’s fees amounting to One Hundred Fifty Thousand Pesos (P150,000.00);

5. Costs of suit.

SO ORDERED.¹⁷

After the SAC denied its motion for reconsideration, petitioner filed a petition for review under Rule 43 with the CA.

On August 26, 2008, the CA rendered the assailed decision, the dispositive portion of which reads:

WHEREFORE, premises foregoing, the instant petition is **PARTIALLY GRANTED**. The assailed Orders dated June 16, 2005 and

¹⁵ Id. at 3-4, 18.
¹⁶ Supra note 3, at 233-245.
¹⁷ Id. at 244-245.

March 14, 2006 of Branch 18 of the Regional Trial Court of Pagadian City is hereby **AFFIRMED** with **MODIFICATION** that the award of interest based on the 91-day treasury bill is deleted.

SO ORDERED.¹⁸

The CA also denied petitioner's motion for reconsideration.

Hence, this petition asserting that –

1. THE COURT OF APPEALS COMMITTED A SERIOUS ERROR OF LAW IN **AFFIRMING WITH MODIFICATION** THE ORDERS DATED JUNE 16, 2005 AND MARCH 14, 2006 OF THE SPECIAL AGRARIAN COURT (SAC), THE COMPENSATION FIXED BY THE SAC NOT BEING IN ACCORDANCE WITH THE LEGALLY PRESCRIBED VALUATION FACTORS UNDER SECTION 17 OF R.A. 6657 AS TRANSLATED INTO A BASIC FORMULA IN DAR ADMINISTRATIVE ORDER NO. 05, SERIES OF 1998 AND JOINT DAR-LBP MEMORANDUM CIRCULAR NO. 7, SERIES OF 1999, AND AS RULED BY THE SUPREME COURT IN THE CASES OF *SPS. BANAL*, G.R. NO. 143276 (JULY 20, 2004); *CELADA*, G.R. NO. 164876 (JANUARY 23, 2006); AND *LUZ LIM*, G.R. NO. 171941 (AUGUST 2, 2007).

2. THE HONORABLE COURT OF APPEALS [ERRED] IN HOLDING PETITIONER LBP LIABLE FOR COMMISSIONERS' FEE AS THE LATTER IS PERFORMING GOVERNMENTAL FUNCTION AND, THEREFORE, NOT LIABLE FOR COST.¹⁹

Petitioner assails the CA in affirming the SAC valuation which merely adopted the Commissioners' Report which, in turn, is based solely on the recommended valuation by respondent's private appraiser, Cuervo Appraisers, Inc. using a different criteria. It cites our ruling in *Land Bank of the Philippines v. Kumassie Plantation Company, Inc.*²⁰ where this Court noted that no basis had been shown in the appraisal report for concluding that the market data approach and income approach, the same criteria used by Cuervo Appraisers, Inc. in this case, "conformed to statutory and regulatory requirements."²¹ Accordingly, we sustained in said case the valuation made by LBP, which was patterned after the applicable administrative order issued by the DAR.

Petitioner further points out that the SAC's valuation violated AO 5 guidelines stating that "the computed value using the applicable formula shall in no case exceed the [Landowner's] offer in case of VOs."²² In this case, respondent's revised offer was only ₱83,346.77 per hectare but the SAC arrived at an average value of ₱129,742.38 per hectare which is 55.66% more than the landowner's offer.

¹⁸ *Rollo*, p. 118.

¹⁹ *Id.* at 55-56.

²⁰ G.R. Nos. 177404 & 178097, June 25, 2009, 591 SCRA 1.

²¹ *Rollo*, p. 75.

²² *Id.* at 65.

Respondent, on the other hand, distinguished the factual setting of this case from that of *Land Bank v. Kumassie Plantation Company, Inc.*²³ It points out that in *Kumassie*, the SAC merely cited the location of the land and nature of the trees planted, and relied heavily on the appraisal report of the private appraiser which pegged the value of the land on its potential benefits of land ownership. But here, respondent claims that the SAC through its appointed commissioners, “appeared to have dwelt on the Market Data Approach, Income Approach and Residual Value Approach, in determining just compensation of respondent’s property, the data gathered under the said approaches to valuation basically encompassed/embraced most, if not all, of the factors enumerated in Section 17, R.A. 6657 in relation to the relevant DAR Administrative Orders.”²⁴ It cannot be said, therefore, that the SAC herein had no basis in fixing the just compensation of respondent’s property after having taken into consideration the factors enumerated in Section 17 of R.A. No. 6657.

Respondent further invokes our ruling in *Apo Fruits Corporation v. Court of Appeals*,²⁵ where this Court upheld the valuation made by the RTC which did not merely rely on the report of Commissioners nor on the Cuervo appraiser’s report but also took into account the nature of the property as irrigated land, location along the highway, market value, assessor’s value and the volume and value of its produce, such valuation was considered to be in accordance with R.A. No. 6657.

Section 17 of the law enumerates the factors to be considered by the RTC in determining just compensation to be paid to the landowner:

Section 17. *Determination of Just Compensation.* – In determining just compensation, the cost of acquisition of the land, the current value of like properties, its nature, actual use and income, the sworn valuation by the owner, the tax declarations, and the assessment made by government assessors, shall be considered. The social and economic benefits contributed by the farmers and the farmworkers and by the Government to the property as well as the non-payment of taxes or loans secured from any government financing institution on the said land shall be considered as additional factors to determine its valuation.

Thus, the RTC shall be guided by the following factors in just compensation cases: (1) the acquisition cost of the land; (2) the current value of the properties; (3) its nature, actual use, and income; (4) the sworn valuation by the owner; (5) the tax declarations; (6) the assessment made by government assessors; (7) the social and economic benefits contributed by the farmers and the farmworkers, and by the government to the property; and (8) the non-payment of taxes or loans secured from any government financing institution on the said land, if any.²⁶ These factors have been

²³ Supra note 20.

²⁴ *Rollo*, pp. 354-355.

²⁵ 543 Phil. 497, 527 (2007).

²⁶ *Land Bank of the Philippines v. Heirs of Salvador Encinas*, G.R. No. 167735, April 18, 2012, 670 SCRA 52, 60.

translated into the following basic formula under relevant issuances²⁷ by the DAR:

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

Where: LV = Land Value

CNI = Capitalized Net Income

CS = Comparable Sales

MV = Market Value per Tax Declaration²⁸

The mandatory application by the RTC of the above formula in accordance with DAR administrative orders and circulars had been settled by this Court. In *Land Bank of the Philippines v. Honeycomb Farms Corporation*,²⁹ we cited a long line of jurisprudence and reiterated the standing rule on the matter:

In *Land Bank of the Philippines v. Sps. Banal*, we recognized that the DAR, as the administrative agency tasked with the implementation of the agrarian reform program, already came up with a formula to determine just compensation which incorporated the factors enumerated in Section 17 of RA 6657. We said:

“These factors [enumerated in Section 17] have been translated into a basic formula in DAR Administrative Order No. 6, Series of 1992, as amended by DAR Administrative Order No. 11, Series of 1994, issued pursuant to the DAR’s rule-making power to carry out the object and purposes of R.A. 6657, as amended.” [emphases ours]

In *Landbank of the Philippines v. Celada*, we emphasized the duty of the RTC to apply the formula provided in the applicable DAR AO to determine just compensation, stating that:

“While [the RTC] is required to consider the acquisition cost of the land, the current value of like properties, its nature, actual use and income, the sworn valuation by the owner, the tax declaration and the assessments made by the government assessors to determine just compensation, it is equally true that these factors have been translated into a basic formula by the DAR pursuant to its rule-making power under Section 49 of R.A. No. 6657. As the government agency principally tasked to implement the agrarian reform program, it is the DAR’s duty to issue rules and regulations to carry out the object of the law. [The] DAR [Administrative Order] precisely “filled in the details” of Section 17, R.A. No. 6657 by providing a basic formula by which the factors

²⁷ DAR AO No. 06-92 dated October 30, 1992, as amended by DAR AO No. 11-94 dated September 13, 1994; see also DAR AO No. 05-98 dated April 15, 1998 and DAR AO No. 02-09 dated October 15, 2009.

²⁸ *Land Bank of the Philippines v. Heirs of Salvador Encinas*, supra note 26, at 60-61.

²⁹ G.R. No. 169903, February 29, 2012, 667 SCRA 255.

mentioned therein may be taken into account. **The [RTC] was at no liberty to disregard the formula which was devised to implement the said provision.**

It is elementary that rules and regulations issued by administrative bodies to interpret the law which they are entrusted to enforce, have the force of law, and are entitled to great respect. Administrative issuances partake of the nature of a statute and have in their favor a presumption of legality. **As such, courts cannot ignore administrative issuances especially when, as in this case, its validity was not put in issue. Unless an administrative order is declared invalid, courts have no option but to apply the same.**” [emphases ours]

We reiterated the mandatory application of the formula in the applicable DAR administrative regulations in *Land Bank of the Philippines v. Lim*, *Land Bank of the Philippines v. Heirs of Eleuterio Cruz*, and *Land Bank of the Philippines v. Barrido*. In *Barrido*, we were explicit in stating that:

“While the determination of just compensation is essentially a judicial function vested in the RTC acting as a Special Agrarian Court, the judge cannot abuse his discretion by not taking into full consideration the factors specifically identified by law and implementing rules. **Special Agrarian Courts are not at liberty to disregard the formula laid down in DAR A.O. No. 5, series of 1998, because unless an administrative order is declared invalid, courts have no option but to apply it.** The courts cannot ignore, without violating the agrarian law, the formula provided by the DAR for the determination of just compensation.” (emphases ours)

These rulings plainly impose on the RTC the duty to apply the formula laid down in the pertinent DAR administrative regulations to determine just compensation. Clearly, the CA and the RTC acted with grievous error when they disregarded the formula laid down by the DAR, and chose instead to come up with their own basis for the valuation of the subject land.³⁰ [Additional emphasis and underscoring supplied; citations omitted.]

In ruling for the respondent, the CA ruled that the RTC is not bound to adopt exclusively the formula set by DAR’s issuances, citing this Court’s ruling in *Apo Fruits Corporation v. Court of Appeals*,³¹ and that the SAC “may in the exercise of its judicial discretion use other factors and alternative formula in fixing the proper valuation of just compensation.

As already mentioned, the SAC is duty-bound to apply the formula laid down in DAR AO No. 5. The CA clearly erred in affirming the valuation by the SAC in this case based on the private appraiser’s correlated income, market data and residual value approaches which did not conform to

³⁰ Id. at 269-271.

³¹ Supra note 25.

the guidelines set forth in DAR AO No. 5 and Joint DAR-LBP Memorandum Circular (MC) No. 7, Series of 1999. It must be stressed that MC No. 7 was issued to provide revised guidelines in determining the Capitalized Net Income (CNI) specifically for rubberlands:

1. PREFATORY STATEMENT

The rubber plantation income models presented under the old rubber Land Valuation Guideline (LVG No. 6, Series of 1990) recognized the income of rubber plantations based on processed crumb rubber. However, recent consultations with rubber authorities (industry, research, etc.) disclosed that the standard income approach to valuation should measure the net income or productivity of the land based on the farm produce (in their raw forms) and not on the entire agri-business income enhanced by the added value of farm products due to processing. Hence, it is more appropriate to determine the Capitalized Net Income (CNI) of rubber plantations based on the actual yield and farm gate prices of raw products (field latex and cuplump) and the corresponding cost of production.

There is also a growing market for old rubber trees which are estimated to generate net incomes ranging between P20,000 and P30,000 per hectare or an average of about P100 per tree, depending on the remaining stand of old trees at the end of its economic life. This market condition for old rubber trees was not present at the time LVG No. 6, Series of 1990, was being prepared. (The terminal or salvage value of old rubber trees was at that time pegged at only P6,000 per hectare, representing the amount then being paid by big landholders to contractors for clearing and uprooting old trees.

LVG No. 6, Series of 1990, was therefore revised to address the foregoing considerations and in accordance with DAR Administrative Order (AO) No. 05, Series of 1998.

Petitioner, however, admits that it did not consider data on comparative sales transactions (CS) which it said are not applicable since under DAR AO 5, the 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.”³²

We cannot accept petitioner’s valuation as it failed to consider the value of the property *at the time of taking*, the current value of like properties being among those factors enumerated in Section 17. Indeed, these administrative issuances or orders, though they enjoy the presumption of legalities, are still subject to the interpretation by the Supreme Court pursuant to its power to interpret the law. While rules and regulation issued by the administrative bodies have the force and effect of law and are entitled to great respect, courts interpret administrative regulations in harmony with the law that authorized them and avoid as much as possible any construction that would annul them as invalid exercise of legislative power.³³

³² *Rollo*, p. 402.

³³ *Land Bank of the Philippines v. Obias*, G.R. No. 184406, March 14, 2012, 668 SCRA 265, 271-272.

This Court has defined “just compensation” for parcels of land taken pursuant to the agrarian reform program as “the **full and fair** equivalent of the property taken from its owner by the expropriator.” The measure of compensation is not the taker’s gain but the owner’s loss.³⁴ Just compensation means the equivalent for the value of the property at the time of its taking. It means a fair and full equivalent value for the loss sustained. All the facts as to the condition of the property and its surroundings, its improvements and capabilities should be considered.³⁵ Thus, the current value of like properties should have been considered by petitioner to accurately determine the value of the land *at the time of taking*, that is, in August 2000 when respondent’s title was transferred to the Government.

In *Land Bank of the Philippines v. Heirs of Salvador Encinas* we said that:

The “taking of private lands under the agrarian reform program partakes of the nature of an expropriation proceeding.” In computing the just compensation for expropriation proceedings, the RTC should take into consideration the “**value of the land at the time of the taking**, not at the time of the rendition of judgment.” “The ‘time of taking’ is the time when the landowner was deprived of the use and benefit of his property, such as when title is transferred to the Republic.”³⁶

However, while the CA correctly observed that petitioner’s valuation omitted an integral factor mandated by Section 17, the records are bereft of any supporting evidence to compute the CS. The documents submitted by the respondent to the Commissioners consisted merely of sworn affidavits of adjacent owners/sellers and not registerable deeds of sale. The SAC’s decision actually did not contain any discussion of its application of any formula to the facts established by evidence, as it merely adopted the Commissioners’ Report, which in turn was based solely on the findings and computation of the Cuervo Appraisal Report.

Considering, therefore, that the SAC based its valuation on a different formula,³⁷ while petitioner failed to take into full consideration the factors set forth in Section 17, and in the absence of sufficient evidence for the determination of just compensation,³⁸ we are constrained to remand the present case to the SAC for the determination of just compensation in accordance with Section 17 of RA 6657, DAR AO 5, Series of 1998 and Joint DAR-LBP MC No. 7, Series of 1999. The said trial court may, *motu proprio* or at the instance of any of the parties, again appoint one or more commissioners to ascertain facts relevant to the dispute and file a written

³⁴ *Apo Fruits Corporation v. Court of Appeals*, supra note 25, at 519.

³⁵ *Export Processing Zone Authority v. Dulay*, No. L-59603, April 29, 1987, 149 SCRA 305, 314-315.

³⁶ Supra note 26, at 59-60, citing *Land Bank of the Philippines v. Department of Agrarian Reform*, G.R. No. 171840, April 4, 2011, 647 SCRA 152, 169; *Land Bank of the Philippines v. Imperial*, 544 Phil. 378, 388 (2007); *Gabatin v. Land Bank of the Philippines*, 486 Phil. 366, 383-384 (2004); *Land Bank of the Philippines v. Livioco*, G.R. No. 170685, September 22 2010, 631 SCRA 86, 112-113; and *Eusebio v. Luis*, G.R. No. 162474, October 13, 2009, 603 SCRA 576, 586-587.

³⁷ See *Land Bank of the Philippines v. Barrido*, G.R. No. 183688, August 18, 2010, 628 SCRA 454, 460.

³⁸ See *Land Bank of the Philippines v. Heirs of Salvador Encinas*, supra note 26, at 63.

report thereof.³⁹


WHEREFORE, the petition is **GRANTED**. The August 26, 2008 Decision and May 12, 2009 Resolution of the Court of Appeals-Mindanao Station in CA-G.R. SP No. 00990-MIN are **REVERSED** and **SET ASIDE**. The case is hereby **REMANDED** to the Regional Trial Court (Special Agrarian Court) of Pagadian City, Branch 18, which is directed to determine with dispatch, and with the assistance of at least three commissioners, the just compensation due to the respondent American Rubber Corporation, in accordance with Section 17 of R.A. No. 6657, DAR AO 5, Series of 1998, Joint DAR-LBP MC No. 7, Series of 1999 and other applicable DAR issuances.

No pronouncement as to costs.

SO ORDERED.


MARTIN S. VILLARAMA, JR.
Associate Justice

WE CONCUR:


MARIA LOURDES P. A. SERENO
Chief Justice
Chairperson


TERESITA J. LEONARDO-DE CASTRO
Associate Justice

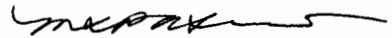

LUCAS P. BERSAMIN
Associate Justice


BIENVENIDO L. REYES
Associate Justice

³⁹ See *Land Bank of the Philippines v. Rufino*, G.R. Nos. 175644 & 175702, October 2, 2009, 602 SCRA 399, 412.

CERTIFICATION

Pursuant to Section 13, Article VIII of the 1987 Constitution, 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