

Republic of the Philippines
Supreme Court
Manila

CERTIFIED TRUE COPY

Wilfredo Lapitan
WILFREDO V. LAPITAN
Division Clerk of Court
Third Division

NOV 11 2016

THIRD DIVISION

VICTORIA P. CABRAL,
Petitioner,

G.R. No. 198160

Present:

VELASCO, JR., J.,
Chairperson,
BERSAMIN,*
PEREZ,
REYES, and
JARDELEZA, JJ.

- versus -

GREGORIA ADOLFO,
GREGORIO LAZARO AND
HEIRS OF ELIAS POLICARPIO,
Respondents.

Promulgated:

August 31, 2016

X-----*Wilfredo Lapitan*-----X

DECISION

REYES, J.:

This appeal by petition for review on *certiorari*¹ seeks to annul and set aside the Decision² dated March 30, 2011 and Resolution³ dated August 17, 2011 of the Court of Appeals (CA) in CA-G.R. SP No. 108274, which reversed the Decision⁴ dated July 29, 2008 and Resolution⁵ dated March 11, 2009 of the Department of Agrarian Reform and Adjudication Board (DARAB) in DARAB Case No. 13552. The DARAB judgment affirmed the Decision⁶ dated June 18, 2004 of the Provincial Agrarian Reform Adjudicator (PARAD) of Bulacan cancelling the Emancipation Patents (EPs) and Transfer Certificates of Title (TCTs) of Gregoria Adolfo (Adolfo),

* Additional Member per Raffle dated February 10, 2016 *vice* Associate Justice Diosdado M. Peralta.

¹ *Rollo*, pp. 9-41.

² Penned by Associate Justice Priscilla J. Baltazar-Padilla, with Associate Justices Fernanda Lampas Peralta and Agnes R. Carpio concurring; *id.* at 42-57.

³ *Id.* at 58-59.

⁴ *Id.* at 149-158.

⁵ *Id.* at 173-174.

⁶ *Id.* at 116-123.

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Gregorio Lazaro (Lazaro) and the Heirs of Elias Policarpio (collectively, the respondents).

The Facts

The subject of this case is a parcel of land owned by petitioner Victoria P. Cabral (Cabral), known as Lot 4, situated at Barangay Iba (formerly Pantok), Meycauayan, Bulacan, covered by Original Certificate of Title (OCT) No. 0-1670 [now OCT No. 0-220(M)] of the Registry of Deeds (RD) of Bulacan, and which was placed under the Operation Land Transfer (OLT) program under Presidential Decree (P.D.) No. 27.⁷

Accordingly, on April 25, 1988, EPs were issued covering portions of Lot 4, and the corresponding TCTs were subsequently issued in favor of the respondents.⁸

To these issuances, Cabral initiated a petition for the cancellation of the said EPs and TCTs against the respondents before the PARAD of Bulacan docketed as Case No. R-03-0242-03.⁹ In her petition, Cabral argued that: (1) the EPs covered non-agricultural lands which were outside the coverage of the OLT program; (2) the EPs were issued without due notice and hearing; and (3) no Certificates of Land Transfer (CLTs) were previously issued over Lot 4.

Respondents Adolfo and Lazaro moved to dismiss the petition on the grounds of lack of jurisdiction, lack of personality to sue, and prescription;¹⁰ however, it was denied. The respondents then filed a petition for *certiorari* and prohibition before the CA but it was dismissed for their failure to exhaust administrative remedies.¹¹

⁷ DECREEEING THE EMANCIPATION OF TENANTS FROM THE BONDAGE OF THE SOIL, TRANSFERRING TO THEM THE OWNERSHIP OF THE LAND THEY TILL AND PROVIDING THE INSTRUMENTS AND MECHANISM THEREFOR. Approved on October 21, 1972.

⁸ *Rollo*, p. 43.

Names	Lot No.	EP No.	TCT No.	Area (sq. m.)
Florencio Adolfo	1	A-117858	EP-003(M)	29,759
Florencio Adolfo	2	A-117859-H	EP-004(M)	957
Gregoria Adolfo	3	A-117978-H	EP-005(M)	630
Gregoria Adolfo	4	A-117979	EP-006(M)	21,793
Gregorio Lazaro	5	A-117980-H	EP-007(M)	839
Gregorio Lazaro	10	A-117981	EP-008(M)	16,906
Elias Policarpio	11	A-117983	EP-010(M)	995
Elias Policarpio	12	A-117982-H	EP-009(M)	18,019

⁹ Id. at 72-84.

¹⁰ Id. at 85-91.

¹¹ Id. at 154.

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On June 18, 2004, the PARAD rendered its Decision¹² cancelling the EPs of the respondents and ordering the RD of Meycauayan, Bulacan, to revive Cabral's OCT No. 0-1670, to wit:

WHEREFORE, premises considered, judgment is hereby rendered, as follows:

1. Ordering the [RD] of Bulacan to cancel the EP Titles issued to the private respondents, as follows: FLORENCIO ADOLFO-TCT No. EP-003, FLORENCIO ADOLFO-TCT No. EP-004, GREGORIA ADOLFO-TCT No. EP-005, GREGORIA ADOLFO-TCT No. EP-006, GREGORIO LAZARO-TCT No. EP-007, GREGORIO LAZARO-TCT No. EP-008, ELIAS POLICARPIO-TCT No. EP-010, ELIAS POLICARPIO-TCT No. EP-009;
2. Ordering the private respondents and all persons claiming rights and interest under them to vacate the landholdings under their respective possessions and surrender the same to [Cabral];
3. Ordering the [RD] of Bulacan to [revive] OCT No. 0-220-(M) (Formerly OCT No. 0-1670) registered under the name of [Cabral], insofar as Lot 4 thereof is concerned.

SO ORDERED.¹³

The PARAD ruled that: (1) Lot 4 is a residential lot and not an agricultural one, citing the 1983 zoning map of Meycauayan, Bulacan and the certification¹⁴ dated February 24, 1983 of Meycauayan's zoning administrator; (2) as early as October 1, 1973, the DAR District Officer Fernando Ortega (Ortega) had already made a declaration that Lot 4 was not covered by the OLT program;¹⁵ thus, it could not have been transferred to the tenants through the issuance of CLTs; and (3) DAR's declaration of non-coverage in the OLT program signified that Lot 4 was either untenanted or was not agricultural.¹⁶

Aggrieved, the respondents appealed the aforesaid PARAD decision to the DARAB Quezon City which was docketed as DARAB Case No. 13552.¹⁷

¹² Id. at 116-123.

¹³ Id. at 122.

¹⁴ Id. at 60.

¹⁵ Id. at 62.

¹⁶ Id. at 119-120.

¹⁷ See Appeal Memorandum filed by Adolfo and Lazaro, pp. 124-134; Memorandum of Appeal filed by the Heirs of Florencio Adolfo and the Heirs of Elias Policarpio, id. at 125-148.

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In its Decision¹⁸ dated July 29, 2008, the DARAB affirmed the PARAD's decision that Lot 4 was not covered by the OLT program and no CLTs were issued over it. The heirs of Florencio Adolfo and the heirs of Elias Policarpio sought reconsideration¹⁹ thereto but the same was denied.²⁰ Hence, the respondents filed a petition for review²¹ with the CA.

Ruling of the CA

On March 30, 2011, the CA Decision²² granted the petition, and reversed and set aside the rulings of the DARAB. The CA defined the main issue in controversy as to whether Lot 4 does not fall within the coverage of the OLT program under P.D. No. 27 so as to warrant the cancellation of the EPs and TCTs issued in favor of the respondents.

In reversing the DARAB, the CA pointed out that the records of the case are bereft of any evidence showing that an order of conversion or a declaration from the DAR Secretary was issued which placed Lot 4 outside the coverage of the OLT program.²³ The CA then ruled that the two certifications issued by the Office of the Zoning Administrator could not be considered as ordinances issued by the Municipality of Meycauayan since the classification of the lands is merely based on the official zoning map of the municipality and not on a municipal ordinance issued for that purpose. Moreso, the said certifications are silent as to when the subject landholdings became parts of the residential/industrial zone.²⁴

The CA further said that the 2nd endorsement dated October 1, 1973 issued by Ortega cannot be construed as a declaration from the DAR Secretary regarding the conversion of the subject landholding since the said letter only contained a recommendation for the conversion of the subject landholding into residential, commercial, industrial or other urban purposes.²⁵

Lastly, the CA gave credence to the letter²⁶ dated June 21, 1983 of Deputy Minister Benjamin Labayen (Labayen) denying Cabral's request for conversion stating that the subject landholding is covered by the OLT

¹⁸ Id. at 149-158.

¹⁹ Id. at 159-168.

²⁰ Id. at 173-174.

²¹ Id. at 175-213. The heirs of Florencio Adolfo were dropped as petitioners per CA Resolution dated July 10, 2009, id. at 42.

²² Id. at 42-57.

²³ Id. at 53.

²⁴ Id. at 54.

²⁵ Id.

²⁶ Id. at 318.

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program with corresponding CLTs already generated and that the said land is fully tenanted.²⁷

Cabral moved for reconsideration²⁸ but it was denied.²⁹ Hence, this petition.

The Issue

The crux of this case is whether or not grounds exist to warrant the cancellation of the EPs and TCTs issued to the respondents. The determination of this issue in turn hinges on the question of whether or not the subject landholding is covered by the OLT program under P.D. No. 27.

Ruling of the Court

The Court grants the petition.

To begin with, it must be said that the Court generally accords respect, if not finality, to the factual findings of quasi-judicial bodies, such as the DARAB and the PARAD, as these administrative bodies are deemed experts on matters within its specific and specialized jurisdiction.³⁰ However, since the findings of the PARAD and the DARAB conflict with those of the CA, the Court is constrained to disregard the general rule and to re-examine the records of the case to address the issue on hand.

Only landholdings under established tenancy and primarily devoted to rice or corn farming are brought under the OLT program and issued a CLT.

Cabral has been untiring in her insistence that: (1) the respondents are not her tenants; (2) no CLTs have been issued to the respondents; and (3) Lot 4 is non-agricultural land. The respondents, on the other hand, anchor their right to the subject landholding upon their claim that they were actual tenants and rice farmers, and that a CLT is not a condition *sine qua non* to the generation and issuance of an EP.

²⁷ Id. at 56.

²⁸ Id. at 253-262.

²⁹ Id. at 58-59.

³⁰ *Reyes v. Heirs of Pablo Floro*, 723 Phil. 755, 766-767 (2013).

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Under P.D. No. 27, the DAR is mandated to issue CLTs for landholdings brought under the coverage of the OLT program. Corollary to this, Section 105³¹ of P.D. No. 1529³² enjoined the DAR to issue CLTs in duplicate for lands brought under the government's OLT program and the original to be kept by the tenant while the duplicate is to be maintained in the RD. The significance of the CLT is supported by the Court in *Heirs of Teresita Montoya, et al. v. National Housing Authority, et al.*,³³ ruling that:

A CLT is a document that the government issues to a tenant-farmer of an agricultural land primarily devoted to rice and corn production placed under the coverage of the government's OLT program pursuant to P.D. No. 27. It serves as the tenant-farmer's (grantee of the certificate) proof of *inchoate* right over the land covered thereby.

x x x x

As a preliminary step, therefore, the issuance of a CLT merely evinces that the grantee thereof is qualified to avail of the statutory mechanism for the acquisition of ownership of the land tilled by him, as provided under P.D. No. 27. The CLT is not a muniment of title that vests in the tenant-farmer absolute ownership of his tillage. It is only after compliance with the conditions which entitle the tenant-farmer to an EP that the tenant-farmer acquires the vested right of absolute ownership in the landholding. Stated otherwise, the tenant-farmer does not acquire full ownership of the covered landholding simply by the issuance of a CLT. The tenant-farmer must first comply with the prescribed conditions and procedures for acquiring full ownership but until then, the title remains with the landowner.³⁴ (Citations omitted)

Clearly, a CLT signifies that the government has determined that the land is comprehended by P.D. No. 27 and that the claimant is its actual tiller-beneficiary. Consequently, without a CLT, a claimant has no inchoate right of ownership and cannot be issued an EP.

Findings of facts of quasi-judicial agencies are generally accorded great weight and even finality.

³¹ Section 105. *Certificates of Land Transfer Emancipation Patents*. The Department of Agrarian Reform shall pursuant to P.D. No. 27 issue in duplicate, a Certificate of Land Transfer for every land brought under "Operation Land Transfer", the original of which shall be kept by the tenant-farmer and the duplicate, in the Registry of Deeds.

x x x x
³² AMENDING AND CODIFYING THE LAWS RELATIVE TO REGISTRATION OF PROPERTY AND FOR OTHER PURPOSES. Approved on June 11, 1978.

³³ 730 Phil. 120 (2014).

³⁴ Id. at 140-141.

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Generally, the “factual findings of administrative bodies charged with their specific field of expertise, are afforded great weight by the courts, and in the absence of substantial showing that such findings were made from an erroneous estimation of the evidence presented, they are conclusive, and in the interest of stability of the governmental structure, should not be disturbed.”³⁵ The PARAD and the DARAB, by reason of their official mandate and functions have acquired expertise in specific matters within their jurisdiction, and their findings deserve full respect. Without justifiable reason, their factual findings ought not to be altered, modified, or reversed.³⁶

On the question of whether the subject landholding was agricultural and/or tenanted, the PARAD correctly said:

Verily indeed, if the subject lands were already tenanted during the effectivity of [P.D. No.] 27 on October 21, 1972 or carries the character of an agricultural land as of that date, the District Officer of the DAR should have not made a declaration in 1973 stating that the parcels of land are not covered by [OLT]. The said District Officer’s declaration only adds veracity to [Cabral’s] contention that the parcels of land covered by the subject EP titles, at the outset, have been classified as residential and only supports this Board’s conclusion that the same are not tenanted.³⁷

According to the PARAD and the DARAB, the DAR had already made a declaration excluding Lot 4 from the coverage of the OLT program.³⁸ Therefore, the EPs issued to the respondents in April 1988 were a violation of Cabral’s right to due process and to just compensation. The PARAD further noted that the non-inclusion of the landholding covered by the assailed EPs under the OLT program is bolstered by the fact that there were no CLTs covering the subject lots issued to the respondents. Therefore, no award of the subject lots should have been made in favor of the respondents.³⁹

The Court also agrees with the PARAD’s declaration that a zoning reclassification made subsequent to P.D. No. 27 does not create a presumption that the land used to be primarily devoted to rice or corn, could well have been already non-agricultural even back in 1972.⁴⁰ In fact, in October 1973, DAR had already made a determination that the subject landholding was exempt from the OLT program.⁴¹

³⁵ *Jose v. Novida*, G.R. No. 177374, July 2, 2014, 728 SCRA 552, 576, citing *Sugar Regulatory Administration v. Tormon, et al.*, 700 Phil. 165, 178 (2012).

³⁶ *Heirs of Arcadio Castro, Sr. v. Lozada, et al.*, 693 Phil. 431, 450 (2012).

³⁷ *Rollo*, p. 121.

³⁸ *Id.* at 62, 119, 157.

³⁹ *Id.* at 119.

⁴⁰ *Id.*

⁴¹ *Id.* at 62.

The respondents failed to show how Lot 4 was brought under the OLT program.

P.D. No. 27, or the “Tenant’s Emancipation Decree,” placed the entire Philippine archipelago on October 21, 1972 under land reform, decreeing the emancipation of all rice and corn tenant-farmers from the bondage of the soil. Pursuant to Letter of Instructions No. 474⁴² and related issuances, the DAR then undertook to place under the OLT program all tenanted rice and corn lands with size of seven hectares or less. The farmer-beneficiaries were required to organize themselves into a farmers’ cooperative or *Samahang Nayon* and to apply for CLTs.⁴³

There are several steps to be undertaken before an EP can be issued. In *Reyes v. Barrios*,⁴⁴ the Court cited the Primer on Agrarian Reform⁴⁵ which enumerated the steps in transferring the land to a tenant-tiller under P.D. No. 27, to wit:

- a. First step: the identification of tenants, landowners, and the land covered by OLT.
- b. Second step: land survey and sketching of the actual cultivation of the tenant to determine parcel size, boundaries, and possible land use;
- c. Third step: the issuance of the [CLT]. To ensure accuracy and safeguard against falsification, these certificates are processed at the National Computer Center (NCC) at Camp Aguinaldo;
- d. Fourth step: valuation of the land covered for amortization computation;
- e. Fifth step: amortization payments of tenant-tillers over fifteen (15)[-]year period; and

⁴² TO: The Secretary of the Agrarian Reform

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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.

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⁴³ *Land Bank of the Philippines v. Estate of J. Amado Araneta*, 681 Phil. 315, 343-344 (2012).

⁴⁴ 653 Phil. 213 (2010).

⁴⁵ Produced by the Agrarian Reform Communication Unit, National Media Production Center for the Ministry of Agrarian Reform (1979) and prepared in consultation with the Bureau of Land Tenure Improvement, Bureau of Agrarian Legal Assistance, Bureau of Resettlement, Center for Operation Land Transfer and the Public Information Division of the Ministry of Agrarian Reform and the Land Bank of the Philippines.

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- f. Sixth step: the issuance of the [EP].⁴⁶ (Citation omitted)

The Court explained, in *Del Castillo v. Orciga*,⁴⁷ that land transfer under P.D. No. 27 is effected in two stages: first, the issuance of a CLT; and second, the issuance of an EP. The first stage serves as the government's recognition of the tenant-farmers' inchoate right as "deemed owners" of the land that they till. The second stage perfects the title of the tenant-farmers and vests in them absolute ownership upon full compliance with the prescribed requirements. As a preliminary step, then, the CLT immediately serves as the tangible evidence of the government's recognition of the tenant-farmers' inchoate right and of the subjection of the particular landholding to the government's OLT program.⁴⁸

Nonetheless, the records of the case are bereft of evidence indicating that the abovementioned procedure has been followed by the respondents. Moreover, there are significant gaps in the following series of events that led to the issuance of the assailed EPs which bolster Cabral's claim that the CLTs for the subject landholding do not exist and the EPs issued to the respondents are invalid, to wit:

a) In July 1973, Cabral sought to convert 13 hectares of her landholdings situated in two municipalities in Bulacan for non-agricultural purposes;⁴⁹

b) In his second endorsement dated October 1, 1973, Ortega recommended the approval of the conversion after noting that Lot 4 had been excluded from the OLT program;⁵⁰

c) Cabral insists that she was not informed that Lot 4 was being placed under the OLT program.⁵¹ The respondents are completely silent as to what transpired from October 1, 1973 to July 22, 1982, when CLT Nos. 0056649, 056491, 001236 and 02056474 were allegedly issued over Lot 4;

d) On June 21, 1983, Labayen wrote to inform Cabral that her application for conversion had been disapproved,⁵² but Cabral denied receiving the said letter;⁵³

⁴⁶ *Reyes v. Barrios*, supra note 44, at 227.

⁴⁷ 532 Phil. 204 (2006).

⁴⁸ Id. at 214.

⁴⁹ *Rollo*, p. 46.

⁵⁰ Id. at 62.

⁵¹ Id. at 38.

⁵² Id. at 318.

⁵³ Id. at 30.

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e) On October 20, 1987, Ortega, apparently unaware of the said letter of Labayen, issued a third endorsement for the conversion of Cabral's landholding;⁵⁴

f) DAR's Team No. 03-II-098 conducted a new investigation, and on November 10, 1987, it issued a report⁵⁵ recommending the denial of the conversion and alleging that Lot 4 is covered by OLT and CLTs were already generated. The report also explained that although Lot 4 is situated in an industrial zone, it remains suitable to rice or corn production;

g) On April 25, 1988, EPs were issued over Lot 4;⁵⁶

h) In October and November 1989, the TCTs were issued cancelling Cabral's OCT No. 0-220 (M) over Lot 4; and

i) The respondents have not shown that they have paid for the lots awarded to them.

Both DAR and the respondents have the burden to show that: (1) Lot 4 was properly brought under the OLT program and the corresponding CLTs were issued; (2) Cabral was duly notified thereof and was paid just compensation; and (3) the respondents had fully paid the amortizations for the just value of the land awarded to them; hence, the issuance of their EPs. Unfortunately, the above chronology is full of significant silences which only raise more questions than answers.

Cabral's right to due process was violated.

Cabral also contends that she was never notified that Lot 4 would be placed under the coverage of the OLT program; hence, her constitutional right to due process of law was violated.

In *Heirs of Dr. Deleste v. Land Bank of the Philippines, et al.*,⁵⁷ the Court ruled that there must be an actual notice to subject a property under the agrarian reform program, that lack of notice violates the essential requirements of administrative due process of law, and that the enactment of P.D. No. 27 is not a statutory notice to all owners of agricultural lands devoted to rice or corn production as to dispense with actual notice to the landowner.⁵⁸

⁵⁴ Id. at 319.

⁵⁵ Id.

⁵⁶ Id. at 320-335.

⁵⁷ 666 Phil. 350 (2011).

⁵⁸ Id. at 381-383.

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The Court further held that the importance of an actual notice in subjecting a property under the agrarian reform program cannot be underrated, as non-compliance with it trods roughshod with the essential requirements of administrative due process of law.⁵⁹

Here, a perusal of the records showed that, indeed, Cabral's right to due process was violated since she never knew about the coverage of Lot 4 under the OLT program. The Court already noted that the respondents failed to establish their entitlement to the EPs, thereby casting doubt on its validity, as well as on the TCTs that were issued to them. The respondents have likewise adduced no proof of any amortization payments on the subject landholding, and even claim that Cabral's charge of lack of just compensation is immaterial to the petition. Conversely, the mere fact that no compensation was paid itself voids their EPs, which means that the respondents cannot avoid the duty to prove that their subject lots have been paid for.

There was no explanation why only four alleged CLTs were issued, while the four other lots have none.

The Court observed that TCT Nos. EP-005(M), EP-006(M), EP-009(M) and EP-010(M) were not derived from any CLT and that the CA avoided mentioning that the four EPs were issued even without corresponding CLTs. The CA overlooked the fact that CLT Nos. 0056649, 056491, 001236 and 02056474 were dated July 22, 1982, or 10 years after Lot 4 had supposedly been brought under the OLT program, notwithstanding that in October 1973, a determination had already been made by DAR that the subject landholding was not covered by the OLT program.⁶⁰ It is incomprehensible to understand why Labayen would deny Cabral's application for conversion only in June 1983, which is 10 years after Cabral first applied for conversion. Indeed, as late as October 1987, or four years after Labayen's supposed letter, Ortega even issued a third endorsement of Cabral's application for conversion. Even more interesting is the fact that a new DAR investigation on the suitability of the land for OLT program had to be conducted, albeit Labayen's letter⁶¹ in June 1983 declaring that the subject land is covered by the OLT program pursuant to P.D. No. 27 with corresponding CLTs that were already generated.

⁵⁹ Id. at 381-382.

⁶⁰ *Rollo*, p. 62.

⁶¹ Id. at 318.

The Court is inclined to agree with the findings of the PARAD and the DARAB as these circumstances support their findings that no CLTs were issued for the subject landholding. Credence must also be given to Cabral's claim that she was never informed nor involved in the steps and processes taken by the DAR to transfer her subject landholding to the respondents. Worse, Cabral was never paid any compensation for her property. While P.D. No. 27 expressly ordered the emancipation of tenant-farmer, full payment of the just compensation had to be made first, conformably to the constitutional requirement.⁶²

Incidentally, the Court cannot likewise discount the significance of the zoning reclassification of the subject landholding by the Municipality of Meycauayan from agricultural to residential, industrial or other urban uses. In the case of *Pasong Bayabas Farmers Association, Inc. v. CA*,⁶³ the Court held that the power of the local government units to reclassify or convert lands to non-agricultural uses is not subject to the approval of the DAR.⁶⁴ In *Heirs of Luis A. Luna, et al. v. Afable, et al.*,⁶⁵ the Court likewise held that "[t]he regulation by local legislatures of land use in their respective territorial jurisdiction through zoning and reclassification is an exercise of police power."⁶⁶

Lastly, the Court had already ruled that the mere issuance of an EP does not put the ownership of the agrarian reform beneficiary beyond attack and scrutiny. EPs may be cancelled for violations of agrarian laws, rules and regulations. Section 1, Rule II of the DAR New Rules of Procedure, vested the DARAB with exclusive original jurisdiction over cases involving the issuance, correction and cancellation of Certificates of Land Ownership Award (CLOA) and EPs which are registered with the Land Registration Authority (now the RD).⁶⁷ "For sure, the jurisdiction of the DARAB cannot be deemed to disappear the moment a certificate of title is issued, for, such certificates are not modes of transfer of property but merely evidence of such transfer, and there can be no valid transfer of title should the CLOA, on which it was grounded, be void. The same holds true in the case of a certificate of title issued by virtue of a void [EP]."⁶⁸

Among the grounds for cancellation of registered EPs as summarized by DAR Memorandum Order No. 02, Series of 1994, includes land which is found to be exempt/excluded from P.D. No. 27. Since the subject landholding which is Lot 4 had already been reclassified to non-agricultural

⁶² *Association of Small Landowners in the Philippines, Inc. v. Hon. Sec. of Agrarian Reform*, 256 Phil. 777, 824 (1989).

⁶³ 473 Phil. 64 (2004).

⁶⁴ Id. at 95.

⁶⁵ 702 Phil. 146 (2013).

⁶⁶ Id. at 168.

⁶⁷ *Pangilinan v. Balatbat, et al.*, 694 Phil. 605, 625-626 (2012).


⁶⁸ *Gabriel, et al. v. Jamias, et al.*, 587 Phil. 216, 231 (2008).

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uses and was, therefore, already outside the coverage of the OLT program under P.D. No. 27, the EPs and CLTs issued to the respondents are void and should accordingly be cancelled.

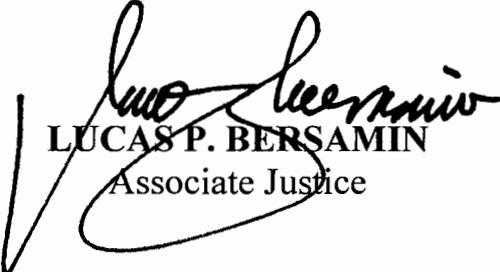
WHEREFORE, in view of these considerations, the petition is **GRANTED**. The Decision dated March 30, 2011 and the Resolution dated August 17, 2011 of the Court of Appeals in CA-G.R. SP No. 108274 are hereby **REVERSED and SET ASIDE**. The Decision dated July 29, 2008 and the Resolution dated March 11, 2009 of the Department of Agrarian Reform and Adjudication Board in DARAB Case No. 13552, are **REINSTATED**.

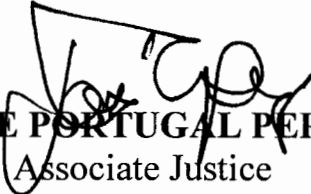
SO ORDERED.


BIENVENIDO L. REYES
Associate Justice

WE CONCUR:


PRESBITERO J. VELASCO, JR.
Associate Justice
Chairperson

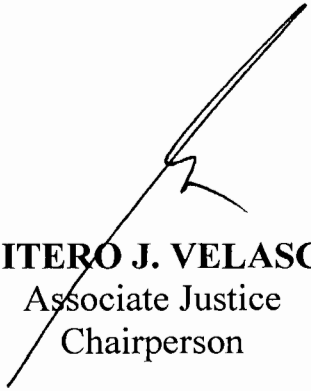

LUCAS P. BERSAMIN
Associate Justice


JOSE PORTUGAL PEREZ
Associate Justice


FRANCIS H. JARDELEZA
Associate Justice


A T T E S T A T I O N

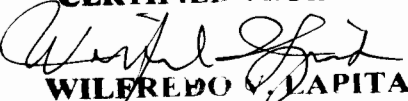
I attest that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.


PRESBITERO J. VELASCO, JR.
Associate Justice
Chairperson

C E R T I F I C A T I O N

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

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WILFREDO V. LAPITAN
Division Clerk of Court
Third Division

NOV 11 2016

