

FIRST DIVISION

[G.R. No. 175080, November 24, 2010]

EUGENIO R. REYES, JOINED BY TIMOTHY JOSEPH M. REYES, MA. GRACIA S. REYES, ROMAN GABRIEL M. REYES, AND MA. ANGELA S. REYES, PETITIONERS, VS. LIBRADA F. MAURICIO (DECEASED) AND LEONIDA F. MAURICIO, RESPONDENTS.

D E C I S I O N

PEREZ, J.:

Subject of this petition is the Decision^[1] of the Court of Appeals dated 10 August 2006 in CA-G.R. SP No. 87148, affirming the Decision dated 7 July 1998 and Resolution dated 28 September 2004 of the Department of Agrarian Reform Adjudication Board (DARAB).

Eugenio Reyes (Eugenio) was the registered owner of a parcel of land located at Turo, Bocaue, Bulacan, with an area of four thousand five hundred twenty-seven (4,527) square meters, more or less, and covered by Transfer Certificate of Title (TCT) No. 109456(M). Said title came from and cancelled TCT No. T-62290 registered in the name of Eufracia and Susana Reyes, siblings of Eugenio. The subject property was adjudicated to Eugenio by virtue of an extrajudicial settlement among the heirs following the death of his parents.

The controversy stemmed from a complaint filed before the DARAB of Malolos, Bulacan by respondents Librada F. Mauricio (Librada), now deceased, and her alleged daughter Leonida F. Mauricio (Leonida) for annulment of contract denominated as *Kasunduan* and between Librada and Eugenio as parties. Respondents also prayed for maintenance of their peaceful possession with damages.

Respondents alleged that they are the legal heirs of the late Godofredo Mauricio (Godofredo), who was the lawful and registered tenant of Eugenio through his predecessors-in-interest to the subject land; that from 1936 until his death in May 1994, Godofredo had been working on the subject land and introduced improvements consisting of fruit-bearing trees, seasonal crops, a residential house and other permanent improvements; that through fraud, deceit, strategy and other unlawful means, Eugenio caused the preparation of a document denominated as *Kasunduan* dated 28 September 1994 to eject respondents from the subject property, and had the same notarized by Notary Public Ma. Sarah G. Nicolas in Pasig, Metro Manila; that Librada never appeared before the Notary Public; that Librada was illiterate and the contents of the *Kasunduan* were not read nor explained to her; that Eugenio took undue advantage of the weakness, age, illiteracy, ignorance, indigence and other handicaps of Librada in the execution of the *Kasunduan* rendering it void for lack of consent; and that Eugenio had been employing all illegal means to eject respondents from the subject property.

Respondents prayed for the declaration of nullity of the *Kasunduan* and for an order for Eugenio to maintain and place them in peaceful possession and cultivation of the subject property. Respondents likewise demanded payment of damages.^[2] During trial, respondents presented a leasehold contract executed between Susana and Godofredo to reaffirm the existing tenancy agreement.^[3]

Eugenio averred that no tenancy relationship existed between him and respondents. He clarified that Godofredo's occupation of the subject premises was based on the former's mere tolerance and accommodation. Eugenio denied signing a tenancy agreement, nor authorizing any person to sign such an agreement. He maintained that Librada, accompanied by a relative, voluntarily affixed her signature to the *Kasunduan* and that she was fully aware of the contents of the document. Moreover, Librada received P50,000.00 from Eugenio on the same day of the execution of the *Kasunduan*. Eugenio also questioned the jurisdiction of the DARAB since the principal relief sought by respondents is the annulment of the contract, over which jurisdiction is vested on the regular courts. Eugenio also asserted that Leonida had no legal personality to file the present suit. ^[4]

Based on the evidence submitted by both parties, the Provincial Adjudicator^[5] concluded that Godofredo was the tenant of Eugenio, and Librada, being the surviving spouse, should be maintained in peaceful possession of the subject land. The dispositive portion of the decision reads:

WHEREFORE, in view of the foregoing, judgment is hereby rendered in favor of plaintiff Librada Mauricio and against defendant Eugenio R. Reyes and order is hereby issued:

1. Declaring the *kasunduan* null and void;
2. Ordering defendant to respect the peaceful possession of herein plaintiff Librada Mauricio over the subject landholding;
3. Ordering plaintiff to return the amount of P50,000.00 to herein defendant;
4. No pronouncement as to costs.^[6]

On appeal, two issues were presented to and taken up by the DARAB, namely: (1) Whether or not there is tenancy relation between the parties; and (2) whether or not the *Kasunduan* dated 28 September 1994 is valid and enforceable. The DARAB held that the Mauricio's are former tenants of Spouses Reyes. It found that when Spouses Reyes died, siblings Eufracia, Susana and Eugenio, among others inherited the subject property. Under the law, they were subrogated to the rights and substituted to the "obligations" of their late parents as the agricultural lessors over the farmholding tenanted by respondents. Moreover, the DARAB banked on the *Kasunduang Buwisan sa Sakahan* or the leasehold contract executed by Susana in favor of Godofredo to support the tenancy relationship. Furthermore, the DARAB declared the other *Kasunduan* as void by relying on the evaluation of the Provincial Adjudicator as to the legal incapacity of Librada to enter into such a contract.^[7]

Eugenio filed a motion for reconsideration which was denied by the DARAB on 28

September 2004.^[8]

Aggrieved by the DARAB ruling, Eugenio filed a petition for review with the Court of Appeals. On 10 July 2006, the Court of Appeals issued a resolution regarding the status of Leonida as a legal heir and allowed her to substitute Librada, who died during the pendency of the case.^[9] On 10 August 2006, the Court of Appeals affirmed the decision and resolution of the DARAB. It sustained the factual findings of the DARAB with respect to the tenancy relation between Godofredo and Spouses Reyes and the nullity of the *Kasunduan*.^[10]

Undaunted, Eugenio filed the instant petition. Eugenio submits that no tenancy relationship exists between him and respondents. He insists that the *Kasunduang Buwisan sa Sakahan* allegedly executed between Godofredo and Susana in 1993 giving the former the right to occupy and cultivate the subject property is unenforceable against Eugenio, having been entered into without his knowledge and consent. Eugenio further asserts that per records of the Department of Agrarian Reform (DAR), no leasehold contract was entered into by Godofredo and Eugenio with respect to the disputed property. Eugenio attributes error on the part of the Court of Appeals in concluding that a tenancy relationship existed between the parties despite the absence of some of the essential requisites of a tenancy relationship such as personal cultivation and the subject land being agricultural. Finally, Eugenio defends the validity of the *Kasunduan* entered into between him and Librada wherein the latter agreed to vacate the subject property, in that it was voluntarily entered into and the contents thereof were mutually understood by the parties.^[11]

In a Resolution dated 7 February 2007, this Court denied the petition for failure to show that the Court of Appeals committed reversible error in its challenged decision and resolution. The Court also dismissed the issues raised as factual. However, upon filing of a motion for reconsideration by Eugenio, this Court reinstated the petition and required respondent Leonida to comment on the petition.^[12]

In her comment, respondent prayed for the denial of the petition because the jurisdiction of this Court is limited to review of errors of law and not of facts.^[13]

In the main, Eugenio insists that no tenancy relationship existed between him and Godofredo. This is a question of fact beyond the province of this Court in a petition for review under Rule 45 of the Rules of Court in which only questions of law may be raised.^[14] Absent any of the obtaining exceptions^[15] to this rule, the findings of facts of the Provincial Adjudicator, as affirmed by DARAB and especially by the Court of Appeals, are binding on this Court.

The DARAB ruling outlined how the tenancy relationship between Godofredo and the Mauricio's came about, thus:

This Board, after a thorough evaluation of the evidences, is convinced that the Mauricios are former tenants of the parents of the herein Defendant-Appellant. A perusal of Exhibit "H" which is the Tax Declaration of the property in controversy proves that upon the death of the parents of Defendant-Appellant, the property was the subject matter

of their extra-judicial partition/settlement and this property was initially under the ownership of the appellant's sisters, Eufracia and Susana Reyes until the same property was finally acquired/transferred in the name of Respondent-Appellant. Obviously, in order to re-affirm the fact that the Mauricios are really the tenants, Susana Reyes had voluntarily executed the Leasehold Contract with Godofredo Librada being the tenant on the property and to prove that she (Susana Reyes) was the predecessor-in-interest of Respondent-Appellant Eugenio Reyes. x x x. The "*Kasunduang Buwisan sa Sakahan*" alleging that their tenancy relationship began in the year 1973 and their agreement as to the rental shall remain until further revised.^[16]

This is a contest of "*Kasunduan*." Respondents rely on a *Kasunduan* of tenancy. Petitioners swear by a *Kasunduan* of termination of tenancy.

Librada claims that her late husband had been working on the land since 1936 until his death in 1994. She presented the *Kasunduang Buwisan sa Sakahan* dated 26 May 1993 and executed by Godofredo and Susana which reaffirmed the leasehold tenancy over the subject land. On the other hand, Eugenio disputes the claims of Librada and presented another *Kasunduan* executed between him and Librada on 28 September 1994 which effectively terminates the leasehold tenancy when the latter allegedly agreed to vacate the subject premises in exchange of monetary considerations.

This second *Kasunduan* is the subject of the instant complaint. In its disquisition, the DARAB nullified the second *Kasunduan*, to wit:

x x x Insofar as this "*Kasunduan*" is concerned, and after reading the transcript of the testimony of the old woman Librada Mauricio, this Board is convinced that indeed the purpose of the document was to eject her from the farmholding but that Librada Mauricio wanted to return the money she received because the contents of the document was never explained to her being illiterate who cannot even read or write. This Board is even further convinced after reading the transcript of the testimonies that while the document was allegedly signed by the parties in Turo, Bocaue, Bulacan, the same document was notarized in Pasig, Metro Manila, thus, the Notary Public was not in a position to explain much less ascertain the veracity of the contents of the alleged "*Kasunduan*" as to whether or not Plaintiff-Appellee Librada Mauricio had really understood the contents thereof. This Board further adheres to the principle that it cannot substitute its own evaluation of the testimony of the witnesses with that of the personal evaluation of the Adjudicator a quo who, in the case at bar, had the best opportunity to observe the demeanor of the witness Librada Mauricio while testifying on the circumstances relevant to the execution of the alleged "*Kasunduan*." Furthermore, this Board adheres to the principle that in all contractual, property or other relations, when one of the parties is at a disadvantage on account of his moral dependence, ignorance, mental weakness or other handicap, the courts (and in the case at bar, this Board) must be vigilant for his protection (Art. 24, New Civil Code). In the case at bar,