

SECOND DIVISION

[G.R. No. 111387, June 08, 2004]

JUSTINA ADVINCULA-VELASQUEZ, PETITIONER, VS. COURT OF APPEALS, HON. VIVENCIO G. LIRIO AND REMMAN ENTERPRISES, INC., RESPONDENTS.

G.R. NO. 127497

JUSTINA ADVINCULA-VELASQUEZ, PETITIONER, VS. COURT OF APPEALS AND REMMAN ENTERPRISES, INC., RESPONDENTS.

D E C I S I O N

CALLEJO, SR., J.:

Before this Court are two (2) consolidated petitions for review on certiorari under Rule 45 of the Rules of Court, as amended.

G.R. No. 111387

This is a petition for review of the Decision^[1] of the Court of Appeals in CA-G.R. SP No. 30727 dismissing petitioner Justina Advincula-Velasquez' petition for certiorari and prohibition; and for the nullification of the alias writ of execution issued by the Metropolitan Trial Court of Parañaque, Branch 78,^[2] in Civil Case No. 7223 for unlawful detainer.

G.R. No. 127497

This is a petition for the reversal and setting aside of the Decision^[3] of the Court of Appeals in CA-G.R. SP No. 40423 granting the private respondent's petition for certiorari and prohibition; and for the reinstatement of the Department of Agrarian Reform Adjudication Board (DARAB) decision in DARAB Case No. 228.

The Antecedents

The spouses Jose Velasquez and Justina Velasquez were the agricultural lessees of a riceland with an area of 51,538 square meters, located in Sitio Malaking Kahoy, Bo. Ibayo, Parañaque, Metro Manila. The subject property was originally possessed and claimed by Martin Nery. In an action for annulment and reconveyance, the court finally decided in 1972 that the spouses Martin and Leoncia de Leon Nery, Salud Rodriguez, Gertrudes de Leon, and Rosario, Mariano, Pacifico, Onofre, Loloy, Trinidad, Dionisio, Perfecto, Maria Rebecca, Asuncion, Mauro and Lourdes, all surnamed Lorenzo, were co-owners of the property. They later filed with the Court of First Instance (CFI) of Rizal a petition for confirmation of title over the property, which the court in due course granted. Consequently, Transfer Certificate of Title (TCT) No. 64132 was issued to and under their names.^[4]

In 1978, the Lorenzo siblings filed an action for partition against their co-owners, Martin and Leoncia Nery, before the CFI of Rizal, Pasay City Branch, which was docketed as Civil Case No. 5313-P. The parties later submitted a compromise agreement where they agreed to sell the said land to the Delta Motors Corporation.

On August 24, 1979, Jose S. Velasquez, in his capacity as agricultural leasehold tenant, filed an action before the then Court of Agrarian Relations, docketed as CAR Case No. 42, 6th Regional District, Branch 1, Quezon City, for the redemption of the subject property under Presidential Decree No. 27. He claimed that he had information that the property had been offered for sale.

On January 25, 1980, Delta Motors Corporation purchased the subject property for P2,319,210.00, evidenced by a Deed of Sale. The Register of Deeds of Metro Manila issued TCT No. 20486 on March 4, 1980 in favor of the corporation. By then, the property was already surrounded by residential subdivisions and industrial firms, as well as diversion roads.

Jose S. Velasquez impleaded the Delta Motors Corporation as party respondent in his complaint with the CAR, praying that he be allowed to redeem the property for the amount of only P8,800.00 from the said corporation. He anchored his right under Presidential Decree No. 27. On June 16, 1980, the Velasquez Spouses caused the annotation of a notice of *lis pendens* at the dorsal portion of the said title. The CAR, thereafter, rendered judgment against Jose S. Velasquez on October 20, 1981, the decretal portion of which reads:

Foregoing premises considered, judgment is hereby rendered:

1. Dismissing the instant motion for lack of interest on plaintiff's part to redeem the land in question at its acquisition price in the amount of P2,319,210.00, which we find reasonable;
2. Directing defendants to maintain plaintiff as agricultural lessee in the peaceful possession and enjoyment of the land subject matter of this litigation containing an area of 51,538 square meters, more or less, covered by TCT No. 64132 and to respect the rights accorded to him by law.
3. Directing the Clerk of Court, this Court (sic) to return to plaintiff the amount of P600.00 which he consigned with the Court as part of the redemption price for the land in question covered by OR No. 2402912 dated June 13, 1980.
4. Dismissing all other claims and counterclaims for lack of evidence in support thereof.^[5]

The CAR ruled that the property was not covered by the Operation Land Transfer.

Jose Velasquez and the defendants appealed the decision to the then Intermediate Appellate Court (IAC) which rendered a decision^[6] affirming that of the CAR, the decretal portion of which reads:

IN VIEW WHEREOF, the appeals interposed by the plaintiffs and the defendants Martin Nery, Leoncia de Leon Nery, Dionisio, Perfecto, Maria Rebecca, Lourdes, Asuncion and Mauro, all surnamed Lorenzo, are both dismissed for lack of merit. We affirm in toto the Decision in CAR Case No. 42.

The Spouses Velasquez filed their petition for review with the Court, docketed as G.R. No. L-64284, which directed the issuance of a temporary restraining order as prayed for, enjoining the execution of the CAR's decision pending the outcome of the petition.

As it was, the property had been reclassified as low density residential zone as early as 1981 under Comprehensive Zoning Ordinance No. 81-01. The ordinance was prepared by the Metro Manila Commission and the Housing and Land Use Regulatory Board (HLURB), and approved in March 1981 by the then Metropolitan Manila Authority.

In the meantime, the subject property was mortgaged by Delta Motors Corporation to the Philippine National Bank (PNB) as security for its obligation with the latter. The corporation failed to pay its account, which impelled the bank to extrajudicially foreclose the mortgage. On July 30, 1986, the PNB executed a deed of sale with mortgage for P11,868,000.00 in favor of respondent Remman Enterprises, Inc. Thus, TCT No. 111759 was later issued in its favor. The notice of lis pendens annotated on TCT No. 20486 was carried over and annotated on TCT No. 111759.

The respondent decided to develop the property into a residential subdivision as part of its socialized housing project. The corporation secured a development and building permit on December 9, 1986 from the Human Settlements Regulatory Commission (HSRC),^[7] and a preliminary approval and location clearance for the subdivision. It also applied for and secured a permit to develop the property,^[8] and was, likewise, granted License to Sell No. 87-01-154 on January 15, 1987.^[9] It secured building permits for the construction of residential houses over the property. Thereafter, the corporation commenced its development of the area into a residential subdivision. However, the Velasquez Spouses vehemently opposed the development of the property and refused to vacate the same pending the disposition of G.R. No. L-64284.

The respondent filed on January 20, 1987 a Complaint for Unlawful Detainer with the Metropolitan Trial Court (MTC) of Parañaque, Branch 78, against the Velasquez Spouses, docketed as Civil Case No. 7223. It alleged that the subject property had been reclassified and converted from agricultural to a non-agricultural land. However, the corporation's petition for a writ of preliminary injunction was denied by the MTC. The Spouses filed their Answer with a Motion to Dismiss in which they alleged, *inter alia*, that the MTC had no jurisdiction over the case, considering that they were agricultural tenants over an agricultural land. When the case was called for pre-trial conference, only the plaintiff's counsel and its representative appeared, and moved that the Spouses Velasquez be declared in default, and that it be allowed to present its evidence ex parte, which the court granted.

On March 12, 1987, the MTC rendered a Decision in favor of the respondent. The decretal portion reads:

PREMISES CONSIDERED, judgment is hereby rendered in favor of plaintiff and against defendants:

1. Making the preliminary injunction enjoining (sic) defendants to desist from harassing plaintiff's men and issued on January 23, 1987 permanent;
2. Ordering defendants and all other persons claiming right under them to vacate the subject premises;
3. Considering the deposit made in Court of the amount of P61,250.00 for account of defendants as valid consignment;
4. Ordering defendants to pay the costs of suit.

SO ORDERED. ^[10]

Aggrieved, the Spouses Velasquez appealed to the Regional Trial Court of Makati, Branch 58, docketed as Civil Case No. 16553, and alleged the following:

1. That the lower court has no jurisdiction to take cognizance, try and decide this case; and
2. That this case is barred by the decision in CAR No. 42-PAR-179 now pending decision in the Supreme Court, entitled Spouses Jose S. Velasquez, et al., v. Remman Enterprises, Inc. ^[11]

Meanwhile, the respondent subdivided the property into 487 subdivision lots covered by a Subdivision Plan dated April 17, 1987. It also requested the Register of Deeds to cancel TCT No. 111759 and to issue 487 new titles, covering each subdivision lot. The Register of Deeds granted the request. TCT No. 121248 to TCT No. 121501 were issued under the name of the respondent corporation for the said lots.

The RTC affirmed ^[12] the decision of the MTC in Civil Case No. 7223. The decretal portion reads:

WHEREFORE, premises considered, the Court hereby affirms the lower court's decision with the modification that the plaintiff should be awarded the attorney's fees adjudged in the decision.

SO ORDERED. ^[13]

The RTC ruled that the case before the MTC was only one for unlawful detainer, and as such, was within the exclusive jurisdiction of the court. It also held that the case was not barred by the pendency of G.R. No. L-64284 before this Court, as the sole issue before the MTC was the prior physical possession of the property.

The Spouses Velasquez opted not to file any petition for the review of the decision of the RTC. In due course, the said decision became final and executory. However, the trial court did not issue a writ for the execution of its decision, in light of the temporary restraining order earlier issued by the Court in G.R. No. L-64284.

On July 3, 1992, this Court rendered a Decision in G.R. No. L-64284 dismissing the

petition of the Spouses Velasquez, and affirming the decision of the then IAC, which had, in turn, affirmed the decision of the defunct Court of Agrarian Relations. This Court held that the case had become moot and academic with regard to petitioners' claim against Delta Motors Corporation considering that the property was extrajudicially foreclosed by the PNB and had been sold to the respondent. The Court declared, however, that the Spouses may redeem the property from the PNB and its transferees, subject to the 1975 Revised Charter of the said bank.

Relying on the Court's pronouncement, Jose Velasquez, offered to redeem the property in a Letter to the respondent dated October 2, 1992. The respondent, for its part, rejected the offer and moved for the issuance of an alias writ of execution with the MTC in Civil Case No. 7223, for the eviction of the Spouses Velasquez. On January 4, 1993, the MTC issued an order granting the motion for a writ of execution and issued an alias writ therefor.

The Spouses Velasquez filed motions for reconsideration of the said orders. However, the MTC denied the same in its Orders dated February 19, 1993 and March 30, 1993.

In the meantime, the Decision of the Court in G.R. No. L-64284 became final and executory. The records were remanded to the Provincial Agrarian Reform Adjudicator (PARAD) docketed as PARAD Case No. IV-MM-0054-93. By this time, Jose Velasquez had died. His widow, petitioner Justina Velasquez, filed a motion to deposit/consign the amount of P2,319,210.00 as the reasonable redemption price. On January 21, 1993, the PARAD issued an Order, the decretal portion of which reads:

WHEREFORE, premises considered, order is hereby issued:

1. Directing the substitution of the late Jose S. Velasquez by his surviving spouse Justina Advincula-Velasquez as party-Plaintiff;
2. Directing the aforesaid substitute Plaintiff to:
 - a) refile anew a Petition for redemption impleading the present titled owner Remman Enterprises, Inc.;
 - b) upon the filing thereof, consign with this Office thru the DAR Regional Cashier, Pasig, Metro Manila, the amount of Two Million Three Hundred Nineteen Thousand and Two Hundred Ten Pesos (P2,319,210.00) representing the reasonable redemption price of the property subject of litigation;
3. Directing the Cashier of the DAR Regional Office, Pasig, Metro Manila, to issue an official receipt covering the consigned amount and deposit the same as a Trust Fund/Account with the nearest LBP (Land Bank of the Philippines) Branch;
4. Directing Provincial Sheriff Arturo R. Hilao to personally serve summons upon all the parties-defendants within a period of five (5) days from receipt of the Petition mentioned in Paragraph 2 hereof.