

FIRST DIVISION

[G.R. No. 129572, June 26, 2000]

**PHILBANCOR FINANCE, INC. AND VICENTE HIZON, JR.,
PETITIONERS, VS. COURT OF APPEALS, THE HONORABLE
DEPARTMENT OF AGRARIAN REFORM ADJUDICATION BOARD
(DARAB), ALFREDO PARE, PABLO GALANG AND AMADO VIE,
RESPONDENTS.**

D E C I S I O N

PARDO, J.:

The case before the Court is an appeal *via certiorari* from the decision^[1] of the Court of Appeals dismissing the petition for review of the decision of the Department of Agrarian Reform Adjudication Board sustaining the ruling of the Provincial Agrarian Reform Adjudication Board of San Fernando, Pampanga allowing the legal redemption by private respondents of two parcels of land mortgaged to and acquired by petitioner Philbancor at public auction.

The facts, as found by the Court of Appeals, are as follows:

"Private respondents Alfredo Pare, Pablo Galang and Amado Vie, as plaintiffs, filed with the Provincial Agrarian Reform Adjudication Board (PARAB) a complaint for maintenance of possession with redemption and tenancy right of pre-emption against petitioners Philbancor Finance, Inc. and Vicente Hizon, Jr. Private respondents alleged, inter alia, that petitioner Vicente Hizon, Jr. is the owner of the disputed agricultural lands covered by TCT Nos. 48320 and 48323 located in Balite, San Fernando, Pampanga and that they (private respondents) are the legitimate and bonfide tenants thereof; that on October 13, 1983, petitioner Hizon, without their knowledge, mortgaged the disputed lots to petitioner Philbancor Finance, Inc.; that petitioner Hizon failed to pay his obligations to petitioner Philbancor, which eventually led to the sale of the mortgaged lots to the latter; that they came to know of the transaction only when they were notified by petitioner Philbancor to vacate the lots; that they have been tenants on the lots for more than fifty (50) years; that petitioner Philbancor threatened to take from them the actual or physical possession of the agricultural lots; that unless the threatened acts of petitioner are restrained, they will suffer substantial and irreparable injury (Complaint, Rollo, pp. 51-55).

"In his answer, petitioner Hizon admitted that private respondents are his bonafide and legitimate tenants but he averred, by way of affirmative defenses, that he is not threatening to take possession of the disputed lots as he is no longer the owner thereof after said lots were foreclosed by petitioner Philbancor; that private respondents were aware when he

mortgaged the lots as they were with him when he tried to negotiate for payment of his loan to petitioner Philbancor (CA Rollo, p. 29).

"In its answer, petitioner Philbancor alleged, among others, that it has no tenancy or agricultural relationship with private respondents considering that it acquired ownership over the disputed lots by virtue of an extra-judicial foreclosure sale pursuant to Act 3135, as amended; that it is not an agricultural lessor as contemplated in Section 10 of Republic Act (RA) No. 3844, as amended; that assuming private respondents have the right to redeem the lots in question, such right has already expired in accordance with Section 12 of R. A. 3844, which states that the right of redemption may be exercised within two (2) years from the registration of the sale (CA Rollo, pp. 30-31).

"In a Decision dated September 17, 1993, Provincial Adjudicator Toribio E. Ilao, Jr. rendered a decision in favor of private respondents, the dispositive portion of which reads:

"WHEREFORE, judgment is hereby rendered:

"1. Ordering the redemption by the plaintiffs of the land in question at the price of P201,182.92;

"2. Ordering the defendant, Philbamcor Finance, Inc., to execute the necessary Deed of Redemption in favor of the plaintiffs; and

"3. Ordering the Register of Deeds of the Province of Pampanga to cause the registration of the land in question to be conveyed to and redeemed by the plaintiffs;

"The counterclaim of the defendant Philbancor Finance, Inc. is hereby dismissed." (Ibid., pp. 81-90)

"Petitioners filed a motion for reconsideration but the same was denied by the Provincial Adjudicator (CA Rollo, pp. 108-109). On appeal, public respondent Department of Agrarian Reform Adjudication Board (DARAB) affirmed in toto the findings of the Provincial Adjudicator in a Decision dated March 8, 1996 (Ibid., pp. 26-35).

"Petitioners' motion for reconsideration was denied by respondent DARAB in a Resolution (Ibid., pp. 36-38) dated July 22, 1996, x x x."^[2]

On August 14, 1996, petitioners filed with the Court of Appeals a petition for review of the decision of the DARAB.^[3]

After due proceedings, on March 17, 1997, the Court of Appeals rendered a decision dismissing the petition.^[4]

On April 18, 1997, petitioners filed with the Court of Appeals a motion for reconsideration of the decision; however, on May 19, 1997, the Court of Appeals denied the motion.^[5]