

THIRD DIVISION

[G.R. No. 137431, September 07, 2000]

**EDGARDO SANTOS, REPRESENTED BY HIS ATTORNEY-IN-FACT
ROMEO L. SANTOS, PETITIONER, VS. LAND BANK OF THE
PHILIPPINES, JESUS DIAZ, ROBERTO ONG AND AUGUSTO
AQUINO, RESPONDENTS.**

DECISION

PANGANIBAN, J.:

The Comprehensive Agrarian Reform Law (RA 6657) provides that just compensation to landowners shall be paid in cash and bonds. Hence, a trial court decision directing the payment of such compensation "in the manner provided by R.A. 6657" is not illegally amended but is merely clarified by an order, issued during the execution proceedings, that such amount shall be paid in cash and bonds.

The Case

Before the Court is a Petition for Review on Certiorari of the December 8, 1998 Decision^[1] and the February 2, 1999 Resolution^[2] of the Court of Appeals (CA)^[3] in CA-GR SP No. 48517, which had respectively dismissed the Petition for Certiorari and Mandamus, filed by petitioner, and denied reconsideration.

The decretal part of the assailed Decision reads:

"WHEREFORE, the petition is DISMISSED. The Order of April 24, 1998 is AFFIRMED."^[4]

The Facts

The antecedents of the case are adequately summarized in the assailed Decision, as follows:

"It appears that petitioner Edgardo Santos is the plaintiff in Agrarian Case No. RTC 94-3206 for the determination of just compensation regarding properties which were taken by DAR under P.D. No. 27 in 1972. On August 12, 1997, the Regional Trial Court, sitting as an Agrarian Court rendered judgment, the dispositive portion of which reads:

"WHEREFORE, judgment is hereby rendered (1) fixing the amount of P49,241,876.00 to be the just compensation for the irrigated and unirrigated ricelands with areas of 36.4152 and 40.7874 hectares, respectively, and situated at Pinit, Ocampo, Camarines Sur which are portions of the agricultural lands covered by Transfer Certificates of Title Nos. 2883 and 2884 in the name of the [p]laintiff, and which were taken by

the government pursuant to Land Reform Program as provided in Presidential Decree No. 27; and (2) ordering Defendant Land Bank of the Philippines to pay [p]laintiff the amount of FORTY-FIVE MILLION SIX HUNDRED NINE-EIGHT THOUSAND EIGHT HUNDRED FIVE AND 34/100 (P45,698,805.34) PESOS, Philippine [c]urrency, in the manner provided by R.A. 6657, by way of full payment of the said just compensation. No pronouncement as to costs."

"A preliminary valuation in the amount of P3,543,070.66 had in fact been previously released by the Land Bank in cash and bond; thus deducting it from the total amount adjudged, the balance unpaid amount[ed] to P45,698,805.34 which was ordered by the Regional Trial Court to be paid in accordance with RA 6657.

"The Land Bank elevated the matter to the Supreme Court, which eventually dismissed the appeal in its Resolution dated December 17, 1997. Accordingly, a writ of execution was issued by the Regional Trial Court on December 4, 1997 and a notice of garnishment was served on the Land Bank on December 17, 1997.

"On December 22, 1997, the Regional Trial Court issued an Order declaring that the Land Bank had complied with the writ of execution and ordered the same to release the amount of P44,749,947.82 to petitioner and the amount of P948,857.52 to the Clerk of Court as commission fees for execution of judgment.

"The Land Bank remitted the amount of P948,857.52 to the Clerk of Court on December 24, 1997 and released the amount of P3,621,023.01 in cash and Land Bank Bond No. AR-0002206 in the amount of P41,128,024.81 to the petitioner.

"Petitioner filed a motion for the issuance of an alias writ of execution before the Regional Trial Court, praying that the payment of the compensation be in proportion of P8,629,179.36 in bonds and P32,499,745 in cash, alleging that the cash portion should include the amounts in the Decision representing the interest payments.

"Before the motion could be resolved by the Regional Trial Court, petitioner moved to withdraw the same and instead filed a motion for release of the balance of the garnished amount. He claimed that the payment of P41,128,024.81 in Land Bank Bonds was not acceptable to him and that the said amount should be paid in cash or certified check. The respondent Land Bank, on the other hand, opposed the motion, contending that the judgment amount had already been satisfied on December 24, 1997.

"The Regional Trial Court issued an Order on March 20, 1998 for the Land Bank to release the balance of P41,128,024.81 from the garnished amount in cash or certified check.

"The Land Bank moved for a reconsideration of the said Order,

maintaining that the payment was properly made in Land Bank Bonds.

"On March 25, 1998, petitioner filed a motion to hold the Land Bank in contempt for its refusal to release the balance of the garnished amount in cash or certified check.

"Respondent Regional Trial Court presided over by a new judge, resolved the two motions on April 24, 1998. It held that the payment of just compensation must be computed in the manner provided for in Section 18, Republic Act No. 6657. Thus, it ruled that:

"To summarize, the very issue to be resolved in the instant case is to determine how much should be paid in cash and how much also should be paid in bonds, to fully satisfy the judgment herein rendered in the amount of P49,241,876.00, the computation of which is as follows:

Total land value per judgment		P49,241,876.00
Amount payable in bonds:		
70% (50 has)	P22,323,932.75	
75% (excess)	P13,012,907.41	35,336,840.16
Amount payable in cash:		
30% (50 has)		P9,567,399.75
35% (excess)	4,337,635.81	13,905,035.56
Less:		
Preliminary valuation:	P3,543,070.66	
Commissioner's Fee:	948,857.52	
Payment to plaintiff on 12-24-97	3,621,023.01	P 8,112,951.19
		<hr/> P 5,792,084.37

"Consequently, not only must the Order of March 20, 1997 be reconsidered, but by implication, the Order of this Court dated December 22, 1997 is likewise deemed reconsidered. It goes without saying that the payment of just compensation must be made in accordance with Sec. 18, Republic Act No. 6657 in relation to Section 9, Rule 39 of the 1997 Rules of Civil Procedure insofar as it does not contravene x x x the former.

"On the basis of the foregoing discussion, this Court finds no merit [i]n the motion to cite in contempt of court the Land

Bank of the Philippines.

"Be it also noted that Defendant Land Bank, through counsel, has submitted a re-computation of the compensation in accordance with her manifestation on oral argument [with] which this court begs to disagree.

"WHEREFORE, Defendant Land Bank of the Philippines is hereby ordered to pay the [p]laintiff the [c]ash [b]alance of FIVE MILLION SEVEN HUNDRED NINETY TWO THOUSAND EIGHTY-FOUR and 37/100 (P5,792,084.37), Philippine [c]urrency and the amount of THIRTY FIVE MILLION, THREE HUNDRED THIRTY SIX THOUSAND EIGHT HUNDRED FORTY and 16/100 (P35,336,840.16) PESOS in government instruments or bonds to fully satisfy the Judgment herein in the amount of forty-nine million two hundred forty one thousand eight hundred seventy six (P49,241,876.00) pesos, Philippine [c]urrency as just compensation due the [p]laintiff.

"Thus, the Order of this Court dated March 20, 1998 is hereby reconsidered and SET ASIDE and by implication, the Order dated December 22, 1997 is hereby deemed reconsidered and MODIFIED accordingly.

"The Motion to Cite in Contempt of Court the Land Bank of the Philippines is hereby DENIED.

"SO ORDERED."

"Petitioner's motion to reconsider the above-mentioned Order was denied on June 17, 1998[;] hence, this petition."^[5]

The CA Ruling

The CA upheld the questioned April 24, 1998 Order of the trial court. The appellate court opined that the Order merely ascertained the mode of compensation for petitioner's expropriated properties, as decreed in the final judgment, and was issued pursuant to the court *a quo's* general supervisory control over the process of execution. Said the CA:

"RA 6657 is clear and leaves no doubt as to its interpretation regarding the manner of payment of just compensation. The provision allows the landowner to choose the manner of payment from the list provided therein, but since plaintiff had obviously wanted payment to be made in cash, then the trial court, through the new presiding judge, Judge Villegas-Llaguno, had only to apply Section 18 of R.A. 6657 which provides for the payment of a percentage thereon in cash and the balance in bond, in the exercise of her ministerial duty to execute the decision which ha[d] become final and executory. Nevertheless, in the exercise of her supervisory powers over the execution of a final and executory judgment, Judge Villegas-Llaguno found it necessary to modify the order of Judge Naval dated December 22, 1997 as regards the order

of execution since it had erroneously applied Section 9, Article 39 of the Rules of Court regarding satisfaction of money judgments in the manner of payment even as to the portion required to be paid in bonds, and thus, had completely disregarded the portion in the final and executory decision of August 12, 1997 which makes direct reference to RA 6657.

"The garnishment, on the other hand, of the amount of P45,698,805.34 from the Land Bank of the Philippines does not affect the execution of the judgment in the case. As above-expounded, the judgment was to be fully executed in accordance with the provisions of R.A. 6657 which allows the landowner to have the compensation be paid in cash and in bond, but not fully in cash, as herein petitioner would like to maintain. Technically, the garnishment which was made in this case pursuant to the order of execution by Judge Naval shall extend only to the cash portion of the judgment amount. On the other hand, with respect to the amount to be issued in bonds, the only jurisdiction of the trial court is to order the Land Bank of the Philippines to issue the corresponding bonds and deliver the same to herein petitioners.

Hence, this Petition.^[6]

Issues

In his Memorandum,^[7] petitioner submits the following issues for resolution:

"1. Did respondent judge act without jurisdiction when she issued the Order dated 24 April 1998 amending the final Judgment dated 12 August 1997?

"2. Is it a ministerial duty of the respondent judge to order the release and of the Land Bank to release the garnished amount under Section 9 (c) of Rule 39 of the Rules of Court?

"3. May respondent Land Bank question the legality of its own compliance with the Writ of Execution?

"4. Are the respondent judge and the respondent Land Bank and its officials liable for damages under Section 3 of Rule 65 of the Rules of Court?"^[8]

In short, the main issue is whether the April 24, 1998 Order of Judge Llaguno was proper.

The Court's Ruling

We find no merit in this Petition.

Main Issue: **Propriety and Efficacy of the** **April 24, 1998 RTC Order**

Petitioner insists that the April 24, 1998 Order of Judge Llaguno was issued without