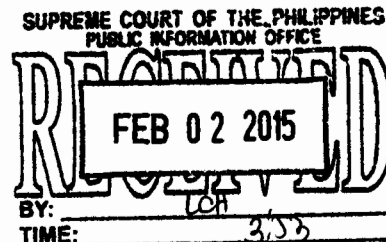




Republic of the Philippines
Supreme Court
Manila

FIRST DIVISION

NOTICE



Sirs/Mesdames:

Please take notice that the Court, First Division, issued a Resolution dated November 12, 2014, which reads as follows:

***“G.R. No. 174650 – ARLENE B. BRAGAIS and PROSPERO BRAGAIS, Petitioners, v. SPS. OSCAR and ROSARIO LEE, Respondents.*”**

This is a petition for review on *certiorari* under Rule 45 of the 1997 Rules of Civil Procedure assailing the Decision¹ dated November 18, 2005 and Resolution² dated August 24, 2006 issued by the Court of Appeals in CA-G.R. SP No. 70750, entitled *Sps. Oscar and Rosario Lee v. Arlene B. Bragais and Prospero Bragais*.

The aforesaid Court of Appeals’ Decision reversed the decision of the Department of Agrarian Reform Adjudication Board (DARAB) in DARAB Case No. 8852 which declared the existence of an agricultural tenancy relationship between herein petitioners Arlene B. Bragais (Arlene) and Prospero Bragais (Prospero). The said DARAB Decision reversed and set aside the decision of DARAB Provincial Adjudicator Virgil G. Alberto of Camarines Sur, Branch I dismissing Arlene’s Amended Petition for Pre-emption and/or Redemption, Recovery of Possession with Prayer for Writ of Preliminary Mandatory Injunction Plus Damages. The facts as recited in the assailed Court of Appeals’ Decision are as follows:

¹ *Rollo*, pp. 32-63; penned by Associate Justice Regalado E. Maambong with Associate Justices Rodrigo V. Cosico and Lucenito N. Tagle, concurring.

² *Id.* at 65-66.

- over – seven (7) pages

On July 24, 1997, private respondent Arlene Bragais ("Arlene") filed a Petition for Pre-Emption and/or Redemption, Recovery of Possession against petitioners Spouses Oscar and Rosario Lee ("Spouses Lee") and private respondent Prospero Bragais ("Prospero"), involving a parcel of farmland containing an area of 5.4247 hectares situated [in] Barangay Buenavista (Salvacion), San Fernando, Camarines Sur. The petition was amended on September 16, 1997, alleging *inter alia*: that Arlene was instituted in 1984 as tenant of a parcel of land owned by her brother-in-law Prospero with an agreed sharing of 1/4-3/4 of the produce; that she and Prospero entered into a leasehold agreement wherein she is obliged to deliver the lease rental of 100 cavans of palay per year with each cavan weighing 45 kilos; that her peaceful possession of the farmholding was momentarily interrupted when Prospero mortgaged the entire landholding to Julian Juanillas in 1992; that she consented only to the mortgage of one-half portion of the subject farmland, keeping the other half with her; that she was assured by Prospero that upon redemption of the mortgage, possession thereof would be returned to her; that her peaceful possession was again threatened when she learned of the Contract to Sell executed between Prospero and Spouses Oscar and Rosario Lee involving the disputed landholding; that when she confronted Prospero, the latter reassured her that her tenancy status would not be affected; that to protect her right as tenant, Arlene filed a complaint-in-intervention in an action for Specific Performance docketed as Civil Case No. 94-3285 filed by Spouses Lee against Prospero; that in said civil case, the Regional Trial Court of Naga City (RTC, Naga City) rendered a Decision dated January 14, 1997 ordering Prospero to execute a Deed of Sale in favor of Spouses Lee over the five-hectare portion of the disputed property "*without prejudice to the claim of intervenor (Arlene) that she is a tenant, which she may pursue before the proper forum*"; that on August 27, 1997, Oscar Lee forcibly took over the possession of the subject property and demolished her house and placed barb wire fence around the property; and that Oscar Lee is continuously and illegally preventing her from entering the landholding.

In refuting Arlene's allegations, Spouses Lee claimed, among others, that on April 2, 1993, they entered into a Contract to Sell with Spouses Prospero and Lea Bragais ("Spouses Bragais") for the purchase of the 50,000 square meter-portion of the disputed landholding in the amount of ₱450,000.00; that at the time of the execution of said contract, a certain Julian Juanillas ("Julian") in whose favor the subject property was mortgaged by Spouses Prospero and Lea Bragais, was in actual possession and cultivation of the landholding in question; that Spouses Lee executed the Contract to Sell only after the mortgagee Julian executed an Affidavit of Undertaking evidencing his actual possession and cultivation of the disputed property; that upon execution of the said affidavit and the Contract to Sell, Oscar Lee, together with Prospero, proceeded to the Rural Bank of Sipocot (Camarines Sur) (where Prospero availed of a loan using the disputed property as security) to redeem the subject landholding; that Spouses Bragais voluntarily turned over the owner's duplicate copy of TCT No. 12226 to Spouses Lee upon

the latter's payment of their (Spouses Bragais) bank loan and the remaining balance of the down payment; that on March 4, 1994, Julian executed the document denominated as Release of Mortgage, Undertaking to Vacate and Waiver of Rights in favor of herein petitioners; that before Spouses Lee could take possession of the farmlot, spouses Bragais, by means of deceit and strategy, took actual possession of the property; that Spouses Bragais refused to execute the Deed of Absolute Sale in favor of Spouses Lee as stipulated in their Contract to Sell despite the latter's offer to pay the balance of the purchase price; that Spouses Lee brought the matter to the Lupong Tagapamayapa of Buenavista (San Fernando, Camarines Sur) for conciliation proceedings; that in said conciliation proceeding held on July 2, 1994, Spouses Bragais agreed to execute a Deed of Absolute Sale in favor of Spouses Lee; that despite the Compromise Agreement, Prospero continued to refuse to execute a deed of absolute sale, thus Spouses Lee filed a complaint for specific performance against him (Prospero) before the RTC Naga and the case was docketed as Civil Case No. RTC 194-325; that on July 11, 1995, Arlene intervened in said civil case claiming she is an agricultural tenant on the subject landholding; that during barangay conciliation, Arlene never manifested interest over the subject property, either as a tenant *de jure* or *de facto*; that Arlene's intervention was motivated by and upon machination and in conspiracy with Spouses Bragais to create a semblance of legitimacy of her tenancy relations with them and to prevent Spouses Bragais from executing a deed of absolute sale in favor of Spouses Lee; that the receipts of payments presented by Arlene in her Amended Petition filed with DARAB are mere accommodation receipts to lend color of legitimacy to the alleged tenancy relations of Arlene with her brother-in-law Prospero; that the Contract of Lease between Arlene and Prospero is a simulated contract intended to mislead DARAB into believing that Arlene, is an agricultural tenant on the subject landholding; that Arlene, including her husband Raymundo was well aware that the subject property was being sold by her brother-in-law Prospero to petitioners for she was physically present during the barangay conciliation conference held at the office of Barangay Captain Nestor Ragay; that the failure or silence of Arlene to assert or proclaim her tenancy during said barangay conference is tantamount to estoppel in asserting the same in this case; that Arlene has never been a tenant in the disputed landholding, for it was untenanted at the time of the execution of the Contract to Sell; that she is not a registered tenant and that even assuming she is a tenant, she cannot exercise the right of pre-emption/redemption because she and her husband are owners-cultivators of a parcel of riceland (as big as the disputed property) similarly situated at Buenavista (Salvacion), San Fernando, Camarines Sur; that the structure demolished at the subject property, which was done pursuant to the lawful order of the court (RTC, Naga City) is not Arlene's residential house for she and her husband Raymundo's residential house is situated near the San Fernando Bridge of Buenavista, San Fernando Camarines Sur; that from the time Prospero took possession of the disputed property from Julian Juanillas, he appropriated for himself all the produce thereof until after petitioners

have taken actual possession of the same by virtue of a lawful court order; and that Arlene has no cause of action against petitioners, hence the complaint should be dismissed.

When Arlene and Spouses Lee had rested their case, Prospero Bragais submitted his Answer to Arlene's petition wherein he admitted the material averments of Arlene's petition. He prayed that the complaint against him be dismissed.

On February 5, 1999, Provincial Adjudicator Virgil Alberto rendered a decision, the pertinent portion of which reads as follows:

x x x x

WHEREFORE, premises considered, finding that herein petitioner has not established her claim of tenancy relationship with respondent Prospero Bragais, judgment is hereby rendered **DISMISSING** the petition for lack of cause of action.

On April 8, 1999, Provincial Adjudicator Virgil Alberto denied Arlene's Motion for Reconsideration.

Arlene appealed the Provincial Adjudicator's decision with the DARAB and on April 23, 2002, it rendered a Decision, the pertinent portion of which reads:

After weighing the evidences on record, this Board holds that the tenancy relationship of herein litigants is substantially corroborated. Thus, Petitioner-Appellant is entitled to security of tenure which is not extinguished by the sale of the land worked by him (Davao Steel Corporation vs. Cabatuando, 10 SCRA 705).

WHEREFORE, premises considered, the appealed decision dated 5 February 1999 is hereby REVERSED and SET ASIDE. A new judgment is rendered declaring Petitioner-Appellant Arlene Bragais as de jure tenant on the subject landholding.³

Spouses Lee then filed with the Court of Appeals a Petition for *Certiorari* pursuant to Rule 43 assailing the DARAB Decision. The said petition was granted by the Court of Appeals. Hence, this appeal filed by Arlene and Prospero, which raises the following Assignment of Errors:

- I. THE HONORABLE COURT OF APPEALS COMMITTED REVERSIBLE ERROR OF LAW WHEN IT DISREGARDED

³ Id. at 33-45.

THE SUBSTANTIAL EVIDENCE RULE BY OVERTURNING
THE FINDINGS OF FACT OF [THE] DARAB

- II. THE HONORABLE COURT OF APPEALS GRAVELY ERRED IN DISREGARDING THE LEGAL EFFECT AND PROBATIVE VALUE OF A PUBLIC AND DULY NOTARIZED DOCUMENT THE EXECUTION OF WHICH IS NOT DISPUTED
- III. THE HONORABLE COURT OF APPEALS GRAVELY ERRED IN FINDING THAT THE PRESUMPTION OF LEGALITY AND REGULARITY OF A NOTARIAL ACT COULD BE DEFEATED BY MERE ALLEGATIONS OF IRREGULARITY
- IV. THE HONORABLE COURT OF APPEALS GRAVELY ERRED IN FINDING THAT THE VARIOUS RECEIPTS (ANNEXES G TO G-8, inclusive) WERE IRREGULARLY PREPARED THUS, CASTING DOUBT ON THE VERACITY AND AUTHENTICITY OF THE SAME
- V. THE HONORABLE COURT OF APPEALS GRAVELY ERRED IN FINDING THE SUBJECT LAND TO BE UNTENANTED DESPITE EVIDENCE TO THE CONTRARY
- VI. THE HONORABLE COURT OF APPEALS GRAVELY ERRED IN DECLARING THAT PETITIONER ARLENE IS NOT A *BONAFIDE* AGRICULTURAL LESSEE FOR FAILURE TO PROVE PERSONAL CULTIVATION⁴

At the outset it must be stressed that only questions of law may be raised before this Court under Rule 45. In *Heirs of Felicidad Vda. de De la Cruz v. Heirs of Pedro Fajardo*,⁵ we reiterated that:

A petition for review under Rule 45 of the Rules of Court should cover only questions of law. Questions of fact are not reviewable. A question of law exists when the doubt centers on what the law is on a certain set of facts. A question of fact exists when the doubt centers on the truth or falsity of the alleged facts.

There is a question of law if the issue raised is capable of being resolved without need of reviewing the probative value of the evidence. The issue to be resolved must be limited to determining what the law is on a certain set of facts. Once the issue invites a review of the evidence, the question posed is one of fact. (Citation omitted.)

⁴ Id. at 18-19.

⁵ G.R. No. 184966, May 30, 2011, 649 SCRA 463, 470, citing *Pagsibigan v. People*, 606 Phil. 233, 240-241 (2009).

While the first assignment of error attempts to adduce a “reversible error of law,” the instant petition seeks a review of the factual findings of the Court of Appeals. Particularly, the petitioners question the evaluation by the Court of Appeals of the evidence on record which led to its factual conclusion that no tenancy relationship existed between Arlene and Prospero.

On the first issue, petitioners contend that the Court of Appeals cannot make its own findings of fact and substitute the same for the findings of the DARAB that substantial evidence supports the existence of a tenancy relationship, and that it was error for the Court of Appeals to reject or trivialize the evidence presented by herein petitioners such as the contract of lease, various receipts of the landowners’ shares in the produce, and the affidavit of one Benjamin Fabi.

The second and third issues deal with the Court of Appeals’ evaluation of the credibility, weight or import of the contract of lease invoked by Arlene and Prospero.

The fourth issue assails the factual findings of the Court of Appeals regarding the indicia of irregularity in the said receipts of the share of the harvest delivered to Prospero.

The fifth and sixth issues concern the factual issue of actual possession and cultivation of the subject land by Arlene and the immediate members of her family.

In sum, the petition in this case raises only factual questions, which fall beyond the ambit of Rule 45 petitions. Verily, it is settled in jurisprudence that the question of whether a person is an agricultural tenant or not is basically a question of fact.⁶

Furthermore, we find no reversible error was committed by the Court of Appeals when it did not give credence to (a) the receipts of the share of the produce adduced by Arlene citing some irregularities in the said receipts; (b) the lease contract which was allegedly executed by Arlene and Prospero in 1990 but notarized only in 1994 by Arlene’s counsel; and (c) the alleged personal cultivation by Arlene.

The Court of Appeals’ decision cites with clarity and in minute detail the factual bases for its finding that Arlene failed to prove all the requisites

⁶ *Perez-Rosario v. Court of Appeals*, 526 Phil. 562, 575 (2006).

of a tenancy relationship with substantial evidence and for that reason, Arlene cannot redeem the subject property from respondents Spouses Lee. Thus, the Court of Appeals correctly reversed and set aside the DARAB Decision dated April 23, 2002 in DARAB Case No. 8852 and its reinstatement of the Decision dated February 5, 1999 of Provincial Adjudicator Virgil Alberto was proper.

WHEREFORE, the Court of Appeals' Decision dated November 18, 2005 and Resolution dated August 24, 2006 are **AFFIRMED** *in toto*.

SO ORDERED. *SERENO, C.J.*, on official travel; *DEL CASTILLO, J.*, acting member per S.O. No. 1862 dated November 4, 2014. *BERSAMIN, J.*, on official travel; *VELASCO, JR., J.*, acting member per S.O. No. 1870 dated November 4, 2014.

Very truly yours,


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