Republic of the Philippines
SUPREME COURT
Baguio City

EN BANC

HACIENDA LUISITA, INCORPORATED,

Petitioner,

LUISITA INDUSTRIAL PARK CORPORATION and RIZAL COMMERCIAL BANKING CORPORATION,

Petitioners-in-Intervention,

- versus -

PRESIDENTIAL AGRARIAN REFORM COUNCIL; SECRETARY NASSER PANGANDAMAN OF THE DEPARTMENT OF AGRARIAN REFORM; ALYANSA NG MGA MANGGAGAWANG BUKID NG HACIENDA LUISITA, RENE GALANG, NOEL MALLARI, and JULIO SUNIGA[1] and his SUPERVISORY GROUP OF THE HACIENDA LUISITA, INC. and WINDSOR ANDAYA,

Respondents.

G.R. No. 171101

Present:

CORONA, *C.J.*,

CARPIO,

VELASCO, JR.,

LEONARDO-DE CASTRO,

BRION,

PERALTA,

BERSAMIN,

DEL CASTILLO,

ABAD,

VILLARAMA, JR.,

PEREZ,

MENDOZA,

SERENO,

REYES, and

PERLAS-BERNABE, *JJ*.

Promulgated:

April 24, 2012

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R E S O L U T I O N

VELASCO, JR., *J.*:

Before the Court are the *Motion to Clarify and Reconsider Resolution of November 22, 2011* dated December 16, 2011 filed by petitioner Hacienda Luisita, Inc. (HLI) and the *Motion for Reconsideration/Clarification* dated December 9, 2011 filed by private respondents Noel Mallari, Julio Suniga, Supervisory Group of Hacienda Luisita, Inc. and Windsor Andaya (collectively referred to as "Mallari, et al.").

In Our July 5, 2011 Decision[2] in the above-captioned case, this Court denied the petition for review filed by HLI and affirmed the assailed Presidential Agrarian Reform Council (PARC) Resolution No. 2005-32-01 dated December 22, 2005 and PARC Resolution No. 2006-34-01 dated May 3, 2006 with the modification that the original 6,296 qualified farmworker-beneficiaries of Hacienda Luisita (FWBs) shall have the option to remain as stockholders of HLI.

Upon separate motions of the parties for reconsideration, the Court, by Resolution[3] of November 22, 2011, recalled and set aside the option thus granted to the original FWBs to remain as stockholders of HLI, while maintaining that all the benefits and homelots received by all the FWBs shall be respected with no obligation to refund or return them.

HLI invokes the following grounds in support of its instant *Motion to Clarify and Reconsider Resolution of November 22, 2011* dated December 16, 2011:

A

WITH DUE RESPECT, THE HONORABLE COURT ERRED IN RULING THAT IN DETERMINING THE JUST COMPENSATION, THE DATE OF "TAKING" IS NOVEMBER 21, 1989, WHEN PARC APPROVED HLI's SDP [STOCK DISPTRIBUTION PLAN] "IN VIEW OF THE FACT THAT THIS IS THE TIME THAT THE FWBs WERE CONSIDERED TO OWN AND POSSESS THE AGRICULTURAL LANDS IN HACIENDA LUISITA" BECAUSE:

(1) THE SDP IS PRECISELY A MODALITY WHICH THE AGRARIAN LAW GIVES THE LANDOWNER AS ALTERNATIVE TO COMPULSORY COVERAGE IN WHICH CASE, THEREFORE, THE FWBs CANNOT BE CONSIDERED AS OWNERS AND POSSESSORS OF THE AGRICULTURAL LANDS AT THE TIME THE SDP WAS APPROVED BY PARC;

(2) THE APPROVAL OF THE SDP CANNOT BE AKIN TO A NOTICE OF COVERAGE IN COMPULSORY COVERAGE OR ACQUISITION BECAUSE SDP AND COMPULSORY COVERAGE ARE TWO DIFFERENT MODALITIES WITH INDEPENDENT AND SEPARATE RULES AND MECHANISMS;

(3) THE NOTICE OF COVERAGE OF JANUARY 02, 2006 MAY, AT THE VERY LEAST, BE CONSIDERED AS THE TIME WHEN THE FWBs CAN BE CONSIDERED TO OWN AND POSSESS THE AGRICULTURAL LANDS OF HACIENDA LUISITA BECAUSE THAT IS THE ONLY TIME WHEN HACIENDA LUISITA WAS PLACED UNDER COMPULSORY ACQUISITION IN VIEW OF FAILURE OF HLI TO PERFORM CERTAIN OBLIGATIONS OF THE SDP, OR SDOA [STOCK DISTRIBUTION OPTION AGREEMENT];

(4) INDEED, THE IMMUTABLE RULE AND THE UNBENDING JURISPRUDENCE IS THAT "TAKING" TAKES PLACE WHEN THE OWNER IS

ACTUALLY DEPRIVED OR DISPOSSESSED OF HIS PROPERTY;

(5) TO INSIST THAT THE "TAKING" IS WHEN THE SDP WAS APPROVED BY PARC ON NOVEMBER 21, 1989 AND THAT THE SAME BE CONSIDERED AS THE RECKONING PERIOD TO DETERMINE THE JUST COMPENSATION IS DEPRIVATION OF LANDOWNER'S PROPERTY WITHOUT DUE PROCESS OF LAW;

(6) HLI SHOULD BE ENTITLED TO PAYMENT OF INTEREST ON THE JUST COMPENSATION.

B

WITH DUE RESPECT, THE HONORABLE COURT ERRED WHEN IT REVERSED ITS DECISION GIVING THE FWBs THE OPTION TO REMAIN AS HLI STOCKHOLDERS OR NOT, BECAUSE:

(1) IT IS AN EXERCISE OF A RIGHT OF THE FWB WHICH THE HONORABLE COURT HAS DECLARED IN ITS DECISION AND EVEN IN ITS RESOLUTION AND THAT HAS TO BE RESPECTED AND IMPLEMENTED;

(2) NEITHER THE CONSTITUTION NOR THE CARL [COMPREHENSIVE AGRARIAN REFORM LAW] REQUIRES THAT THE FWBs SHOULD HAVE CONTROL OVER THE AGRICULTURAL LANDS;

(3) THE OPTION HAS NOT BEEN SHOWN TO BE DETRIMENTAL BUT INSTEAD BENEFICIAL TO THE FWBs AS FOUND BY THE HONORABLE COURT.

C

WITH DUE RESPECT, THE HONORABLE COURT ERRED IN RULING THAT THE PROCEEDS FROM THE SALES OF THE 500-HECTARE CONVERTED LOT AND THE 80.51-HECTARE SCTEX CANNOT BE RETAINED BY HLI BUT RETURNED TO THE FWBs AS BY SUCH MANNER; HLI IS USING THE CORPORATION CODE TO AVOID ITS LIABILITY TO THE FWBs FOR THE PRICE IT RECEIVED FROM THE SALES, BECAUSE:

(1) THE PROCEEDS OF THE SALES BELONG TO THE CORPORATION AND NOT TO EITHER HLI/TADECO OR THE FWBs, BOTH OF WHICH ARE STOCKHOLDERS ENTITLED TO THE EARNINGS OF THE CORPORATION AND TO THE NET ASSETS UPON LIQUIDATION;

(2) TO ALLOW THE RETURN OF THE PROCEEDS OF THE SALES TO FWBs IS TO IMPOSE ALL LIABILITIES OF THE CORPORATION ON HLI/TADECO WHICH IS UNFAIR AND VIOLATIVE OF THE CORPORATION CODE.

Mallari, et al. similarly put forth the following issues in its *Motion for*

Reconsideration/Clarification dated December 9, 2011:

> I
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> REPUBLIC ACT NO. 6657 [RA 6657] OR THE COMPREHENSIVE AGRARIAN REFORM LAW [CARL] DOES NOT PROVIDE THAT THE FWBs WHO OPT FOR STOCK DISTRIBUTION OPTION SHOULD RETAIN MAJORITY SHAREHOLDING OF THE COMPANY TO WHICH THE AGRICULTURAL LAND WAS GIVEN.
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> II
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> IF THE NOVEMBER 22, 2011 DECISION OF THIS HONORABLE COURT ORDERING LAND DISTRIBUTION WOULD BE FOLLOWED, THIS WOULD CAUSE MORE HARM THAN GOOD TO THE LIVES OF THOSE PEOPLE LIVING IN THE HACIENDA, AND MORE PARTICULARLY TO THE WELFARE OF THE FWBs.
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> III
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> ON THE CONCLUSION BY THIS HONORABLE COURT THAT THE OPERATIVE FACT DOCTRINE IS APPLICABLE TO THE CASE AT BAR, THEN FWBs WHO MERELY RELIED ON THE PARC APPROVAL SHOULD NOT BE PREJUDICED BY ITS SUBSEQUENT NULLIFICATION.
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> IV
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> THOSE WHO CHOOSE LAND SHOULD RETURN WHATEVER THEY GOT FROM THE SDOA [STOCK DISTRIBUTION OPTION AGREEMENT] AND TURN OVER THE SAME TO HLI FOR USE IN THE OPERATIONS OF THE COMPANY, WHICH IN TURN WILL REDOUND TO THE BENEFIT OF THOSE WHO WILL OPT TO STAY WITH THE SDO.
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> V
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> FOR THOSE WHO CHOOSE LAND, THE TIME OF TAKING FOR PURPOSES OF JUST COMPENSATION SHOULD BE AT THE TIME HLI WAS DISPOSSESSED OF CONTROL OVER THE PROPERTY, AND THAT PAYMENT BY [THE GOVERNMENT] OF THE LAND SHOULD BE TURNED OVER TO HLI FOR THE BENEFIT AND USE OF THE COMPANY'S OPERATIONS THAT WILL, IN TURN, REDOUND TO THE BENEFIT OF FWBs WHO WILL OPT TO STAY WITH THE COMPANY.

Basically, the issues raised by HLI and Mallari, et al. boil down to the following: (1) determination of the date of "taking"; (2) propriety of the revocation of the option on the part of the original FWBs to remain as stockholders of HLI; (3) propriety of distributing to the qualified FWBs the proceeds from the sale of the converted land and of the 80.51-hectare Subic-Clark-Tarlac Expressway (SCTEX) land; and (4) just

compensation for the homelots given to the FWBs.

Payment of just compensation

HLI contends that since the SDP is a modality which the agrarian reform law gives the landowner as alternative to compulsory coverage, then the FWBs cannot be considered as owners and possessors of the agricultural lands of Hacienda Luisita at the time the SDP was approved by PARC.[4] It further claims that the approval of the SDP is not akin to a Notice of Coverage in compulsory coverage situations because stock distribution option and compulsory acquisition are two (2) different modalities with independent and separate rules and mechanisms. Concomitantly, HLI maintains that the Notice of Coverage issued on January 2, 2006 may, at the very least, be considered as the date of "taking" as this was the only time that the agricultural lands of Hacienda Luisita were placed under compulsory acquisition in view of its failure to perform certain obligations under the SDP.[5]

Mallari, et al. are of a similar view. They contend that Tarlac Development Corporation (Tadeco), having as it were majority control over HLI, was never deprived of the use and benefit of the agricultural lands of Hacienda Luisita. Upon this premise, Mallari, et al. claim the "date of taking" could not be at the time of the approval of the SDP.[6]

A view has also been advanced that the date of the "taking" should be left to the determination of the Department of Agrarian Reform (DAR) in conjunction with its authority to preliminarily determine the just compensation for the land made subject of CARP.

Alyansa ng mga Manggagawang Bukid sa Hacienda Luisita (AMBALA), in its *Comment/Opposition (to the Motion to Clarify and Reconsider Resolution of November 22, 2011)* dated January 30, 2012, on the other hand, alleges that HLI should not be paid just compensation altogether.[7] It argues that when the Court of Appeals (CA) dismissed the case[8] the government of then President Ferdinand E. Marcos initially instituted and won against Tadeco, the CA allegedly imposed as a condition for its dismissal of the action that should the stock distribution program fail, the lands should be distributed to the FWBs, with Tadeco receiving by way of compensation only the amount of PhP 3,988,000.[9]

AMBALA further contends that if HLI or Tadeco is, at all, entitled to just compensation, the "taking" should be reckoned as of November 21, 1989, the date when the SDP was approved, and the amount of compensation should be PhP 40,000 per hectare as this was the same value declared in 1989 by Tadeco to ensure that the FWBs will not control the majority stockholdings in HLI.[10]

At the outset, it should be noted that Section 2, Rule 52 of the Rules of Court states, "No second motion for reconsideration of a judgment or final resolution by the same party shall be entertained." A second motion for reconsideration, as a rule, is prohibited for being a mere reiteration of the issues assigned and the arguments raised by the parties.[11]

In the instant case, the issue on just compensation and the grounds HLI and Mallari, et al. rely upon in support of their respective stance on the matter had been previously raised by them in their first motion for reconsideration and fully passed upon by the Court in its November 22, 2011 Resolution. The similarities in the issues then and now presented and the grounds invoked are at once easily discernible from a perusal of

the November 22, 2011 Resolution, the pertinent portions of which read:

> In Our July 5, 2011 Decision, We stated that "HLI shall be paid just compensation for the remaining agricultural land that will be transferred to DAR for land distribution to the FWBs." We also ruled that the date of the "taking" is November 21, 1989, when PARC approved HLI's SDP per PARC Resolution No. 89-12-2.
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> In its *Motion for Clarification and Partial Reconsideration*, HLI disagrees with the foregoing ruling and contends that the "taking" should be reckoned from finality of the Decision of this Court, or at the very least, the reckoning period may be tacked to January 2, 2006, the date when the Notice of Coverage was issued by the DAR pursuant to PARC Resolution No. 2006-34-01 recalling/revoking the approval of the SDP.
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> For their part, Mallari, et al. argue that the valuation of the land cannot be based on November 21, 1989, the date of approval of the SDP. Instead, they aver that the date of "taking" for valuation purposes is a factual issue best left to the determination of the trial courts.
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> At the other end of the spectrum, AMBALA alleges that HLI should no longer be paid just compensation for the agricultural land that will be distributed to the FWBs, since the Manila Regional Trial Court (RTC) already rendered a decision ordering the Cojuangcos to transfer the control of Hacienda Luisita to the Ministry of Agrarian Reform, which will distribute the land to small farmers after compensating the landowners P3.988 million. In the event, however, that this Court will rule that HLI is indeed entitled to compensation, AMBALA contends that it should be pegged at forty thousand pesos (PhP 40,000) per hectare, since this was the same value that Tadeco declared in 1989 to make sure that the farmers will not own the majority of its stocks.
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> Despite the above propositions, We maintain that the date of "taking" is November 21, 1989, the date when PARC approved HLI's SDP per PARC Resolution No. 89-12-2, in view of the fact that this is the time that the FWBs were considered to own and possess the agricultural lands in Hacienda Luisita. To be precise, these lands became subject of the agrarian reform coverage through the stock distribution scheme only upon the approval of the SDP, that is, November 21, 1989. Thus, such approval is akin to a notice of coverage ordinarily issued under compulsory acquisition. Further, any doubt should be resolved in favor of the FWBs. As this Court held in *Perez-Rosario v. CA*:
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> > It is an established social and economic fact that the escalation of poverty is the driving force behind the political disturbances that have in the past compromised the peace and security of the people as well as the continuity of the national order. To subdue these acute disturbances, the legislature over the course of the history of the nation passed a series of laws calculated to accelerate agrarian reform, ultimately to raise the material standards of living and eliminate discontent. Agrarian reform is a perceived solution to social instability. The edicts of social justice found in the Constitution and the public policies that underwrite them, the extraordinary national experience, and the prevailing

> national consciousness, all command the great departments of government to tilt the balance in favor of the poor and underprivileged whenever reasonable doubt arises in the interpretation of the law. But annexed to the great and sacred charge of protecting the weak is the diametric function to put every effort to arrive at an equitable solution for all parties concerned: the jural postulates of social justice cannot shield illegal acts, nor do they sanction false sympathy towards a certain class, nor yet should they deny justice to the landowner whenever truth and justice happen to be on her side. In the occupation of the legal questions in all agrarian disputes whose outcomes can significantly affect societal harmony, the considerations of social advantage must be weighed, an inquiry into the prevailing social interests is necessary in the adjustment of conflicting demands and expectations of the people, and the social interdependence of these interests, recognized. (Emphasis and citations omitted.)

Considering that the issue on just compensation has already been passed upon and denied by the Court in its November 22, 2011 Resolution, a subsequent motion touching on the same issue undeniably partakes of a second motion for reconsideration, hence, a prohibited pleading, and as such, the motion or plea must be denied. Sec. 3 of Rule 15 of the Internal Rules of the Supreme Court is clear:

> SEC. 3. *Second motion for reconsideration.* – The Court shall not entertain a second motion for reconsideration, and any exception to this rule can only be granted in the higher interest of justice by the Court *en banc* upon a vote of at least two-thirds of its actual membership. There is reconsideration "in the higher interest of justice" when the assailed decision is not only legally erroneous, but is likewise patently unjust and potentially capable of causing unwarranted and irremediable injury or damage to the parties. A second motion for reconsideration can only be entertained before the ruling sought to be reconsidered becomes final by operation of law or by the Court's declaration.
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> In the Division, a vote of three Members shall be required to elevate a second motion for reconsideration to the Court *En Banc*.

Nonetheless, even if we entertain said motion and examine the arguments raised by HLI and Mallari, et al. one last time, the result will be the same.

Sec. 4, Article XIII of the 1987 Constitution expressly provides that the taking of land for use in the agrarian reform program of the government is conditioned on the

payment of just compensation. As stated:

> Section 4. The State shall, by law, undertake an agrarian reform program founded on the right of farmers and regular farm workers, who are landless, to own directly or collectively the lands they till or, in the case of other farm workers, to receive a just share of the fruits thereof. To this end, the State shall encourage and undertake the just distribution of all agricultural lands, subject to such priorities and reasonable retention limits as the Congress may prescribe, taking into account ecological, developmental, or equity considerations, and **subject to the payment of just compensation**. (Emphasis supplied.)

Just compensation has been defined as "the full and fair equivalent of the property taken from its owner by the expropriator."[12] The measure is not the taker's gain, but the owner's loss.[13] In determining just compensation, the price or value of the property at the time it was taken from the owner and appropriated by the government shall be the basis. If the government takes possession of the land before the institution of expropriation proceedings, the value should be fixed as of the time of the taking of said possession, not of the filing of the complaint.[14]

In *Land Bank of the Philippines v. Livioco*, the Court held that "the 'time of taking' is the time when the landowner was deprived of the use and benefit of his property, such as when title is transferred to the Republic."[15] It should be noted, however, that "taking" does not only take place upon the issuance of title either in the name of the Republic or the beneficiaries of the Comprehensive Agrarian Reform Program (CARP). "Taking" also occurs when agricultural lands are voluntarily offered by a landowner and approved by PARC for CARP coverage through the stock distribution scheme, as in the instant case. Thus, HLI's submitting its SDP for approval is an acknowledgment on its part that the agricultural lands of Hacienda Luisita are covered by CARP. However, it was the PARC approval which should be considered as the effective date of "taking" as it was only during this time that the government officially confirmed the CARP coverage of these lands.

Indeed, stock distribution option and compulsory land acquisition are two (2) different modalities under the agrarian reform program. Nonetheless, both share the same end goal, that is, to have "a more equitable distribution and ownership of land, with due regard to the rights of landowners to just compensation."[16]

The fact that Sec. 31 of Republic Act No. 6657 (RA 6657) gives corporate landowners the option to give qualified beneficiaries the right to avail of a stock distribution or, in the phraseology of the law, "the right to purchase such proportion of the capital stock of the corporation that the agricultural land, actually devoted to agricultural activities, bears in relation to the company's total assets," does not detract from the avowed policy of the agrarian reform law of equitably distributing ownership of land. The difference lies in the fact that instead of actually distributing the agricultural lands to the farmer-beneficiaries, these lands are held by the corporation as part of the capital contribution of the farmer-beneficiaries, not of the landowners, under the stock distribution scheme. The end goal of equitably distributing ownership of land is, therefore, undeniable. And since it is only upon the approval of the SDP that the agricultural lands actually came under CARP coverage, such approval operates and takes the place of a notice of coverage ordinarily issued under compulsory acquisition.

Moreover, precisely because due regard is given to the rights of landowners to just compensation, the law on stock distribution option acknowledges that landowners can require payment for the shares of stock corresponding to the value of the agricultural lands in relation to the outstanding capital stock of the corporation.

Although Tadeco did not require compensation for the shares of stock corresponding to the value of the agricultural lands in relation to the outstanding capital

stock of HLI, its inability to receive compensation cannot be attributed to the government. The second paragraph of Sec. 31 of RA 6657 explicitly states that "[u]pon certification by DAR, corporations owning agricultural lands may give their qualified beneficiaries **the right to purchase** such proportion of the capital stock of the corporation that the agricultural land, actually devoted to agricultural activities, bears in relation to the company's total assets, under such terms and conditions as may be agreed upon by them. x x x"[17] On the basis of this statutory provision, Tadeco could have exacted payment for such shares of stock corresponding to the value of the agricultural lands of Hacienda Luisita in relation to the outstanding capital stock of HLI, but it did not do so.

What is notable, however, is that the divestment by Tadeco of the agricultural lands of Hacienda Luisita and the giving of the shares of stock for free is nothing but an enticement or incentive for the FWBs to agree with the stock distribution option scheme and not further push for land distribution. And the stubborn fact is that the "man days" scheme of HLI impelled the FWBs to work in the hacienda in exchange for such shares of stock.

Notwithstanding the foregoing considerations, the suggestion that there is "taking" only when the landowner is deprived of the use and benefit of his property is not incompatible with Our conclusion that "taking" took place on November 21, 1989. As mentioned in Our July 5, 2011 Decision, even from the start, the stock distribution scheme appeared to be Tadeco's preferred option in complying with the CARP when it organized HLI as its spin-off corporation in order to facilitate stock acquisition by the FWBs. For this purpose, Tadeco assigned and conveyed to HLI the agricultural lands of Hacienda Luisita, set at 4,915.75 hectares, among others. These agricultural lands constituted as the capital contribution of the FWBs in HLI. In effect, Tadeco deprived itself of the ownership over these lands when it transferred the same to HLI.

While it is true that Tadeco has majority control over HLI, the Court cannot subscribe to the view Mallari, et al. espouse that, on the basis of such majority stockholding, Tadeco was never deprived of the use and benefit of the agricultural lands of Hacienda Luisita it divested itself in favor of HLI.

It bears stressing that "[o]wnership is defined as a relation in law by virtue of which a thing pertaining to one person is completely subjected to his will in everything not prohibited by law or the concurrence with the rights of another."[18] The attributes of ownership are: *jus utendi* or the right to possess and enjoy, *jus fruendi* or the right to the fruits, *jus abutendi* or the right to abuse or consume, *jus disponendi* or the right to dispose or alienate, and *jus vindicandi* or the right to recover or vindicate.[19]

When the agricultural lands of Hacienda Luisita were transferred by Tadeco to HLI in order to comply with CARP through the stock distribution option scheme, sealed with the imprimatur of PARC under PARC Resolution No. 89-12-2 dated November 21, 1989, Tadeco was consequently dispossessed of the afore-mentioned attributes of ownership. Notably, Tadeco and HLI are two different entities with separate and distinct legal personalities. Ownership by one cannot be considered as ownership by the other.

Corollarily, it is the official act by the government, that is, the PARC's approval of the SDP, which should be considered as the reckoning point for the "taking" of the agricultural lands of Hacienda Luisita. Although the transfer of ownership over the agricultural lands was made prior to the SDP's approval, it is this Court's consistent view that these lands officially became subject of the agrarian reform coverage through the stock distribution scheme only upon the approval of the SDP. And as We have mentioned in Our November 22, 2011 Resolution, such approval is akin to a notice of

coverage ordinarily issued under compulsory acquisition.

Further, if We adhere to HLI's view that the Notice of Coverage issued on January 2, 2006 should, at the very least, be considered as the date of "taking" as this was the only time that the agricultural portion of the hacienda was placed under compulsory acquisition in view of HLI's failure to perform certain obligations under the SDP, this Court would, in effect, be penalizing the qualified FWBs twice for acceding to the adoption of the stock distribution scheme: *first*, by depriving the qualified FWBs of the agricultural lands that they should have gotten early on were it not for the adoption of the stock distribution scheme of which they only became minority stockholders; and *second*, by making them pay higher amortizations for the agricultural lands that should have been given to them decades ago at a much lower cost were it not for the landowner's initiative of adopting the stock distribution scheme "for free."

Reiterating what We already mentioned in Our November 22, 2011 Resolution, "[e]ven if it is the government which will pay the just compensation to HLI, this will also affect the FWBs as they will be paying higher amortizations to the government if the 'taking' will be considered to have taken place only on January 2, 2006." As aptly observed by Justice Leonardo-De Castro in her Concurring Opinion, "this will put the land beyond the capacity of the [FWBs] to pay," which this Court should not countenance.

Considering the above findings, it cannot be gainsaid that effective "taking" took place in the case at bar upon the approval of the SDP, that is, on November 21, 1989.

HLI postulates that just compensation is a question of fact that should be left to the determination by the DAR, Land Bank of the Philippines (LBP) or even the special

agrarian court (SAC).[20] As a matter of fact, the Court, in its November 22, 2011 Resolution, dispositively ordered the DAR and the LBP to determine the compensation due to HLI. And as indicated in the body of said Resolution:

> The foregoing notwithstanding, it bears stressing that the DAR's land valuation is only preliminary and is not, by any means, final and conclusive upon the landowner. The landowner can file an original action with the RTC acting as a special agrarian court to determine just compensation. The court has the right to review with finality the determination in the exercise of what is admittedly a judicial function.

As regards the issue on when "taking" occurred with respect to the agricultural lands in question, We, however, maintain that this Court can rule, as it has in fact already ruled on its reckoning date, that is, November 21, 1989, the date of issuance of PARC Resolution No. 89-12-2, based on the above-mentioned disquisitions. The investment on SACs of original and exclusive jurisdiction over all petitions for the determination of just compensation to landowners[21] will not preclude the Court from ruling upon a matter that may already be resolved based on the records before Us. By analogy, Our ruling in *Heirs of Dr. Jose Deleste v. LBP* is applicable:

> Indeed, it is the Office of the DAR Secretary which is vested with the primary and exclusive jurisdiction over all matters involving the implementation of the agrarian reform program. **However, this will not prevent the Court from assuming jurisdiction over the petition considering that the issues raised in it may already be resolved on the basis of the records before Us. Besides, to allow the matter to remain with the Office of the DAR Secretary would only cause unnecessary delay and undue hardship on the parties.** Applicable, by analogy, is Our ruling in the recent *Bagong Pagkakaisa ng Manggagawa ng Triumph International v. Department of Labor and Employment Secretary*, where We held:
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> > But as the CA did, we similarly recognize that undue hardship, to the point of injustice, would result if a remand would be ordered under a situation where we are in the position to resolve the case based on the records before us. As we said in *Roman Catholic Archbishop of Manila v. Court of Appeals*:
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> > [w]e have laid down the rule that the remand of the case to the lower court for further reception of evidence is not necessary where the Court is in a position to resolve the dispute based on the records before it. On many occasions, the Court, in the public interest and for the expeditious administration of justice, has resolved actions on the merits instead of remanding them to the

> trial court for further proceedings, such as where the ends of justice, would not be subserved by the remand of the case.[22] (Emphasis supplied; citations omitted.)

Even though the compensation due to HLI will still be preliminarily determined by DAR and LBP, subject to review by the RTC acting as a SAC, the fact that the reckoning point of "taking" is already fixed at a certain date should already hasten the proceedings and not further cause undue hardship on the parties, especially the qualified FWBs.

By a vote of 8-6, the Court affirmed its ruling that the date of "taking" in determining just compensation is November 21, 1989 when PARC approved HLI's stock option plan.

As regards the issue of interest on just compensation, We also leave this matter to the DAR and the LBP, subject to review by the RTC acting as a SAC.

Option will not ensure
control over agricultural lands

In Our November 22, 2011 Resolution, this Court held:

> After having discussed and considered the different contentions raised by the parties in their respective motions, We are now left to contend with one crucial issue in the case at bar, that is, control over the agricultural lands by the qualified FWBs.
>
> Upon a review of the facts and circumstances, We realize that the FWBs will never have control over these agricultural lands for as long as they remain as stockholders of HLI. In Our July 5, 2011 Decision, this Court made the following observations:
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> > There is, thus, nothing unconstitutional in the formula prescribed by RA 6657. **The policy on agrarian reform is that control over the agricultural land must always be in the hands of the farmers.** Then it falls on the

> shoulders of DAR and PARC to see to it the farmers should always own majority of the common shares entitled to elect the members of the board of directors to ensure that the farmers will have a clear majority in the board. Before the SDP is approved, strict scrutiny of the proposed SDP must always be undertaken by the DAR and PARC, such that the value of the agricultural land contributed to the corporation must always be more than 50% of the total assets of the corporation to ensure that the majority of the members of the board of directors are composed of the farmers. The PARC composed of the President of the Philippines and cabinet secretaries must see to it that control over the board of directors rests with the farmers by rejecting the inclusion of non-agricultural assets which will yield the majority in the board of directors to non-farmers. Any deviation, however, by PARC or DAR from the correct application of the formula prescribed by the second paragraph of Sec. 31 of RA 6675 does not make said provision constitutionally infirm. Rather, it is the application of said provision that can be challenged. Ergo, Sec. 31 of RA 6657 does not trench on the constitutional policy of ensuring control by the farmers.

In line with Our finding that control over agricultural lands must always be in the hands of the farmers, We reconsider our ruling that the qualified FWBs should be given an option to remain as stockholders of HLI, inasmuch as these qualified FWBs will never gain control given the present proportion of shareholdings in HLI.

A revisit of HLI's Proposal for Stock Distribution under CARP and the Stock Distribution Option Agreement (SDOA) upon which the proposal was based reveals that the total assets of HLI is PhP 590,554,220, while the value of the 4,915.7466 hectares is PhP 196,630,000. Consequently, the share of the farmer-beneficiaries in the HLI capital stock is 33.296% (196,630,000 divided by 590,554.220); 118,391,976.85 HLI shares represent 33.296%. Thus, even if all the holders of the 118,391,976.85 HLI shares unanimously vote to remain as HLI stockholders, which is unlikely, control will never be placed in the hands of the farmer-beneficiaries. Control, of course, means the majority of 50% plus at least one share of the common shares and other voting shares. Applying the formula to the HLI stockholdings, the number of shares that will constitute the majority is 295,112,101 shares (590,554,220 divided by 2 plus one [1] HLI share). The 118,391,976.85 shares subject to the SDP approved by PARC substantially fall short of the 295,112,101 shares needed by the FWBs to acquire control over HLI. Hence, control can NEVER be attained by the FWBs. There is even no assurance that 100% of the 118,391,976.85 shares issued to the FWBs will all be voted in favor of staying in HLI, taking into account the previous referendum among the farmers where said shares were not voted unanimously in favor of retaining the SDP. In light of the foregoing consideration, the option to remain in HLI granted to the individual FWBs will have to be recalled and revoked.

Moreover, bearing in mind that with the revocation of the approval of the SDP, HLI will no longer be operating under SDP and will only be treated as an ordinary private corporation; the FWBs who remain as stockholders of HLI will be treated as ordinary stockholders and will no longer be under the protective mantle of RA 6657. (Emphasis in the original.)

HLI, however, takes exception to the above-mentioned ruling and contends that "[t]here is nothing in the Constitution nor in the agrarian laws which require that control over the agricultural lands must always be in the hands of the farmers."[23] Moreover, both HLI and Mallari, et al. claim that the option given to the qualified FWBs to remain as stockholders of HLI is neither iniquitous nor prejudicial to the FWBs.[24]

The Court agrees that the option given to the qualified FWBs whether to remain as stockholders of HLI or opt for land distribution is neither iniquitous nor prejudicial to the FWBs. Nonetheless, the Court is not unmindful of the policy on agrarian reform that control over the agricultural land must always be in the hands of the farmers. Contrary to the stance of HLI, both the Constitution and RA 6657 intended the farmers, individually or collectively, to have control over the agricultural lands of HLI; otherwise, all these rhetoric about agrarian reform will be rendered for naught. Sec. 4, Art. XIII of the 1987 Constitution provides:

> Section 4. The State shall, by law, undertake an agrarian reform program founded on **the right of farmers and regular farmworkers who are landless, to own directly or collectively the lands they till** or, in the case of other farmworkers, to receive a just share of the fruits thereof. To this end, the State shall encourage and undertake the just distribution of all agricultural lands, subject to such priorities and reasonable retention limits as the Congress may prescribe, taking into account ecological, developmental, or equity considerations, and subject to the payment of just compensation. In determining retention limits, the State shall respect the right of small landowners. The State shall further provide incentives for voluntary land-sharing. (Emphasis supplied.)

Pursuant to and as a mechanism to carry out the above-mentioned constitutional directive, RA 6657 was enacted. In consonance with the constitutional policy on agrarian reform, Sec. 2 of RA 6657 also states:

> SECTION 2. *Declaration of Principles and Policies*. - It is the policy of the State to pursue a Comprehensive Agrarian Reform Program (CARP). The welfare of the landless farmers and farm workers will receive the highest consideration to promote

social justice and to move the nation towards sound rural development and industrialization, and the establishment of owner cultivatorship of economic-sized farms as the basis of Philippine agriculture.

To this end, a more equitable distribution and ownership of land, with due regard to the rights of landowners to just compensation and to the ecological needs of the nation, shall be undertaken to provide farmers and farm workers with the opportunity to enhance their dignity and improve the quality of their lives through greater productivity of agricultural lands.

The agrarian reform program is founded on the right of farmers and regular farm workers, who are landless, to own directly or collectively the lands they till or, in the case of other farm workers, to receive a share of the fruits thereof. To this end, the State shall encourage the just distribution of all agricultural lands, subject to the priorities and retention limits set forth in this Act, having taken into account ecological, developmental, and equity considerations, and subject to the payment of just compensation. The State shall respect the right of small landowners and shall provide incentives for voluntary land-sharing.

The State shall recognize the right of farmers, farm workers and landowners, as well as cooperatives and other independent farmers' organization, to participate in the planning, organization, and management of the program, and shall provide support to agriculture through appropriate technology and research, and adequate financial, production, marketing and other support services.

The State shall apply the principles of agrarian reform or stewardship, whenever applicable, in accordance with law, in the disposition or utilization of other natural resources, including lands of the public domain, under lease or concession, suitable to agriculture, subject to prior rights, homestead rights of small settlers and the rights of indigenous communities to their ancestral lands.

The State may resettle landless farmers and farm workers in its own agricultural estates, which shall be distributed to them in the manner provided by law.

By means of appropriate incentives, the State shall encourage the formation and maintenance of economic-sized family farms to be constituted by individual beneficiaries and small landowners.

The State shall protect the rights of subsistence fishermen, especially of local communities, to the preferential use of communal marine and fishing resources, both inland and offshore. It shall provide support to such fishermen through appropriate technology and research, adequate financial, production and marketing assistance and other services, The State shall also protect, develop and conserve such resources. The protection shall extend to offshore fishing grounds of subsistence fishermen against foreign intrusion. Fishworkers shall receive a just share from their labor in the utilization of marine and fishing resources.

The State shall be guided by the principles that land has a social function and

land ownership has a social responsibility. Owners of agricultural land have the obligation to cultivate directly or through labor administration the lands they own and thereby make the land productive.

The State shall provide incentives to landowners to invest the proceeds of the agrarian reform program to promote industrialization, employment and privatization of public sector enterprises. Financial instruments used as payment for lands shall contain features that shall enhance negotiability and acceptability in the marketplace.

The State may lease undeveloped lands of the public domain to qualified entities for the development of capital-intensive farms, traditional and pioneering crops especially those for exports subject to the prior rights of the beneficiaries under this Act. (Emphasis supplied.)

Based on the above-quoted provisions, the notion of farmers and regular farmworkers having the right to own directly or collectively the lands they till is abundantly clear. We have extensively discussed this ideal in Our July 5, 2011 Decision:

The wording of the provision is unequivocal — the farmers and regular farmworkers have a right TO OWN DIRECTLY OR COLLECTIVELY THE LANDS THEY TILL. The basic law allows two (2) modes of land distribution—direct and indirect ownership. Direct transfer to individual farmers is the most commonly used method by DAR and widely accepted. Indirect transfer through collective ownership of the agricultural land is the alternative to direct ownership of agricultural land by individual farmers. The aforequoted Sec. 4 EXPRESSLY authorizes collective ownership by farmers. No language can be found in the 1987 Constitution that disqualifies or prohibits corporations or cooperatives of farmers from being the legal entity through which collective ownership can be exercised. The word 'collective' is defined as 'indicating a number of persons or things considered as constituting one group or aggregate,' while 'collectively' is defined as 'in a collective sense or manner; in a mass or body.' By using the word 'collectively,' the Constitution allows for indirect ownership of land and not just outright agricultural land transfer. This is in recognition of the fact that land reform may become successful even if it is done through the medium of juridical entities composed of farmers.

Collective ownership is permitted in two (2) provisions of RA 6657. Its Sec. 29 allows workers' cooperatives or associations to collectively own the land, while the second paragraph of Sec. 31 allows corporations or associations to own agricultural land with the farmers becoming stockholders or members. Said provisions read:

SEC. 29. *Farms owned or operated by corporations or other business associations*.—In the case of farms owned or operated by corporations or other business associations, the following rules shall be observed by the PARC.

In general, lands shall be distributed directly to the individual worker-beneficiaries.

In case it is not economically feasible and sound to divide the land, then **it shall be owned collectively by the worker beneficiaries who shall form a workers' cooperative or association** which will deal with the corporation or business association. x x x

SEC. 31. *Corporate Landowners*.— x x x

x x x x

Upon certification by the DAR, **corporations** owning agricultural lands may give their qualified beneficiaries the right to purchase such proportion of the capital stock of the **corporation** that the agricultural land, actually devoted to agricultural activities, bears in relation to the company's total assets, under such terms and conditions as may be agreed upon by them. In no case shall the compensation received by the workers at the time the shares of stocks are distributed be reduced. The same principle shall be applied to **associations**, with respect to their equity or participation. x x x

Clearly, workers' cooperatives or associations under Sec. 29 of RA 6657 and corporations or associations under the succeeding Sec. 31, as differentiated from individual farmers, are authorized vehicles for the collective ownership of agricultural land. Cooperatives can be registered with the Cooperative Development Authority and acquire legal personality of their own, while corporations are juridical persons under the Corporation Code. Thus, Sec. 31 is constitutional as it simply implements Sec. 4 of Art. XIII of the Constitution that land can be owned COLLECTIVELY by farmers. Even the framers of the l987 Constitution are in unison with respect to the two (2) modes of ownership of agricultural lands tilled by farmers—DIRECT and COLLECTIVE, thus:

MR. NOLLEDO. And when we talk of the phrase 'to own **directly**,' we mean the principle of **direct ownership by the tiller**?

MR. MONSOD. Yes.

MR. NOLLEDO. And when we talk of '**collectively**,' we mean communal ownership, stewardship or State ownership?

MS. NIEVA. In this section, we conceive of cooperatives; **that is farmers' cooperatives owning the land**, not the State.
MR. NOLLEDO. And when we talk of '**collectively**,' referring to farmers' cooperatives, do the farmers own specific areas of land where they only unite in their efforts?

MS. NIEVA. That is one way.

MR. NOLLEDO. Because I understand that there are two basic systems involved: the 'moshave' type of agriculture and the 'kibbutz.' So are both

contemplated in the report?

MR. TADEO. **Ang dalawa kasing pamamaraan ng pagpapatupad ng tunay na reporma sa lupa ay ang pagmamay-ari ng lupa na hahatiin sa individual na pagmamay-ari – directly – at ang tinatawag na sama-samang gagawin ng mga magbubukid.** Tulad sa Negros, ang gusto ng mga magbubukid ay gawin nila itong 'cooperative or collective farm.' Ang ibig sabihin ay **sama-sama** nilang sasakahin.

x x x x

MR. TINGSON. x x x When we speak here of 'to own directly or collectively the lands they till,' is this land for the tillers rather than land for the landless? Before, we used to hear 'land for the landless,' but now the slogan is 'land for the tillers.' Is that right?

MR. TADEO. Ang prinsipyong umiiral dito ay iyong land for the tillers. **Ang ibig sabihin ng 'directly' ay tulad sa implementasyon sa rice and corn lands kung saan inaari na ng mga magsasaka ang lupang binubungkal nila. Ang ibig sabihin naman ng 'collectively' ay sama-samang paggawa sa isang lupain o isang bukid**, katulad ng sitwasyon sa Negros.

As Commissioner Tadeo explained, the farmers will work on the agricultural land 'sama-sama' or collectively. Thus, the main requisite for collective ownership of land is collective or group work by farmers of the agricultural land. Irrespective of whether the landowner is a cooperative, association or corporation composed of farmers, as long as concerted group work by the farmers on the land is present, then it falls within the ambit of collective ownership scheme. (Emphasis in the original; underscoring supplied.)

As aforequoted, there is collective ownership as long as there is a concerted group work by the farmers on the land, regardless of whether the landowner is a cooperative, association or corporation composed of farmers. However, this definition of collective ownership should be read in light of the clear policy of the law on agrarian reform, which is to emancipate the tiller from the bondage of the soil and empower the common people. Worth noting too is its noble goal of rectifying "the acute imbalance in the distribution of this precious resource among our people."[25] Accordingly, HLI's insistent view that control need not be in the hands of the farmers translates to allowing it to run roughshod against the very reason for the enactment of agrarian reform laws and leave the farmers in their shackles with sheer lip service to look forward to.

Notably, it has been this Court's consistent stand that control over the agricultural land must always be in the hands of the farmers. As We wrote in Our July 5, 2011 Decision:

> There is, thus, nothing unconstitutional in the formula prescribed by RA 6657. **The policy on agrarian reform is that control over the agricultural land must always be in the hands of the farmers.** Then it falls on the shoulders of DAR and PARC to see to it the farmers should always own majority of the common shares entitled to elect the members of the board of directors to ensure that the farmers will have a clear majority in the board. Before the SDP is approved, strict scrutiny of the proposed SDP must always be undertaken by the DAR and PARC, such that the value of the agricultural land contributed to the corporation must always be more than 50% of the total assets of the corporation to ensure that the majority of the members of the board of directors are composed of the farmers**. The PARC composed of the President of the Philippines and cabinet secretaries must see to it that control over the board of directors rests with the farmers by rejecting the inclusion of non-agricultural assets which will yield the majority in the board of directors to non-farmers. Any deviation, however, by PARC or DAR from the correct application of the formula prescribed by the second paragraph of Sec. 31 of RA 6675 does not make said provision constitutionally infirm. Rather, it is the application of said provision that can be challenged.** Ergo, Sec. 31 of RA 6657 does not trench on the constitutional policy of ensuring control by the farmers. (Emphasis supplied.)

There is an aphorism that "what has been done can no longer be undone." That may be true, but not in this case. The SDP was approved by PARC even if the qualified FWBs did not and will not have majority stockholdings in HLI, contrary to the obvious policy by the government on agrarian reform. Such an adverse situation for the FWBs will not and should not be permitted to stand. For this reason, We maintain Our ruling that the qualified FWBs will no longer have the option to remain as stockholders of HLI.

FWBs Entitled
to Proceeds of Sale

HLI reiterates its claim over the proceeds of the sales of the 500 hectares and 80.51 hectares of the land as corporate owner and argues that the return of said proceeds to the

FWBs is unfair and violative of the Corporation Code.

This claim is bereft of merit.

It cannot be denied that the adverted 500-hectare converted land and the SCTEX lot once formed part of what would have been agrarian-distributable lands, in fine subject to compulsory CARP coverage. And, as stated in our July 5, 2011 Decision, were it not for the approval of the SDP by PARC, these large parcels of land would have been distributed and ownership transferred to the FWBs, subject to payment of just compensation, given that, as of 1989, the subject 4,915 hectares of Hacienda Luisita were already covered by CARP. Accordingly, the proceeds realized from the sale and/or disposition thereof should accrue for the benefit of the FWBs, less deductions of the 3% of the proceeds of said transfers that were paid to the FWBs, the taxes and expenses relating to the transfer of titles to the transferees, and the expenditures incurred by HLI and Centennary Holdings, Inc. for legitimate corporate purposes, as prescribed in our November 22, 2011 Resolution.

Homelots

In the present recourse, HLI also harps on the fact that since the homelots given to the FWBs do not form part of the 4,915.75 hectares covered by the SDP, then the value of these homelots should, with the revocation of the SDP, be paid to Tadeco as the landowner.[26]

We disagree. As We have explained in Our July 5, 2011 Decision, the distribution of homelots is required under RA 6657 only for corporations or business associations

owning or operating farms which opted for land distribution. This is provided under Sec. 30 of RA 6657. Particularly:

> SEC. 30. *Homelots and Farmlots for Members of Cooperatives*. — The individual members of the cooperatives or corporations mentioned in the *preceding section* shall be provided with homelots and small farmlots for their family use, to be taken from the land owned by the cooperative or corporation. (Italics supplied.)

The "preceding section" referred to in the above-quoted provision is Sec. 29 of RA 6657, which states:

> SEC. 29. *Farms Owned or Operated by Corporations or Other Business Associations.*—In the case of farms owned or operated by corporations or other business associations, the following rules shall be observed by the PARC.
>
> In general, lands shall be distributed directly to the individual worker-beneficiaries.
>
> In case it is not economically feasible and sound to divide the land, then it shall be owned collectively by the worker-beneficiaries who shall form a workers' cooperative or association which will deal with the corporation or business association. Until a new agreement is entered into by and between the workers' cooperative or association and the corporation or business association, any agreement existing at the time this Act takes effect between the former and the previous landowner shall be respected by both the workers' cooperative or association and the corporation or business association.

Since none of the above-quoted provisions made reference to corporations which opted for stock distribution under Sec. 31 of RA 6657, then it is apparent that said corporations are not obliged to provide for homelots. Nonetheless, HLI undertook to "subdivide and allocate **for free and without charge** among the qualified family-beneficiaries x x x residential or homelots of not more than 240 sq. m. each, with each family beneficiary being assured of receiving and owning a homelot in the barrio or barangay where it actually resides." In fact, HLI was able to distribute homelots to some if not all of the FWBs. Thus, in our November 22, 2011 *Resolution*, We declared that the homelots already received by the FWBs shall be respected with no obligation to refund

or to return them.

The Court, by a unanimous vote, resolved to maintain its ruling that the FWBs shall retain ownership of the homelots given to them with no obligation to pay for the value of said lots. However, since the SDP was already revoked with finality, the Court directs the government through the DAR to pay HLI the just compensation for said homelots in consonance with Sec. 4, Article XIII of the 1987 Constitution that the taking of land for use in the agrarian reform program is "subject to the payment of just compensation." Just compensation should be paid to HLI instead of Tadeco in view of the Deed of Assignment and Conveyance dated March 22, 1989 executed between Tadeco and HLI, where Tadeco transferred and conveyed to HLI the titles over the lots in question. DAR is ordered to compute the just compensation of the homelots in accordance with existing laws, rules and regulations.

To recapitulate, the Court voted on the following issues in this manner:

1. In determining the date of "taking," the Court voted 8-6 to maintain the ruling fixing November 21, 1989 as the date of "taking," the value of the affected lands to be determined by the LBP and the DAR;

2. On the propriety of the revocation of the option of the FWBs to remain as HLI stockholders, the Court, by unanimous vote, agreed to reiterate its ruling in its November 22, 2011 Resolution that the option granted to the FWBs stays revoked;

3. On the propriety of returning to the FWBs the proceeds of the sale of the 500-hectare converted land and of the 80.51-hectare SCTEX land, the

Court unanimously voted to maintain its ruling to order the payment of the proceeds of the sale of the said land to the FWBs less the 3% share, taxes and expenses specified in the *fallo* of the November 22, 2011 Resolution;

4. On the payment of just compensation for the homelots to HLI, the Court, by unanimous vote, resolved to amend its July 5, 2011 Decision and November 22, 2011 Resolution by ordering the government, through the DAR, to pay to HLI the just compensation for the homelots thus distributed to the FWBS.

WHEREFORE, the *Motion to Clarify and Reconsider Resolution of November 22, 2011* dated December 16, 2011 filed by petitioner Hacienda Luisita, Inc. and the *Motion for Reconsideration/Clarification* dated December 9, 2011 filed by private respondents Noel Mallari, Julio Suniga, Supervisory Group of Hacienda Luisita, Inc. and Windsor Andaya are hereby **DENIED** with this qualification: the July 5, 2011 Decision, as modified by the November 22, 2011 Resolution, is **FURTHER MODIFIED** in that the government, through DAR, is ordered to pay Hacienda Luisita, Inc. the just compensation for the 240-square meter homelots distributed to the FWBs.

The July 5, 2011 Decision, as modified by the November 22, 2011 Resolution and further modified by this Resolution is declared **FINAL** and **EXECUTORY**. The entry of judgment of said decision shall be made upon the time of the promulgation of this Resolution.

No further pleadings shall be entertained in this case.

SO ORDERED.

PRESBITERO J. VELASCO, JR.
Associate Justice

WE CONCUR:

RENATO C. CORONA
Chief Justice

ANTONIO T. CARPIO
Associate Justice

TERESITA J. LEONARDO-DE CASTRO
Associate Justice

ARTURO D. BRION
Associate Justice

DIOSDADO M. PERALTA
Associate Justice

LUCAS P. BERSAMIN
Associate Justice

MARIANO C. DEL CASTILLO
Associate Justice

ROBERTO A. ABAD
Associate Justice

MARTIN S. VILLARAMA, JR.
Associate Justice

JOSE PORTUGAL PEREZ
Associate Justice

JOSE CATRAL MENDOZA
Associate Justice

MARIA LOURDES P. A. SERENO
Associate Justice

BIENVENIDO L. REYES
Associate Justice

ESTELA M. PERLAS-BERNABE
Associate Justice

C E R T I F I C A T I O N

Pursuant to Section 13, Article VIII of the Constitution, it is hereby certified that the conclusions in the above Resolution had been reached in consultation before the case was assigned to the writer of the opinion of the Court.

RENATO C. CORONA

Chief Justice

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[1] "Jose Julio Zuniga" in some parts of the records.

[2] G.R. No. 171101, 653 SCRA 154; hereinafter referred to as "July 5, 2011 Decision."

[3] G.R. No. 171101; hereinafter referred to as "November 22, 2011 Resolution."

[4] HLI MR, pp. 10-11.

[5] Id. at 11.

[6] Mallari, et al. MR, p. 15.

[7] AMBALA MR, p. 4.

[8] As a backgrounder, and as stated in Our July 5, 2011 Decision, the government filed a suit on May 7, 1980 before the Manila Regional Trial Court (RTC) against Tadeco et al. for them to surrender Hacienda Luisita to the then Ministry of Agrarian Reform (MAR, now the Department of Agrarian Reform [DAR]) so that the land can be distributed to the farmers at cost. For its part, Tadeco alleged that aside from the fact that Hacienda Luisita does not have tenants, the sugar lands, of which the hacienda consisted, are not covered by existing agrarian reform legislations.

Eventually, the Manila RTC rendered judgment ordering Tadeco to surrender Hacienda Luisita to the MAR. Aggrieved, Tadeco appealed to the CA. On March 17, 1988, the Office of the Solicitor General (OSG) moved to withdraw the government's case against Tadeco, et al. By Resolution of May 18, 1988, the CA dismissed the case, subject to the obtention by Tadeco of the PARC's approval of a stock distribution plan that must initially be implemented after such approval shall have been secured.

[9] AMBALA MR, p. 6.

[10] Id. at 17.

[11] See *Lao v. Co*, G.R. No. 168198, August 22, 2008, 563 SCRA 139, 143; citing *Balindong v. CA*, G.R. No. 159962, December 16, 2004, 447 SCRA 200, 210.

[12] *National Power Corporation v. Diato-Bernal*, G.R. No. 180979, December 15, 2010, 638 SCRA 660, 669.

[13] Id.

[14] *Republic v. CA*, G.R. No. 160379, August 14, 2009, 596 SCRA 57, 70.

[15] G.R. No. 170685, September 22, 2010, 631 SCRA 86, 112-113.

[16] RA 6657, Sec. 2.

[17] Emphasis supplied.

[18] *Tatad v. Garcia*, G.R. No. 114222, April 6, 1995, 243 SCRA 436, 453; citing 2 Tolentino, Commentaries and Jurisprudence on the Civil Code of the Philippines 45 (1992).

[19] *Samartino v. Raon*, G.R. No. 131482, July 3, 2002, 383 SCRA 664, 674.

[20] HLI MR, pp. 21-23.

[21] RA 6657, Sec. 57.

[22] G.R. No. 169913, June 8, 2011, 651 SCRA 352, 374-375.

[23] HLI MR, p. 25.

[24] Id. at 30; Mallari, et al. MR, p. 8.

[25] *Association of Small Landowners in the Philippines, Inc. v. Secretary of Agrarian Reform*, G.R. No. 78742, July 14, 1989, 175 SCRA 343, 352.

[26] HLI MR, pp. 38-40.