



Republic of the Philippines  
Supreme Court  
Manila

FIRST DIVISION

NOTICE

Sirs/Mesdames:

*Please take notice that the Court, First Division, issued a Resolution dated **March 15, 2023** which reads as follows:*

**“G.R. No. 208704 [Michael G. Palisoc v. Housing and Land Use Regulatory Board (HLURB), Sheriff IV Juanito B. Francisco, Jr., Jesse A. Obligation, in his capacity as Regional Director, HLURB-National Capital Judicial Region Field Office, and The Register of Deeds of the Province of Rizal].—**This Petition for Review on *Certiorari*<sup>1</sup> assails the September 26, 2012 Decision<sup>2</sup> and the August 14, 2013 Resolution<sup>3</sup> of the Court of Appeals (CA) in CA-G.R. SP No. 117770 which denied the Petition for Prohibition<sup>4</sup> sought by petitioner Michael G. Palisoc for lack of merit.

**The Facts**

Sometime in 2007, Carmelita Cruz (Cruz) sought financial help from petitioner amounting to PHP 3.5 Million. Cruz needed the amount to pay Insular Life Savings and Trust Company (Insular Life) to secure the partial release of several real properties she mortgaged to Insular Life.<sup>5</sup>

To secure the loan, Cruz assigned to petitioner one of the mortgaged properties—a 451-square meter parcel of land located in Peñafrancia Hills Subdivision, Antipolo City covered by Transfer Certificate of Title No. (TCT) R-2591 (Peñafrancia Property).<sup>6</sup> Before agreeing to Cruz’s proposal, petitioner verified the status of TCT R-2591 with the Registry of Deeds of the Province of Rizal, and found no encumbrance of lien annotated thereon except for the Insular Life loan. Hence, petitioner released the amount of PHP

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<sup>1</sup> *Rollo*, pp. 14-27.

<sup>2</sup> *Id.* at 33-41. Penned by Associate Justice Stephen C. Cruz and concurred in by Associate Justices Magdangal M. De Leon and Myra V. Garcia-Fernandez.

<sup>3</sup> *Id.* at 43-45. Penned by Associate Justice Stephen C. Cruz and concurred in by Associate Justices Magdangal M. De Leon and Myra V. Garcia-Fernandez.

<sup>4</sup> *CA rollo*, pp. 3-17.

<sup>5</sup> *Rollo*, p. 35.

<sup>6</sup> *Id.*

3.5 Million to Cruz in consideration of the assignment in petitioner's favor of Cruz's rights over the Peñafrancia Property.<sup>7</sup>

On May 17, 2007, Cruz executed a Deed of Assignment,<sup>8</sup> whereby in consideration of the amount of PHP 3.5 Million, she is assigning all her rights over the parcel of land covered by TCT R-2591 in favor of petitioner.<sup>9</sup>

On January 19, 2011, petitioner was furnished a copy of the 2<sup>nd</sup> Notice of Compliance<sup>10</sup> issued by Sheriff Juanito B. Francisco, Jr. (Sheriff Francisco), Office of the Clerk of Court and Ex-Officio Sheriff, Regional Trial Court (RTC) of Antipolo City, implementing the Writ of Execution dated August 4, 2008 issued by the Housing and Land Use Regulatory Board (HLURB), which reads:

GREETINGS:

Please be notified that by virtue of the WRIT OF EXECUTION dated August 4, 2008 issued in the above-entitled cases by Hon. Jesse A. Obligation, Regional Director of the Housing and Land Use Regulatory Board, and the ORDER dated November 15, 2010 issued by Hon. Rowena C. Balasolla, Housing and Land Use Arbiter and approved by Hon. Editha U. Barrameda, Regional Director of the Housing and Land Use Regulatory Board, NCR Field Office, Diliman, Quezon City, photocopies of which are hereto attached and hereby served upon you.

This office is giving you a period of five (5) days from receipt hereof within which to comply with the above-stated writ and order.

Failure on your part to comply with this notice, the undersigned will be constrained to force into effect said writ and order in accordance with the provisions as provided for by law.

Hoping for your early compliance in the above matter.

Antipolo City, this 19<sup>th</sup> day of January 2011.

(signed)  
JUANITO B. FRANCISCO, JR.  
Sheriff IV<sup>11</sup>

It was only upon the service of such Notice when petitioner learned about the controversy surrounding the Peñafrancia Property.<sup>12</sup>

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<sup>7</sup> Id.

<sup>8</sup> CA *rollo*, pp. 20-21.

<sup>9</sup> *Rollo*, pp. 33-41.

<sup>10</sup> CA *rollo*, pp. 22-23.

<sup>11</sup> Id. at 23.

<sup>12</sup> *Rollo*, pp. 35-36.

Briefly, in July of 1997, Lualhati Beltran (Beltran) filed a Complaint<sup>13</sup> with the Housing and Land Use Regulatory Board (HLURB) against Mayon Estate Corporation (Mayon) and Earthland Developers Corporation (Earthland). The Complaint, docketed as HLURB Case No. REM-071597-9831, alleged that on January 31, 1969, Mayon sold to Patricia Caceres (Caceres) the Peñafrancia Property. The transaction was evidenced by a document captioned as Conditional Sale No. 03<sup>14</sup> signed by Caceres and Atty. Ernesto G. Castañeda, as President and majority stockholder of Mayon and of Earthland.<sup>15</sup> Subsequently, Caceres transferred all her rights over the Peñafrancia Property to Beltran as shown by a Deed of Transfer of Rights.<sup>16</sup>

The HLURB, in its Decision<sup>17</sup> in HLURB Case No. REM-071597-9831, ordered Mayon and Earthland and/or any person acting for and in its behalf to surrender the possession of the Peñafrancia Property in favor of Beltran by removing whatever structure illegally constructed thereon. The HLURB also ordered Beltran to pay Mayon and/or Earthland PHP 13,379.34 as full payment for the Peñafrancia Property,<sup>18</sup> thus:

WHEREFORE, WE COMMAND YOU, PURSUANT TO P.D. NO. 1344, IN RELATION TO P.D. NO. 957 AND IN CONNECTION WITH E.O. NO. 648, SERIES OF 1981, AS AMENDED BY E.O. NO. 90, SERIES OF 1986, TO EXECUTE THE JUDGMENTS IN **HLUBR CASE NO. REM-071597-9831** BY CAUSING RESPONDENTS MAYON ESTATE CORPORATION AND EARTHLAND DEVELOPERS CORPORATION WITH ADDRESS AT 8<sup>TH</sup> FLOOR MAKATI EXECUTIVE CENTER, HERRERA CORNER LEVISTE STS. SALCEDO VILLAGE, MAKATI CITY TO (1) ORDERING RESPONDENTS TO IMMEDIATELY COMPLETE THE DEVELOPMENT OF PENAFRANCIA HILLS IN ACCORDANCE WITH THE APPROVED SUBDIVISION PLAN; (2) ORDERING RESPONDENTS AND/OR ANY PERSON ACTING FOR AND IN ITS BEHALF TO SURRENDER THE POSSESSION OF LOT 1, BLOCK 43 AND LOT 27, BLOCK 49 ANNEX II PENAFRANCIA HILLS SUBDIVISION IN FAVOR OF THE COMPLAINANT BY REMOVING WHATEVER STRUCTURE ILLEGALLY CONSTRUCTED THEREIN. (3) ORDERING RESPONDENTS TO PERMANENTLY DESIST FROM ANY ACT OF HARASSMENT AND/OR DISPOSSESSION AGAINST THE COMPLAINANT OR ANY PERSON ACTING FOR AND IN BEHALF IN THE AFOREMENTIONED PROPERTIES. (4) ORDERING RESPONDENTS TO EXECUTE THE DEEDS OF ABSOLUTE SALE OVER LOT 1, BLOCK 43 AND LOT 27 BLOCK 47 PENAFRANCIA HILLS UPON PAYMENT BY THE COMPLAINANT OF THE BALANCE OF P13,379.34 AND P10,663.68 RESPECTIVELY (5) ORDERING RESPONDENTS TO PAY JOINTLY AND SEVERALLY, THE COMPLAINANT THE FOLLOWING SUMS: (A) P200,000.00

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<sup>13</sup> Id. at 331.

<sup>14</sup> Id.

<sup>15</sup> Id at 466.

<sup>16</sup> Id. at 331.

<sup>17</sup> Id. at 54-62.

<sup>18</sup> *Mayon Estate Corporation v. Beltran*, 623 Phil. 369, 380 (2009).

WITH LEGAL INTEREST COMPUTED FROM THE TIME OF THE DEMOLITION OF THE HOUSES UNTIL FULLY PAID; (B) MORAL DAMAGES OF P100,000.00 (C) EXEMPLARY DAMAGES OF P100,000.00; AND (D) ATTORNEY'S FEES OF P100,000.00 (6) ORDERING RESPONDENTS TO PAY THIS OFFICE AN ADMINISTRATIVE FINE OF P100,000.00 FOR VIOLATION OF SECTION 20 IN RELATION TO SECTION 38 OF PD 957; AND **HLURB CASE NO. REM-051702-11905** BY THE REGISTER OF DEEDS OF ANTIPOLLO CITY TO CANCEL TCT NO. R-2591 IN THE NAME OF CARMELITA CRUZZ AND REINSTATE TCT NO. 35528, FREE FROM ALL LIENS AND ENCUMBRANCES AND TO ANNOTATE THEREON THE CONTRACT TO SELL OF PATRIA CACERES AND THE TRANSFER OF RIGHTS IN FAVOR OF THE COMPLAINANT; AND RESPONDENTS ATTY. ROMEO G. ROXAS, EARTHLAND DEVELOPERS CORPORATION AND NBC AGRO CORPORATION WITH ADDRESS AT **8<sup>TH</sup> FLOOR, MAKATI EXECUTIVE CENTER, HERRERA CORNER LEVISTE STS. SALCEDO VILLAGE, MAKATI CITY AND CARMELITA CRUZ WITH ADDRESS AT 225 J.P. RIZAL ST. STA. ELENA, MARIKINA CITY** TO (1) IMMEDIATELY RESTORE COMPLAINANT TO THE PEACEFUL AND UNDISTURBED POSSESSION OF THE SUBJECT LOT; AND (2) TO JOINTLY AND SEVERALLY PAY COMPLAINANT THE FOLLOWING: (A) MORAL DAMAGES OF P100,000.00; (B) EXEMPLARY DAMAGES OF P100,000.00 AND (C) ATTORNEY'S FEES OF P50,000.00.

SO ORDERED.<sup>19</sup>

To complicate the status of the real estate even further, on September 12, 2001, Atty. Romeo G. Roxas, representing NBC-Agro Corporation as its President, sold the Peñafrancia Property to Cruz as evidenced by a Deed of Absolute Sale.<sup>20</sup> Cruz was able to secure title to the Peñafrancia Property as the registered owner thereof and later on mortgaged the said property to Insular Life. The mortgage contract was annotated at the back of TCT R-2591.<sup>21</sup>

Meanwhile, on May 17, 2002,<sup>22</sup> Beltran filed a Complaint<sup>23</sup> for the annulment of TCT R-2591,<sup>24</sup> docketed as HLURB Case No. REM-051702-11905 entitled *Lualhati Beltran v. Atty. Romeo G. Roxas, et al.* Beltran also filed a notice of *lis pendens*<sup>25</sup> on June 4, 2002 considering the pendency of HLURB Case No. REM-051702-11905.<sup>26</sup>

<sup>19</sup> *Rollo*, pp. 60-62.

<sup>20</sup> *Id.* at 332.

<sup>21</sup> *Id.* at 332-333.

<sup>22</sup> *Id.* at 332.

<sup>23</sup> *Id.*

<sup>24</sup> *Id.*

<sup>25</sup> *Id.*

<sup>26</sup> *Id.*

The HLURB, through Arbiter Rowena C. Balasolla, rendered a Decision<sup>27</sup> in HLURB Case No. REM-051702-11905 in favor of Beltran.

Pursuant to the HLURB Decision in HLURB Case No. REM-051702-11905 which ordered the cancellation of TCT No. R-2591 and the reinstatement of TCT 35528, a Writ of Execution<sup>28</sup> was issued.

### **The Case before Us**

Petitioner instituted before the CA an original Petition for Prohibition with Application for Issuance of a Temporary Restraining Order and Writ of Preliminary Injunction under Rule 65 of the Rules of Court,<sup>29</sup> seeking to enjoin the implementation of the 2<sup>nd</sup> Notice of Compliance dated January 19, 2011, issued by Sheriff Francisco.

Petitioner argued before the CA that the HLURB has no jurisdiction to annul or cancel title to a property since such authority is vested by Section 19(2) of Batas Pambansa Bilang (BP Blg.) 129,<sup>30</sup> as amended, upon the regular courts, depending on the value of the property.<sup>31</sup> Lacking such power, the HLURB cannot order the cancellation of a certificate of title. Further, petitioner cited Sec. 48 of Presidential Decree No. (PD) 1529<sup>32</sup> (Property Registration Decree) pointing out that a certificate of title shall not be subject to a collateral attack and cannot be altered, modified, or cancelled except in a direct proceeding. HLURB Case No. REM-051702-11905 does not qualify as such direct proceeding contemplated under Sec. 48 of PD 1529. Therefore, HLURB clearly exceeded its powers granted under its enabling law when it ordered the cancellation of TCT R-2591 and the reinstatement of TCT 35528.<sup>33</sup>

Praying that the 2<sup>nd</sup> Notice of Compliance be declared null and void for being issued without or in excess of its jurisdiction, petitioner claimed that the implementation of the notice of compliance prejudices his interest over the property covered by TCT R-2591.<sup>34</sup>

In the assailed Decision, the CA dismissed the petition for lack of merit. The CA held that a Petition for Prohibition is an extraordinary legal remedy that is available only when the usual and ordinary proceedings at law or in equity are inadequate to afford redress, prerogative in character to the

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<sup>27</sup> Id. at 333.

<sup>28</sup> Id. at 53.

<sup>29</sup> Id. at 36.

<sup>30</sup> Entitled "AN ACT REORGANIZING THE JUDICIARY, APPROPRIATING FUNDS THEREFOR AND FOR OTHER PURPOSES." Approved: August 14, 1981.

<sup>31</sup> *Rollo*, pp. 33-41.

<sup>32</sup> Entitled "AMENDING AND CODIFYING THE LAWS RELATIVE TO REGISTRATION OF PROPERTY AND FOR OTHER PURPOSES." Approved: June 11, 1978.

<sup>33</sup> *Rollo*, pp. 33-41.

<sup>34</sup> Id.

extent that it is not always demandable of right, to prevent courts, or other tribunals, officers, or persons, from usurping or exercising a jurisdiction with which they have not been vested by law.<sup>35</sup> The CA held that although petitioner may not have been a party to the case before the HLURB, he nevertheless, is an assignee, and petitioner's right cannot rise higher than that pertaining to the assignor, Cruz, who is one of the respondents in HLURB case. Hence, petitioner cannot validly claim that he is not bound by the ruling of the HLURB considering the fact that Cruz, the assignor was impleaded as a party-respondent in the HLURB case. Therefore, whatever consequence that will befall the assignor's interest over the assigned property, he, as assignee, is also bound thereby.<sup>36</sup>

The CA emphasized that petitioner, having been subrogated to the rights and obligations of Cruz over the property covered by TCT R-2591, is bound by exactly the same conditions to which the latter is bound. This being so, the judgment of the HLURB in Case No. REM-051702-11905 which is now final and executory, ordering, among others, the Register of Deeds of Antipolo City to cancel TCT R-2591 in the name of Cruz and to reinstate TCT 35528 is also binding to petitioner.<sup>37</sup>

Further, the CA held that the HLURB is not empowered to order the cancellation of a TCT in a proceeding before it because the same will constitute a collateral attack on a valid TCT which is proscribed under Sec. 48 of PD 1529. However, such rule is not material to the case since what cannot be collaterally attacked is the certificate of title and not the title itself. The certificate referred to is that document issued by the Register of Deeds, whereas the title referred to by law means ownership which is represented by that document. Thus, since the HLURB found that Cruz did not acquire ownership over the Peñafrancia Property, which in turn Cruz assigned in favor of petitioner, it follows that there is no interest that could be assigned in petitioner's favor.

Petitioner filed a Motion for Reconsideration,<sup>38</sup> which was denied by the CA in a Resolution<sup>39</sup> dated August 14, 2013.

### Issue

Petitioner is now before the Court through a Petition for Review on *Certiorari* under Rule 45 of the Rules of Court insisting that the CA erred in dismissing the petition and arguing that the HLURB has no jurisdiction to annul or cancel a title to a property, such authority being exclusively vested by Sec.19(2) of BP Blg. 129 upon the regular courts.

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<sup>35</sup> Id.

<sup>36</sup> Id.

<sup>37</sup> Id.

<sup>38</sup> Id. at 43.

<sup>39</sup> Id. at 43-45.

### Our Ruling

Jurisdiction is the power and authority to hear, try and decide a case.<sup>40</sup> Jurisdiction over the subject matter must first be acquired by the court or an adjudicative body in order to have authority to dispose of the case on the merits.<sup>41</sup> Jurisdiction over the subject matter is conferred by law and not by the consent or acquiescence of any or all of the parties or by erroneous belief of the court that it exists. It is settled that when an administrative agency or body is conferred with quasi-judicial functions, all controversies relating to the subject matter pertaining to its specialization are deemed to be included within the jurisdiction of said administrative agency or body.<sup>42</sup>

The law clearly defined the scope and limitation of the HLURB's jurisdiction. Its precursor, the National Housing Authority (NHA) was vested under Presidential Decree No. 957<sup>43</sup> with exclusive jurisdiction to regulate the real estate trade and business. Later on, Sec. 1 of PD 1344<sup>44</sup> expanded the NHA's jurisdiction to include adjudication of the following cases:

- (a) Unsound real estate business practices;
- (b) Claims involving refund and any other claims filed by subdivision lot or condominium unit buyer against the project owner, developer, dealer, broker or salesman; and
- (c) Cases involving specific performance of contractual and statutory obligations filed by buyers of subdivision lot or condominium unit against the owner, developer, broker or salesman.<sup>45</sup>

Thereafter, in 1981, Executive Order No. 648<sup>46</sup> transferred the regulatory and quasi-judicial functions of the NHA to the Human Settlements Regulatory Commission, which in 1986, was later renamed as the HLURB. The authority of the HLURB is limited to cases involving a subdivision project, subdivision lot, condominium project or a condominium lot only. Otherwise, the HLURB has no jurisdiction over the subject matter.<sup>47</sup> Similarly, the HLURB's jurisdiction is limited to those cases filed by the buyer or owner of a subdivision or condominium and based on any of the causes of action enumerated under Sec. 1 of PD 1344.<sup>48</sup>

Clearly, the case filed by Beltran falls within the jurisdiction of the HLURB. The subject parcel of land is a subdivision land, and the parties to

<sup>40</sup> *Velasquez, Jr. v. Lisondra Land Incorporated*, G.R. No. 231290, August 27, 2020.

<sup>41</sup> *Mamiscal v. Clerk of Court Abdullah*, 762 Phil. 328, 341 (2015).

<sup>42</sup> *Velasquez, Jr. v. Lisondra Land Incorporated*, *supra*.

<sup>43</sup> Entitled "REGULATING THE SALE OF SUBDIVISION LOTS AND CONDOMINIUMS, PROVIDING PENALTIES FOR VIOLATIONS THEREOF." Approved: July 12, 1976.

<sup>44</sup> Entitled "EMPOWERING THE NATIONAL HOUSING AUTHORITY TO ISSUE WRIT OF EXECUTION IN THE ENFORCEMENT OF ITS DECISION UNDER PRESIDENTIAL DECREE NO. 957." Approved: April 2, 1978.

<sup>45</sup> Presidential Decree No. 1344 (1978), Sec. 1.

<sup>46</sup> Entitled "REORGANIZING THE HUMAN SETTLEMENTS REGULATORY COMMISSION." Approved: February 7, 1981

<sup>47</sup> *Velasquez, Jr. v. Lisondra Land Incorporated*, *supra*.


<sup>48</sup> *Delos Santos v. Spouses Sarmiento*, 548 Phil. 1, 16 (2007).

the case are the developers and buyers of the property. We completely agree with the findings of the appellate court that petitioner, being an assignee, does not hold greater rights than Cruz, the assignor. Since Cruz is one of the respondents in the HLURB case instituted by Beltran involving the property subject of this case, petitioner cannot argue that his rights or interests were not protected, nor can he put forward before this Court that justice requires that he be given his own day in court. We find no reason to disturb the settled ruling of the Court in *Mayon Estate Corporation and Earthland Developers Corporation v. Beltran*,<sup>49</sup> a case involving a portion of the property subject matter of this case. In determining the merits of the case laid out before it, the HLURB determined the veracity of the title itself and not the certificate of title. As concluded by the CA, it is the certificate of title and not the title itself that cannot be collaterally attacked.

**WHEREFORE**, the petition is **DENIED**. The September 26, 2012 Decision and the August 14, 2013 Resolution of the Court of Appeals in CA-G.R. SP No. 117770 which denied the Petition for Prohibition sought by petitioner Michael G. Palisoc for lack of merit, are **AFFIRMED**.

**SO ORDERED.”**

**By authority of the Court:**

  
**LIBRADA C. BUENA**  
Division Clerk of Court

by:

**MARIA TERESA B. SIBULO**  
Deputy Division Clerk of Court

**188**  
**MAR 28 2023**

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Court of Appeals (x)  
Manila  
(CA-G.R. SP No. 117770)

The Solicitor General  
134 Amorsolo Street, Legaspi Village  
1229 Makati City

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<sup>49</sup> Supra note 18.



HOUSING AND LAND USE  
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The Register of Deeds  
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