



Republic of the Philippines
Supreme Court
Manila

SECOND DIVISION

CORPORATE STRATEGIES
DEVELOPMENT CORP., and
RAFAEL R. PRIETO,

Petitioners,

- versus -

G.R. No. 208740

Present:

CARPIO, *J.*, Chairperson,
BRION,
DEL CASTILLO,
MENDOZA, and
LEONEN, *JJ.*

Promulgated:

NORMAN A. AGOJO,
Respondent.

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DECISION

MENDOZA, J.:

In this petition for review on *certiorari* under Rule 45 of the Rules of Court, Corporate Strategies Development Corporation (CSDC) and Rafael R. Prieto (*Prieto*) seek the review of the March 18, 2013 Amended Decision¹ and August 15, 2013 Resolution² of the Court of Appeals (CA), in CA-G.R. CV No. 96076. In the said rulings, the CA reversed the January 15, 2010 Decision of the Regional Trial Court of Makati City, Branch 150 (RTC), which dismissed the petition filed by Norman A. Agojo (*respondent*) for the issuance of a new certificate of title covering a parcel of land registered in the name of CSDC on the ground that the auction sale conducted by the City of Makati was null and void.

¹ *Rollo*, pp. 51-66. Penned by Associate Justice Isaias P. Dicedican, with Associate Justices Jane Aurora C. Lantion and Rodil V. Zalameda, concurring.

² *Id.* at 67-68. Penned by Associate Justice Isaias P. Dicedican, with Associate Justices Jane Aurora C. Lantion and Rodil V. Zalameda, concurring.

The Facts

CSDC is the registered owner of a parcel of land in Makati City located at Lot 18, Block 29 of Pcs-1310 and covered by Transfer Certificate of Title (*TCT*) No. 125211, with an area of 1,000 square meters. It is likewise covered by Tax Declaration Nos. F00401455 and F00401456, in the name of CSDC.

From 1994 to 2006, its real property taxes in the amount of ₱1,458,199.85, had not been paid. As a result, a warrant was issued on April 7, 2006, by the City Treasurer of Makati subjecting the property to levy pursuant to Section 258 of the Local Government Code (*LGC*).³ A public auction sale was then conducted on May 24, 2006, during which respondent turned out to be the highest bidder with a bid amount of ₱2,000,000.00. Consequently, a certificate of sale was issued in his favor on even date. The said certificate was later registered with the Registry of Deeds.

With the issuance of the Final Deed of Conveyance on July 3, 2007, or after the expiration of the one (1) year redemption period, respondent filed with the RTC a petition for the issuance of a new certificate of title for the subject property. The case was docketed as LRC Case No. M-5050. On February 13, 2008, an order was issued by the RTC setting the case for hearing and directing the service of the notice of hearing upon all interested persons – the petitioners herein, the Land Registration Authority (*LRA*), and the Register of Deeds of Makati City.

On August 22, 2008,⁴ CSDC filed its opposition to the said petition; while Prieto, in his capacity as CSDC President, filed his on October 20, 2008. As oppositors, CSDC and Prieto (*petitioners*) alleged that they did not

³ **Section 258. Levy on Real Property.** - After the expiration of the time required to pay the basic real property tax or any other tax levied under this Title, real property subject to such tax may be levied upon through the issuance of a warrant on or before, or simultaneously with, the institution of the civil action for the collection of the delinquent tax. The provincial or city treasurer, or a treasurer of a municipality within the Metropolitan Manila Area, as the case may be, when issuing a warrant of levy shall prepare a duly authenticated certificate showing the name of the delinquent owner of the property or person having legal interest therein, the description of the property, the amount of the tax due and the interest thereon. The warrant shall operate with the force of a legal execution throughout the province, city or a municipality, within the Metropolitan Manila Area. The warrant shall be mailed to or served upon the delinquent owner of the real property or person having legal interest therein, or in case he is out of the country or cannot be located, the administrator or occupant of the property. At the same time, written notice of the levy with the attached warrant shall be mailed to or served upon the assessor and the Registrar of Deeds of the province, city or municipality within the Metropolitan Manila Area where the property is located, who shall annotate the levy on the tax declaration and certificate of title of the property, respectively.

The levying officer shall submit a report on the levy to the Sanggunian concerned within ten (10) days after receipt of the warrant by the owner of the property or person having legal interest therein.

⁴ The Amended Decision erroneously indicated “August 22, 209” as the date CSDC filed its opposition.

receive a notice of tax delinquency or the warrant subjecting the property; that the pertinent notice and warrant were apparently sent to CSDC's old office address at 6/F Tuscan Building, Herrera St., Legaspi Village, Makati City, despite its transfer to another location years ago; and that the sale violated the procedural requirements prescribed under the LGC. Specifically, they questioned the following: (a) the failure of the City Treasurer to exert further steps to send the warrant at the address where the property itself was located; (b) the failure to serve the warrant on the occupant of the property as mandated by Section 258 of the LGC; (c) the failure to serve the copies of the warrant of levy upon the Register of Deeds and the City Assessor of Makati prior to the auction sale following the said provision in relation to Section 260 of the LGC; (d) the failure to annotate the notice of levy on the title of the property prior to the conduct of the auction sale on May 24, 2006; and (e) the gross inadequacy of the bid price for the property considering that it only represented five (5) percent of the value of the property in the total amount of ₱35,000,000.00 based on the zonal valuation. Because of these alleged defects, petitioner assailed the auction sale for being defective pursuant to the provisions of the LGC.

On August 23, 2008, CSDC filed a motion to deposit the amount of ₱3,080,000.00 pursuant to Section 267 of the LGC,⁵ as a guarantee to respondent should the sale be declared void. The RTC granted the said motion in its August 29, 2008 Order. After the filing of their respective memoranda, the case was submitted for decision by the RTC.

On January 15, 2010, the RTC rendered a decision which voided the auction sale. The dispositive portion of the said decision reads:

WHEREFORE, for failure of the petitioner to present sufficient and competent evidence to entitle him to the reliefs sought in his petition, particularly, his failure to prove compliance of the legal requirements for a valid tax delinquency sale which evidently affected the substantive rights of the oppositor, the auction sale of the subject property by the City Treasurer to him is declared invalid.

As a consequence of the nullification of the sale, the amount deposited by the oppositor with the Clerk of Court, RTC, Makati covered by official receipt no. 0205076 dated September 9, 2008 in the amount of ₱3,086,000.00 intended to cover the amount for which the lot with improvement was sold including

⁵ **Section 267. Action Assailing Validity of Tax Sale.** - No court shall entertain any action assailing the validity or any sale at public auction of real property or rights therein under this Title until the taxpayer shall have deposited with the court the amount for which the real property was sold, together with interest of two percent (2%) per month from the date of sale to the time of the institution of the action. The amount so deposited shall be paid to the purchaser at the auction sale if the deed is declared invalid but it shall be returned to the depositor if the action fails.

interest of 2% per month from date of sale up to the filing of the opposition shall be paid to the petitioner as purchaser in the auction sale.

SO ORDERED. ⁶

Unsatisfied, respondent filed an appeal with the CA. He alleged that the RTC erred in not upholding the presumption of regularity in the performance of the official duties of the City Treasurer of Makati.

On January 26, 2012, the CA decided to affirm the findings and conclusions of the RTC. It held that there was failure on the part of the City of Makati to fully comply with the requirements of publication, posting and service of the notice of delinquency and warrant of levy laid down by the LGC before proceeding with the auction sale, and that the RTC correctly dismissed the petition for the issuance of a new certificate of title filed by the respondent, to wit:

WHEREFORE, in view of the foregoing premises, judgment is hereby rendered by us **DENYING** the instant appeal for lack of merit. The Decision rendered by Branch 150 of the Regional Trial Court of the National Capital Judicial Region in the City of Makati on January 15, 2010 in LRC Case No. M. 5050 is hereby **AFFIRMED in toto**.

SO ORDERED.⁷

On February 29, 2012 respondent moved for reconsideration. On March 18, 2013, the CA reconsidered its decision, thus, reversing its earlier pronouncement. It held as valid the subject auction sale on the basis of the presumption of regularity in the performance of the City Treasurer's duties. It held in part that "as to the other requirements for a valid tax delinquency sale of real property such as publication, service and posting of notice of such sale and the warrant of levy thereon, these should be deemed complied with because the sale was conducted by the OIC-Treasurer of Makati in the performance of her official duty."⁸ Hence:

WHEREFORE, in view of all the foregoing premises, judgment is hereby rendered by us **RECONSIDERING** our original decision promulgated on January 26, 2012, **SETTING ASIDE** the said decision and **RENDERING** a new one setting aside the decision rendered by the court *a quo* on January 15, 2010 in LRC

⁶ CA Amended Decision. *Rollo*, p. 56.

⁷ See ca.judiciary.gov.ph/cardis/CV96076-2pdf.

⁸ *Supra* note 6, at 61.

Case No. M-5050, thus declaring as valid the auction sale of the land covered by TCT No. 125211 of the Registry of Deeds of Makati City, together with the house existing thereon, that was made by the City Treasurer of Makati in favor of the petitioner-appellant and directing the Register of Deeds of Makati City to issue to the petitioner-appellant a new certificate of title for the said land in his name.

SO ORDERED.⁹

Aggrieved, petitioners asked for reconsideration. In a resolution, dated August 15, 2013, the CA denied their motion.¹⁰

Hence, this petition.

GROUND FOR THE PETITION

A. THE COURT OF APPEALS COMMITTED SERIOUS AND REVERSIBLE ERROR OF LAW IN APPLYING THE PRESUMPTION OF REGULARITY OF AN OFFICIAL ACT IN A TAX DELIQUENCY SALE.

B. THE COURT OF APPEALS COMMITTED SERIOUS AND REVERSIBLE ERROR OF LAW IN DISREGARDING THE LEGAL REQUIREMENTS OF TAX DELIQUENCY SALE.

C. THE COURT OF APPEALS COMMITTED SERIOUS AND REVERSIBLE ERROR OF LAW IN PASSING ON TO PETITIONERS THE BURDEN OF PROOF IN DETERMINING THE VALIDITY OF THE SALE.

D. THE COURT OF APPEALS COMMITTED SERIOUS AND REVERSIBLE ERROR OF LAW FOR FAILURE TO CONSIDER THE GROSS INADEQUACY OF THE PRICE IN DECLARING THE VALIDITY OF THE SALE.¹¹

Petitioners submit that the CA erred in: (1) applying the presumption of regularity of an official act in a tax delinquency case; (2) disregarding the legal requirements of a tax delinquency sale; (3) passing on to the petitioners the burden of proof in determining the validity of the sale; and in (4) failing to consider the gross inadequacy of the bid price.

⁹ *Rollo*, pp. 65-66.

¹⁰ *Id.* at 67-68.

¹¹ *Id.* at 23.

Citing *Spouses Sarmiento, et al. v. CA*,¹² petitioners argue that “*there can be no presumption of regularity of any administrative action which results in depriving a taxpayer of his property through a tax sale;*” that, as such, it is incumbent upon respondent to prove the regularity of all proceedings leading to the sale; and that reliance on the presumption of regularity should, therefore, not apply in administrative proceedings. It is their position that respondent’s mere reliance on the presumption of regularity shows his failure to discharge the burden of proving compliance with the mandatory and indispensable requirements of a valid auction sale pursuant to LGC as held by the Court in *Engracio Francia v. IAC and Ho Fernandez*.¹³ Petitioners refer specifically to the failure in notifying them of the delinquency and to the fact that no notice of levy was served on them or on the occupant of the subject property. They further manifest that the Register of Deeds and the City Assessor were not notified of the levy prior to the sale. There was no annotation on the title prior to the auction either.

In his *Comment*,¹⁴ respondent asks that the pleadings filed by petitioners be expunged from the records on account of the failure of their counsels to indicate observance with the MCLE requirements for the fourth compliance period.¹⁵ It is his submission that the instant petition should be treated as if not signed and a mere scrap of paper following Bar Matter No. 1922,¹⁶ in relation to Bar Matter No. 850,¹⁷ which mandates all practicing lawyers to indicate in all pleadings the MCLE Compliance Certificate Number.

Furthermore, respondent argues that petitioners failed to overturn the disputable presumption of regularity accorded to the official actions of the City Government of Makati pursuant to Section 3(m) of Rule 131 of the Rules of Court;¹⁸ that he has clearly proven his right over the subject property as evidenced by the Warrant of Levy, Notice of Public Auction of Real Properties, Certification of Posting, Certificate of Sale, Annotations of Warrant of Levy and the Certificate of Sale and Final Deed of Conveyance covering the subject property; that the burden of proof in determining the

¹² 507 Phil. 101 (2005).

¹³ 245 Phil. 717 (1988).

¹⁴ *Rollo*, pp. 113-127.

¹⁵ The petitioner’s counsels used their MCLE Certification for the Third Compliance Period.

¹⁶ In Re: Number and Date of MCLE Certificate of Completion/Exemption Required in All Pleadings/Motions.

¹⁷ Adopting The Revised Rules on the Mandatory Continuing Legal Education for Members of the Integrated Bar of the Philippines.

¹⁸ Section 3. *Disputable presumptions*. — The following presumptions are satisfactory if uncontradicted, but may be contradicted and overcome by other evidence:

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(m) That official duty has been regularly performed;

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validity of the sale rests with petitioners; that the Notice of Tax Delinquency and the Warrant of Levy were sent to CSDC; that the Notice of Warrant of Levy was served on the City Assessor and the Register of Deeds; and that inadequacy of the bid price is not a ground to nullify the sale.

In their *Reply*,¹⁹ petitioners call the attention of the Court to the fact that their counsels, Atty. Guillergan and Atty. Leynes, have already submitted their MCLE Certificates for the Fourth Compliance Period²⁰ on March 26, 2014 and May 5, 2014, respectively. They opined that an outright dismissal of this petition on a mere technical ground as inconsistent with the ruling of the Court in *Alcantara v. The Phil. Commercial and International Bank*²¹ where it was held that rules of procedure were mere tools aimed at facilitating the attainment of justice, rather than its frustration. As regards this issue, petitioners ask the Court's liberality.

On a substantive note, petitioners disagree with the contentions of respondent that the presumption of regularity is applicable in tax delinquency sales. They assert that this Court has held in many cases that no presumption of regularity is enjoyed by any administrative action which results in depriving a taxpayer of his property. Petitioners believe that the burden to prove compliance with the mandatory requirements of a valid auction sale lies on respondent. It is in this respect that respondent allegedly failed because no documentary evidence was presented showing that proper service of notice of tax delinquency and notice of levy, including the publication and posting, was effected.

The Court's Ruling

The Court grants the petition.

Under Section 75 of Presidential Decree (*P.D.*) No. 1529, otherwise known as the Property Registration Decree,²² the registered owner is given the right to pursue legal and equitable remedies to impeach or annul the proceedings for the issuance of new certificates of title upon the expiration of the redemption period. In this case, petitioners opposed the issuance of a

¹⁹ *Rollo*, pp. 145-154.

²⁰ *Id.* at 137 and 133.

²¹ G.R. No. 151349, October 20, 2010, 634 SCRA 48.

²² SEC. 75. *Application for new certificate upon the expiration of redemption period.* — Upon the expiration of the time, if any, allowed by law for redemption after registered land has been sold on execution taken or sold for the enforcement of a lien of any description, except a mortgage lien, the purchaser at such sale or anyone claiming under him may petition the court for the entry of a new certificate of title to him.

Before the entry of a new certificate of title, the registered owner may pursue all legal and equitable remedies to impeach or annul such proceedings.

new certificate of title in favor of the respondent on the ground that the auction sale was null and void. It was submitted that the auction sale was made without affording the petitioners due process of law attributable to the following errors:

- (a) the failure of the City Treasurer to exert further steps to send the warrant at the address where the property itself was located;
- (b) the failure to serve the warrant on the occupant of the property as mandated by Section 258 of the LGC;
- (c) the failure to serve the copies of the warrant of levy upon the Register of Deeds and the City Assessor of Makati prior to the auction sale following the said provision in relation to Section 260 of the LGC;
- (d) the failure to annotate the notice of levy on the title of the property prior to the conduct of the auction sale on May 24, 2006; and
- (e) the gross inadequacy of the bid price for the property considering that it only represented five (5) percent of the value of the property in the total amount of ₱35,000,000.00 based on the zonal valuation.

Because of these alleged defects, petitioners assailed the auction sale for being defective pursuant to the provisions of the LGC.

Respondent is of the view that the auction sale enjoys the presumption of regularity. The CA agreed with him when it reversed the RTC ruling holding the auction sale as invalid.

The Court, however, does not.

In *Spouses Sarmiento v. CA*,²³ this Court reiterated the rule that there could be no presumption of the regularity of any administrative action which resulted in depriving a taxpayer of his property through a tax sale. This is an exception to the rule that administrative proceedings are presumed to be regular. This has been the rule since the 1908 case of *Valencia v. Jimenez and Fuster*²⁴ where this Court held:

²³ Supra note 10.

²⁴ 11 Phil. 492, 498-499 (1908).

The American law does not create a presumption of the regularity of any administrative action which results in depriving a citizen or taxpayer of his property, but, on the contrary, the due process of law to be followed in tax proceedings must be established by proof and the general rule is that the purchaser of a tax title is bound to take upon himself the burden of showing the regularity of all proceedings leading up to the sale. The difficulty of supplying such proof has frequently lead to efforts on the part of legislatures to avoid it by providing by statute that a tax deed shall be deemed either conclusive or presumptive proof of such regularity.

Those statutes attributing to it a conclusive effect have been held invalid as operating to deprive the owner of his property without due process of law. But those creating a presumption only have been sustained as affecting a rule of evidence, changing nothing but the burden of proof. (*Turpin v. Lemon*, 187 U.S., 51.)

The tax law applicable to Manila does not attempt to give any special probative effect to the deed of the assessor and collector, and therefore leaves the purchaser to establish the regularity of all vital steps in the assessment and sale. (Emphasis supplied)

In 1915, the Court reiterated this doctrine in *Camo v. Boyco*.²⁵ It was written therein that no presumption of the regularity existed in any administrative action which resulted in depriving a citizen or taxpayer of his property. It further stated that on the contrary, the due process of law to be followed in tax proceedings must be established by proof and the general rule was that the **purchaser of a tax title was bound to take upon himself the burden of showing the regularity of all proceedings leading up to the sale.**

And in the 2003 case of *Requiron v. Sinaban*,²⁶ this Court likewise pronounced that it was incumbent upon the buyer at an auction sale to prove the regularity of all proceedings leading to the sale for the buyer could not rely on the presumption of regularity accorded to ordinary administrative proceedings.

The above jurisprudential tenor clearly demonstrates that the burden to prove compliance with the validity of the proceedings leading up to the tax delinquency sale is incumbent upon the buyer or the winning bidder, which, in this case, is the respondent. This is premised on the rule that a sale of land for tax delinquency is in derogation of property and due process rights of the registered owner. In order to be valid, the steps required by law

²⁵ *Camo v. Boyco*, 29 Phil. 437, 444-445 (1915).

²⁶ 447 Phil. 33 (2003).

must be strictly followed.²⁷ The burden to show that such steps were taken lies on the person claiming its validity, for the Court cannot allow mere presumption of regularity to take precedence over the right of a property owner to due process accorded no less than by the Constitution.

It is, thus, necessary to determine whether respondent has fulfilled his burden of proving compliance with the requirements for a valid tax delinquency sale.

Under Section 254 of the LGC, it is required that the notice of delinquency must be posted at the main hall and in a publicly accessible and conspicuous place in each barangay of the local government unit concerned. It shall also be published once a week for two (2) consecutive weeks, in a newspaper of general circulation in the province, city, or municipality.

Section 258 of the LGC further requires that should the treasurer issue a warrant of levy, the same shall be mailed to or served upon the delinquent owner of the real property or person having legal interest therein, or in case he is out of the country or cannot be located, the administrator or occupant of the property. At the same time, the written notice of the levy with the attached warrant shall be mailed to or served upon the assessor and the Registrar of Deeds of the province, city or municipality within the Metropolitan Manila Area where the property is located, who shall annotate the levy on the tax declaration and certificate of title of the property, respectively.

Section 260 of the LGC also mandates that within thirty (30) days after service of the warrant of levy, the local treasurer shall proceed to publicly advertise for sale or auction the property or a usable portion thereof as may be necessary to satisfy the tax delinquency and expenses of sale. Such advertisement shall be effected by posting a notice at the main entrance of the provincial, city or municipal building, and in a publicly accessible and conspicuous place in the barangay where the real property is located, and by publication once a week for two (2) weeks in a newspaper of general circulation in the province, city or municipality where the property is located.

Respondent utterly failed to show compliance with the aforesaid requirements. First, no evidence was adduced to prove that the notice of levy was ever received by the CSDC. There was no proof either that such notice was served on the occupant of the property. It is essential that there be an actual notice to the delinquent taxpayer, otherwise, the sale is null and void

²⁷ *Tan v. Bantegui*, 510 Phil. 434, 446 (2005).

although preceded by proper advertisement or publication. This proceeds from the principle of administrative proceedings for the sale of private lands for non-payment of taxes being *in personam*.²⁸

Second, the notice of tax delinquency was not proven to have been posted at the Makati City Hall and in Barangay Dasmariñas, Makati City, where the property is located. It was not proven either that the required advertisements were effected in accordance with law. In fact, the RTC stated that:

[E]xcept for the certification issued by the City Administrator and the attachment described in the preceding paragraph, no other proof was adduced to prove compliance with the other requirements of Section 254. Specifically, petitioner failed to establish that the City Treasurer actually caused a Notice of Delinquency posted in a publicly accessible and conspicuous place in Barangay Dasmariñas, Cypress St. where the property is located. Petitioner is (*sic*) likewise failed to present proof that the Notice of Delinquency was published once a week for two (2) consecutive weeks in a newspaper of general circulation in the city. The pleadings with Annexes/Attachments do not support the conclusion that the notice of tax delinquency was published in a newspaper of general circulation once a week for two (2) consecutive weeks without the Affidavit of Publication of the newspaper's publisher and the presentation of the issues of the newspaper where the notice of delinquency is published. Likewise, the pleadings with attachment/annexes do not support the conclusion that the City Treasurer of Makati, her deputy or any authorized officer of the city cause (*sic*) the notice of delinquency posted in the barangay where the property is located. To be precise, the petitioner failed to show the requirements under Sec. 254 (Notice of Delinquency in the payment of real property tax) have been fully complied with.²⁹

Having established the lack of proof of receipt of the notice of levy by CSDC or by the occupant of the subject property, and of the fact of publication, there is clearly reason to doubt the validity of the proceedings leading to the tax delinquency sale made in favor of the respondent. Verily, the inescapable fact that can be derived from all these is respondent's inability to prove that he derived his right over the property from a valid proceeding pursuant to the requirements of the LGC.

²⁸ Id.

²⁹ *Rollo*, p. 58.

In reversing itself, the CA took respondent's side without recognizing the strict rules on tax delinquency sales. It also erred in relying on *Bank of the Philippines Islands v. Evangeline L. Puzon*³⁰ for the Court finds it inapplicable with the issue at hand. Although the Court has applied the presumption of regularity in that case, there were other pieces of evidence which showed compliance with the requirements of a valid foreclosure sale. In ruling that there was indeed compliance, the Court said as follows:

Besides, even if the notices of sale were not posted in public places, this does render the foreclosure sale invalid. As held in *Development Bank of the Philippines v. Aguirre*, the failure to post a notice is not a ground for invalidating the sale as long as the notice is duly published in a newspaper of general circulation. Thus, publication of the notice of sale is sufficient compliance with the statutory requirement on notice-posting.

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To prove compliance with the requisites for valid publication of the notice of sale, Citytrust offered the following evidence: (1) Notice of Sheriff's Sale, stating its publication at "The Guardian" newspaper on 1, 8, and 15 February 1992; (2) Copies of "The Guardian" newspaper, for the issues dated 1-7 February 1992, 8-14 February 1992, and 15-21 February 1992,¹ where the Notice of Sheriff's Sale was published; and (3) Affidavit of Publication by the General Manager of "The Guardian" newspaper stating that "The Guardian" is a weekly newspaper, published and circulated in the Philippines and that the foreclosure sale was published in "The Guardian" on 1, 8, and 15 February 1992. Moreover, in its motion for reconsideration filed with the Court of Appeals, Citytrust attached a Certification issued on 25 April 2003 by the Office of the Clerk of Court of the Regional Trial Court of Quezon City, attesting and confirming the qualification of "The Guardian" newspaper to publish the Notice of Sheriff's Sale.³¹ (citations omitted)

In comparison, respondent here merely attached the following in his petition: (1) sheriff's return about the service of the order issued by the RTC on February 13, 2008 upon the Register of Deeds, the LRA and the petitioner marked as Exhibit A, (2) the certificate of posting of the court order and the petition in three conspicuous public places in Makati City marked as Exhibit B, (3) the order issued by the RTC on February 13, 2008 marked as Exhibit C, (4) the certified copy of the TCT No. 125211 marked as Exhibit E, (5) the Final Deed of Conveyance marked as Exhibit F, (6) the warrant of levy on

³⁰ G.R. No. 160046, November 27, 2009, 606 SCRA 51.

³¹ Id. at 63-64.

the property marked as Exhibit G, and (7) the Certificate of Sale issued by the City Treasurer of Makati marked as Exhibit H.³²

A cursory reading of the above-cited documents showed that these patently failed to prove the crucial requirements for a valid tax sale. The fact that publication was effected was not clear and thus cannot be presumed. Also, compliance with the other requirements was not proved, specifically the receipt of the notice of levy by CSDC. In *BPI*, this was not the case. Besides, BPI did not deal with a tax delinquency sale, hence inapplicable.

Moreover, respondent's failures are highlighted by his vigorous reliance that it is the petitioners who should prove the invalidity of the administrative proceedings. He merely stated in his Comment that the burden was placed on the petitioners; that indeed it was petitioners who failed to adduce any evidence to support the claim that no notice of tax delinquency and warrant of levy were received by CSDC; that petitioners should be blamed for not receiving the notice for they should have informed the Register of Deeds, the City of Makati, and the SEC of the change of business address; and that the notice of warrant was served on the City Assessor and Register of Deeds, the fact of which could have been verified by petitioners themselves had they done so by proceeding to the Office of the City Treasurer of Makati. He made these statements without adducing proof to support his claim that faithful compliance with all the requirements of the LGC was made. Respondent could have provided documentary proof to establish that he derived his right from a proceeding that did not violate the petitioners' right to due process. Yet, he chose to rely on the presumption of regularity, which is not even applicable here. Indeed, respondent failed to exercise prudence in directing his affairs.

Respondent must be reminded that the requirements for a tax delinquency sale under the LGC are mandatory. Strict adherence to the statutes governing tax sales is imperative not only for the protection of the taxpayers, but also to allay any possible suspicion of collusion between the buyer and the public officials called upon to enforce the laws. Particularly, the notice of sale to the delinquent land owners and to the public in general is an essential and indispensable requirement of law, the non-fulfilment of which vitiates the sale.³³ Thus, the holding of a tax sale despite the absence of the requisite notice, as in this case, is tantamount to a violation of the delinquent taxpayer's substantial right to due process.³⁴

³² *Rollo*, pp. 53-54.

³³ *Id.* at 448.


³⁴ *Sarmiento v. CA*, *supra* note 10, at 121.

For the foregoing reasons, the Court has no recourse but to agree with the RTC ruling, which was even affirmed by the CA in its original decision. Undeniably, there was insufficiency of evidence to prove compliance with the LGC requirements for a valid tax delinquency sale. As such, the Court finds no need to delve on the other issues raised in this petition.

Finally, as to the issue of petitioners' counsel's compliance with the MCLE Certifications, the Court notes that the required MCLE Certificates, showing fulfilment of the requirements for the fourth compliance period, have been submitted. This renders the issue moot. Suffice it to state that the Court "cannot look with favor on a course of action which would place the administration of justice in a straightjacket, for then the result would be a poor kind of justice if there would be justice at all. Verily, judicial orders are issued to be obeyed, nonetheless a non-compliance is to be dealt with as the circumstances attending the case may warrant. What should guide judicial action is the principle that a party-litigant is to be given the fullest opportunity to establish the merits of his complaint of defense rather than for him to lose life, liberty, honor or property on technicalities."³⁵

WHEREFORE, the petition is **GRANTED**. The March 18, 2013 Amended Decision of the Court of Appeals and its August 15, 2013 Resolution are hereby **REVERSED** and **SET ASIDE**. The January 15, 2010 Decision of the Regional Trial Court of Makati City, Branch 150, dismissing the petition for the issuance of a new certificate of title for lack of merit, is hereby **AFFIRMED** and **REINSTATED**.

SO ORDERED.


JOSE CATRAL MENDOZA
Associate Justice

³⁵ *Obut v. Court of Appeals*, 162 Phil. 731, 744 (1976).

WE CONCUR:



ANTONIO T. CARPIO
Associate Justice
Chairperson



ARTURO D. BRION
Associate Justice



MARIANO C. DEL CASTILLO
Associate Justice



MARVIC M.V.F. LEONEN
Associate Justice

ATTESTATION

I attest that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.



ANTONIO T. CARPIO
Associate Justice
Chairperson, Second Division

CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution and the Division Chairperson's Attestation, I certify that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.



MARIA LOURDES P. A. SERENO
Chief Justice