



MORNING MIST VILLAGE
HOME OWNERS
ASSOCIATION (MMVHOA)
Represented by its President
MR. ARTHUR ARANAS

-versus-

PUEBLO DE ORO
DEVELOPMENT
CORPORATION (PROPOSED
MASTERSON MILE NORTH
PROJECT)
Represented by its Vice-President
ENGR. CHRYSLER B. ACEBU

FOR: SUSPENSION /
CANCELLATION OF ECC-
R10-2506-0002

Respondent.

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RESOLUTION

For resolution of this Office is the Motion for Reconsideration of **MR. ARTHUR R. ARANAS** (Mr. Aranas for brevity), duly representing the Morning Mist Village Home Owners Association (MMVHOA for brevity), as petitioner/complainant, dated 29 July 2025¹, seeking the cancellation of the Environmental Compliance Certificate (ECC) bearing the Code ECC-R10-2506-0002 issued by this Office in favor of the respondent, **PUEBLO DE ORO** (PDOC for brevity), herein represented by its Vice-president, **ENGR. CHRYSLER B. ACEBU**, dated June 26, 2025, for its Proposed Masterson Mile North Project, located at Masterson Avenue, Upper Balulang, Cagayan de Oro City.

Before delving on merits of the case, and to appreciate the case in its entirety, it is proper to elaborate the important facts relevant to its resolution.

Petitioner/comp lodged to this Office this instant motion seeking the reversal of the decision made by this Office in issuing this subject ECC to the respondent PDOC on the following issues and concerns;

1. Procedural Lapses and Institutional Evasion,
2. Non-Compliance with PD 957 and Subdivision Zoning Rules,
3. Flawed Public Participation Process,
4. Deficient and Misleading Environmental Impact Statement (EIS),

¹ Annex "1"

5. Disregard for Scientific Review and Due Process.

Noteworthy, when this motion was first lodged, petitioner addressed the same to the Office of the DENR Secretary, Raphael Perpetuo M. Lotilla, through this Office. To our mind, this was an appeal to our decision in issuing the subject ECC. Nevertheless, we took cognizance of the issues raised by the petitioner with respect to the alleged procedural lapses committed by this Office in processing the application of the questioned ECC through our Memorandum to the EMB Central Office dated 20 August 2025². However, this matter was referred back by the said Office, through its memorandum³ dated October 6, 2025, emphasizing that a Motion for Reconsideration, under the Manual of Uniform Procedure is to be resolved within the Regional level.

We noted that the respondent/adverse party (PDOC) in this case was not furnished with the petition/complaint by petitioner/complainant MMVHOA, thus, this Office furnished a copy of the motion to the respondent/adverse party through our letter⁴ dated October 15, 2025, directing them to submit their position paper within 15 days from receipt thereof otherwise the same shall be resolved based on the evidence available as sanctioned under Section 2.2.4 (i) of EMB Memorandum Circular 2017-002⁵.

On November 3, 2025 the PDOC submitted its duly notarized position paper⁶.

In its comment, respondent, averred, among others and quote:

- a. *The issuance of an ECC by the DENR, as an official act of the government agency, is accorded the legal presumption of regularity in the performance of official duties that applies to DENR-EMB in its issuance of an ECC;*
- b. *Towers of Darkness do not exist – it is but a fantasy, a figment of imagination from a wild and fertile mind;*
- c. *All the issues raised by MMVHOA represented by Aranas pertaining to the MMN Project in its motion for reconsideration were already addressed in the final EIS submitted to EMB which was the basis for the issuance of the ECC.*
- d. *Thus, it concludes that the MMN Project of PDO is compliant and conforms to the standards mandated by law for the issuance of ECC. There exist no cogent grounds or reasons to revoke or cancel ECC-R10-2506-0002 for the Masterson Mile North Project.*

Pending the resolution of the said motion, on November 17, 2025 complainant/petitioner submitted a supplemental motion⁷ with urgent request and reiteration to cancel the subject ECC, citing the following grounds and quote:

A. Material Misrepresentation in ECC Application

² Annex "2"

³ Annex "3"

⁴ Annex "4"

⁵ xxx "A motion for reconsideration shall be in writing, with a copy furnished to the adverse party with proof of such service"

⁶ Annex "5"

⁷ Annex "6"

Under DENR Administrative Order No. 2003-30, an ECC applicant must demonstrate legal control over the project site. The submission of cancelled titles and a road lot constitutes material misrepresentation, which is a ground for ECC revocation under:

*Section 12, DAO 2003-30 – Grounds for denial or cancellation of ECC
Section 4.1.2, EIS Manual – Requires valid proof of ownership or legal Interest.*

B. Road Lot Is Legally Non-Buildable

Presidential Decree No. 1096 (National Building Code) prohibits construction on land designated for public infrastructure.

Local Government Code (RA 7160) and the Comprehensive Land Use Plan (CLUP) of Cagayan de Oro classify road widening lots as non-buildable and reserved for public use.

C. Jurisprudence on Fraudulent Land Claims

Malabanan v. Republic (G.R. No. 201821) Titles obtained or used through misrepresentation may be subject to reversion and cancellation.

Belizaro v. DENR (G.R. No. 231001) – DENR must exercise due diligence and may be held accountable for approving permits based on defective titles.

The titles attached to the petitioner's motion which were accordingly allegedly cancelled (referring to title TCT No. 137-2017000937 and TCT No. 137-2011004310) or part of a road widening (referring to title TCT No. 157054).

Thus, in view of the new allegations of the petitioner material to the resolution of the case, this Office deemed it proper to refer the same to the respondent/adverse party (PDOC) to comment on the same through our letter dated December 9, 2025⁹, as provided in Section 2.2.4 (i) of EMB Memorandum Circular 2017-002 cited in the said memorandum, which reads:

i. Reconsideration –

“An applicant or oppositor may file a motion for reconsideration within fifteen (15) days from the date of notice of the decision of the EMB Director or Regional Director. No second motion for reconsideration shall be entertained. A motion for reconsideration shall be in writing, with a copy furnished to the adverse party with proof of such service attached to the motion.” (emphasis supplied)

On December 17, 2025, respondent/adverse party submitted its comment¹⁰, thru counsel, where it asseverates among others, the following, and quote:

- i. PDO takes particular exception concerning the malicious charge of Aranas about the purported material misrepresentation in the land title that they submitted in this Office. Arans claims that the Environmental Impact Statement (EIS) of PDO included cancelled and non-buildable land titles;*
- ii. The variance or inconsistency in the land titles, the original title has been subdivided, specifically, Transfer Certificates of Title No. 137-*

⁹ Annex “7”

¹⁰ Annex “8”

2017000937 and resultant titles of which are 137-2023004790 and 2023004791;

iii. *To have a clearer picture of the subdivided lot, the following is the summary of the subdivision:*

Current Titles	Title No.	Lot.	Area
	137-2017000937 (Subdivided)	Lot 3-B	9,032
	<i>Resultant Titles:</i>		
	137-2023004790	Lot 3-B-1	3,889
	137-2023004791	Lot 3-B-1	5,145
	<i>Subtotal</i>		9,031
	T-157054		2,617
	T-157051		429
	<i>TOTAL</i>		12,077

iv. *Thus, the total area did not change. However, there is a difference of 1 sq.m. due to rounding off/margin of error. In the EIS, the MMN Project is described as:*

Based on TCTs 137-2017000937, T-157054 and T-157051, the lot area is 12, 078 sq.m.

Total/Gross Floor Area – 92,000 sq.m

v. *The following are the titles attached as annexes to the EIS:*

- TCT No. 137-2017000937;*
- TCT No. 137-2011004310;*
- TCT No. T-157054;*
- TCT No. T-157051*

vi. *TCT Nos. T-157-051 and T-157-054 remain as is. While T-157054 is described as road widening. PDO as the property owner has legal rights to use the property or change its use as it sees fit;*

vii. *TCT No. 137-2011004310 was the mother title and was divided into Lots 3-A and 3-B. This should have been omitted from the EIS annexes as only Lot 3-B under TCT No. 137-2017000937 was included in the project area;*

viii. *Subsequently, PDO divided TCT No. 137-2017000937 (Lot 3-B) into two in preparation for the phased development of Masterson Mile North (Phases 1 & 2). As aforesaid, these two lots are covered under TCT Nos. 137-2023004790 and 2023004791;*

ix. *Despite the Subdivision of the lot described in TCT No. 137-2017000937, the registered owner in all the resultant titles is PDO;*

- x. *Before the titles came out in 2023, PDO had already begun the process of securing ECC, hence the use of TCT TCT No. 137-2017000937 in the paperworks;*
- xi. *So, at present, the titles comprising MMN are TCT Nos. T-157051, T-157054, 137-2023004790 and 137-2023004791.*

In view of the foregoing, we summarized the pivotal issues worthy of consideration,

- 1) Whether or not the EIS substantially addressed the environmental issues of the MMNP project and whether or not there was procedural lapse in handling the ECC application.
- 2) Whether or not there was a material misrepresentation of the facts/documents presented in the EIS as the basis of the issuance of ECC.

We resolve.

First, on the first issue, this Office finds the EIS, with regards to the environmental impacts and mitigation to be sufficient as previously recommended by the review committee commissioned to review the EIS and this Office have categorically disputed that there was no procedural lapses committed in the handling of the application of the subject ECC. It can be recalled, prior to this resolution, we have ruled upon the same issues raised by Mr. Aranas, except the issue on the misrepresentation of the alleged cancelled titles. This was the subject matter of our memorandum¹¹ dated August 20, 2025, and for consistency we deemed it proper to adopt the same explanation or comment which shall be an integral part of this resolution.

On the second issue, this Office finds material omission of facts on the part of the respondent/aggrieved party.

Apparently, the titles stated in item v of respondent's comment, although presented in the EIS did not include the derivative titles¹² which has approved subdivision plan dated April 12, 2023. Noteworthy, that the first draft of the EIS was submitted on November 26, 2024. However, despite the knowledge of the approved subdivision plan, respondent continued to use the old and cancelled title in its ECC application, thereby misrepresenting the true and current status of the project site at the time of the ECC application.

Further, the respondent failed to disclose in the site development¹³ Lot 6 of PCS-10-003135 under TCT No. T-157054 which is affected by road widening. The presentation in the site development plan of the said information is crucial as this would properly feed information to the review committee on the impact of the project on the use of such area, i.e. impact on the traffic, the drainage canals and the required setbacks. Said omission resulted in an inaccurate representation of the project site boundaries and configuration, thereby misleading this Office in the determination of the applicable environmental parameters.

¹¹ ibid

¹² 137-2023004790 137-2023004791

¹³ Annex "9"

The contention of the respondent that it still holds legal rights over T-157054 described as road widening and it may change the use of such property as it sees fit, while may be correct, requires a prior clearance from the court as provided under Section 50 of PD 1529, "Amending and Codifying the Laws Relative to Registration of Property and for other Purposes", which states:

Section 50. Subdivision and Consolidation Plan

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If a subdivision plan, be it simple or complex, duly approved by the Commissioner of Land Registration or the Bureau of Lands together with the approved technical descriptions and the corresponding owner's duplicate certificate of title is presented for registration, the Register of Deeds shall, without requiring further court approval of said plan, register the same in accordance with the provisions of the Land Registration Act, as amended: Provided, however, that the Register of Deeds shall annotate on the new certificate of title covering the street, passageway or open space, a memorandum to the effect that except by way of donation in favor of the national government, province, city or municipality, no portion of any street, passageway, waterway or open space so delineated on the plan shall be closed or otherwise disposed of by the registered owner without the approval of the Court of First Instance of the province or city in which the land is situated. (emphasis supplied)

xxx

In here, it is only during the height of this complaint and after the issuance of the ECC that respondent/adverse party did revealed thru its appended revised lot plan¹⁴ the existence of Lot 6 of TCT No. T-157054 described as road widening. This is clearly a belated information on the part of the proponent which constitutes a material misrepresentation intended to deceive the concerned office and undermine the integrity of the ECC during the evaluation process of its EIS.

Furthermore, a close perusal of the proponent's submitted Ordinance¹⁵ (No. 14857-2024) issued by the City Planning and Development Office of Cagayan de Oro City indicating conversion of land use from C-2 (Medium Density Commercial Zone) to C-3 (High Density Commercial Zone), would reveal that only Lot – 1 PCS-10-022317 and PCS-10-00315 were included in the said rezoning. The corresponding area declared in the site development is only Lot 3 which comprises of several TCTs and none of which were declared in the said ordinance.

The foregoing acts constitute material misrepresentation and intentional concealment of relevant facts, which directly influenced the environmental assessment and issuance of ECC No. ECC-R10-2506-0002 and runs against the sworn statement of accountability¹⁶ of the proponent and the preparer of the project.

The sworn statement of accountability of the proponent reads:

¹⁴ Annex "10"

¹⁵ Annex "11"

¹⁶ Annex "12"

"This is to certify that all information and commitments in this Environmental Impact Statement (EIS) Report for the Masterson Mile North Project are accurate and complete to the best of our knowledge, and that an objective and thorough assessment of the Project was undertaken in accordance with the dictates of professional and reasonable judgement. Should I/we learn of any information which would make the EIS Report inaccurate. I shall immediately bring the said information to the attention of the DENR-EMB.

I hereby certify that no DENR-EMB personnel was directly involved in the preparation of this EIS Report other than to provide procedural and technical advice consistent with the guidelines in the DAO 2003-30 Revised Procedural Manual.

I hereby bind myself to answer any penalty that may be imposed arising from any misrepresentation of failure to state material information in the EIS Report."

Parenthetically, the claim of the respondent that the change of the title and designation of the lots does not affect the totality of the area subject of the ECC application and its ownership which still under the PDO, but the matter under consideration is whether or not there is material misrepresentation. Clearly, there are material information that were withheld by the respondent, intentional or not that were valuable for the proper assessment of the EIS Report by this Office and by the Review Committee.

Under the Revised Procedural Manual of DAO 30, series of 2003, it was stated that *"All misrepresentations, whether material or minor constitute violations on the theory that full disclosure in the EIA Report is the key to the effective use of the EIS System as a planning and management tool."* Further, misrepresentation in the EIA Reports or any other documents submitted by the Proponent is a violation which may result in a fine of a fixed maximum amount of **FIFTY THOUSAND PESOS (PhP50,000.00)** for every proven misrepresentation.

Further, Section 9 of PD 1586, states that:

"Any person, corporation or partnership found violating Section 4 of this Decree, or the terms and conditions in the issuance of the Environmental Compliance Certificate, or of the standards, rules and regulations issued by the National Environmental Protection Council pursuant to this Decree shall be punished by the suspension or cancellation of his/its certificate or and/or a fine in an amount not to exceed Fifty Thousand Pesos (P50,000.00) for every violation thereof, at the discretion of the National Environmental Protection Council".

In here respondent/adverse party PDO was found guilty of three (3) counts of misrepresentation as discussed from the foregoing. Thus, the aggregate amount of **ONE HUNDRED FIFTY THOUSAND PESOS (PHP 150,000)** fine is hereby imposed.

WHEREFORE, premises considered, this Office hereby **ORDERS** the **SUSPENSION** of Environmental Compliance Certificate (ECC) No. ECC-R10-2506-0002 issued to Pueblo de Oro Development Corporation (PDO) for the

Masterson Mile North Project (MMNP) and the payment of penalty herein above imposed within 15 days upon receipt hereof. Furthermore, during the period of suspension:

1. All project activities covered by the ECC involving site development and civil works are hereby ordered to **CEASE AND DESIST** until further notice from this Office;
2. Failure to comply, or a finding that the misrepresentations are willful and incurable, shall warrant the initiation of ECC cancellation proceedings and the imposition of appropriate administrative sanctions, without prejudice to other legal actions.

SO ORDERED.

Issued this 7th day of JANUARY 2026, at CAGAYAN DE ORO CITY.


REYNALDO S. DIGAMO, CESO V
Regional Director

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