

G.R. No.L-8915

[**G.R. No.L-8915. September 23, 1957**]

INTESTATE ESTATE OF THE DECEASED TEODORO ALCARAZ. PACIENCIA MAGSUMBOL, ADMINISTRATRIX-APPELLANT, VS. PAGBILAO LUMBER COMPANY, INC., ET AL., CREDITORS-APPELLEES.

D E C I S I O N

REYES, J.B.L., J.:

Appeal from an order of the Court of First Instance of Quezon, Tayabas, dated September 17, 1953, ordering the Administratrix of the Estate of the deceased Teodoro Alcaraz to withdraw from the Philippine National Bank the amount of P1,909.15 and deliver the same to Pedro C Martinez, Treasurer of the Pagbilao Lumber Co.; and ordering the latter to deposit said amount in the Philippine National Bank, Lucena Branch, in the name of the Pagbilao Lumber Co., subject to further orders of the court, after deducting the sum of P350.00 which was ordered paid to Atty. Mariano P. Duldulao for professional services.

It can be gathered from the record that the late Teodoro Alcaraz, in his lifetime, had been the Treasurer of the Pagbilao Lumber Co., a Philippine corporation. Upon his death, various claims were filed by creditors against his estate, among them one of the Pagbilao Lumber Co. (represented by its president and attorney, Mariano P. Duldulao) for P7,700.00. Due to insufficiency of the assets of the estate, they were prorated among the creditors, and upon agreement with the Administratrix, the court on January 7, 1953 approved the prorata distribution and authorized the Administratrix to withdraw the estate funds from the bank and pay to each creditor his ratable share, that of the Pagbilao Lumber Co. being reduced from the original claim of P7,700.00 to only P1,909.15.

Subsequently, however, the Administratrix resisted payment to the alleged officers of the Pagbilao Lumber Co. to wit, Mariano P. Duldulao as President, and Pedro C. Martinez as Treasurer, on the ground that they had no authority to represent the corporation. She averred that the empowering resolutions of the majority of the board of directors of the

Company, adopted on June 15, 1953, were invalid, in that four (4) of the five (5) directors who voted for the resolutions (Saturnino Glorioso, Pedro C. Martinez, Marceliano Goyma and Arsenio Lu Kang), had ceased to be directors even during the lifetime of the late Teodoro Alcaraz. To this effect she submitted to the court a document, signed by the directors aforesaid, to the following effect:

“ANNEX ‘A’

TANTOIN NANG LAHAT:

Kaming nakalagda sa mababa nito ay manga STOCKHOLDERS sa Pagbilao Lumber Co. Inc., na natagtag sa bayan ng Pagbilao, Quezon, ay aming pinatutunayan na ang aming accion sa naulit na compania ay isinauli na sa amin ng aming naguing Tesorero na si G. Teodoro Alcaraz bago siya namatay, kaya wala na kaming kobrahin sa kanya o sa Pagbilao Lumber Co., Inc., at mula pa noon ay tumiguil na ang nasabing compania.

AT SA KATUNAYAN NANG LAHAT NANG ITO ay naglagda kami nang aming mga pangalan sa mababa ito.

(Sgd.) PEDRO C. MARTINEZ

Approved Creditor

ANNEX ‘E’

(Sgd.) ARSENIO LU KANG
(Stockholder)

(Sgd.) SATURNINO GLORIOSO
(Stockholder)

(Sgd.) PEDRO C. MARTINEZ
(Stockholder)

(Sgd.) MARCELIANO GOYMA
(Stockholder)

(Sgd.) CORNELIO JULAO
(Stockholder)" (Rec. on Appeal,p.42)

The Administratrix further alleged that since 1945 no election of directors of the Pagbilao Lumber Co. had been held, and prayed that the orders of payment be held in abeyance, and that a stockholder's meeting be called by the court in accordance with sec. 26 of the Corporation law, to elect new directors.

The court below having overruled her contention and ordered her to pay the claim of the Pagbilao Lumber Co., as recited at the beginning of this opinion, the Administratrix appealed to this Court, assigning as only error that -

"That the court a quo has committed error in approving in its order of September 17, 1953, the professional fee of Atty. Mariano P. Duldulao on the strength of resolution No. 3, series of 1953, of the board of directors of Pagbilao Lumber Corporation whose members were no longer stockholders, and ordering to

deliver the prorata share of the Corporation in the sum of P1,909.15 to Pedro C. Martinez, Treasurer-Elect, on the strength of resolutions Nos. 1 and 2, series of 1953, passed by the same board of directors, and in denying the motion for reconsideration in the order of December 21, 1953; and in not declaring said resolutions illegal, null and void, and in consequence thereof should have disapproved the claim for professional fee of Atty. Mariano P. Duldulao, the election of Pedro C. Martinez as Treasurer, and the delivery to him of the shares of the Corporation.” (Appellant’s Brief, pp.3-4)

We find no merit in this appeal. Granting that the appellant’s contentions are true and correct, still the anomalous situation of the directorship of the Pagbilao Lumber Co. can not be rectified within the intestate proceedings of the late Teodoro Alcaraz. This Court has repeatedly ruled that the policy of administration proceedings is to procure the speedy settlement of the decedent’s money obligations and the early distribution of his liquid assets among his heirs (Re Estate of Tiangco, 39 Phil. 967), “It is in the public interest that estates be administered with the utmost reasonable despatch” (Chua Kay & Co. vs. Heirs of Oh Tiong Keng, 62 Phil. 886). The management and administration of the Pagbilao Lumber Co. and the tenure of its directors and officers are matters entirely foreign to the settlement of the estate of the late Teodoro Alcaraz, whose only connection with the properties of the Company is the contingent interest vesting in him as a stockholder. The final settlement and closing of the administration proceedings should not be delayed by injecting therein issues that do not properly lie within the cognizance of the estate court.

Particularly should this be the case where the stand of the Administratrix is not supported by clear evidence. The document upon which she exclusively relies speaks of the shares of the directors being returned to them by the Treasurer (“isinauli na sa amin ng aming naging Tesorero”), a phrase that is susceptible of interpretation as meaning that the Treasurer returned the contributions of the stockholders or that the late Alcaraz purchased the shares for his own individual account. What is the true nature of the transaction and the legality thereof should be ventilated in a proper and separate action. The same thing can be said of the failure to convene stockholders’ meetings to elect new directors, for which a special remedy is provided by section 26 of the Corporation law.

With respect to the allowance of attorney’s fees to Mariano P. Duldulao, as counsel for the creditor Pagbilao Lumber Company, we see no reason for disturbing the order of the court a quo. Whether he was duly authorized or not, the fact is abundantly clear that said attorney

rendered legal services on behalf of the corporation as creditor of the estate, and. that he obtained the allowance of the claims of the Pagbilao Lumber Co., which thus benefited from his services. Even without a contract, Atty, Duldulao thereby became entitled to a reasonable compensation on a quantum meruit basis, and the court below expressly declared that his fee of P350.00 was reasonable. This finding not being assailed, we see no reason why he should not be paid, out of the funds allotted to the corporation.

Wherefore, and without prejudice to the appellant's pursuing her remedies, if any, in a separate action, the orders appealed from are hereby affirmed. Costs against appellant Administratrix.

So ordered.

Paras, C.J., Bengzon, Padilla, Montemayor, Reyes, Bautista Angelo, Labrador, Concepcion, Endencia, and Felix, JJ., concur.