

****Title:**** Py Eng Chong vs. Hon. A. Melencio-Herrera and Julia So De Chiat & Sons: A Case on Execution of Judgments Post-Judgment Debtor's Death

****Facts:****

Py Eng Chong was the petitioner in a case (Civil Case No. 65733) against Eduardo Uy Chiat and Cecilia G. Uy Chiat, wherein the Court of First Instance of Manila ordered the defendants to pay Py Eng Chong P23,796.00 with interest and attorney's fees on June 6, 1967. Attempts to execute the judgment through writs in September 1967 and December 1967 were unsuccessful. A Second Alias Writ of Execution was issued on May 10, 1969. Eduardo Uy Chiat died on March 30, 1968, after the judgment was rendered but before the Second Alias Writ was issued. In July 1969, Julia So De Chiat & Sons, a respondent partnership, moved to lift the levy on execution, claiming full ownership of the levied properties and disputing the validity of the writ post Uy Chiat's death. This motion was contested by Py Eng Chong, who argued that the sale of the debtor's participation in the partnership was simulated and thus not a barrier to the levy. However, the Court agreed with the respondent and recalled the Second Alias Writ based on the judgment debtor's death, directing that claims be filed against the estate pursuant to the Rules of Court.

****Issues:****

1. Whether the motion of the third-party claimant to recall the writ of execution was in compliance with procedural requirements.
2. If the respondent court's order that the judgment was against the conjugal property altered the final judgment.
3. Whether a judgment creditor must file his claim with the estate of the deceased judgment debtor when no estate proceedings have been initiated.

****Court's Decision:****

The Supreme Court ruled that the respondent court was correct in recalling the Second Alias Writ of Execution since the judgment, being for money and the debtor having died before the levy, meant that claims should be filed in the estate's settlement proceedings as per Section 5 of Rule 86 of the Rules of Court. The statement about the judgment being against the conjugal property was deemed merely an expression of opinion and did not alter the final judgment. The Court further elucidated that Py Eng Chong had avenues to initiate estate proceedings if none existed, thus his failure to file a claim due to the absence of such proceedings did not merit consideration.

****Doctrine:****

This case reiterated the doctrine that judgments for money against a deceased debtor must be pursued in the proceedings for the settlement of the decedent's estate as specified in Section 5, Rule 86 of the Rules of Court. The Court reinforced that a writ of execution cannot be enforced against a deceased judgment debtor before the levy of execution, underscoring the mandatory nature of filing claims against the decedent's estate.

****Class Notes:****

- Judgments for money against deceased debtors must be filed in the estate settlement proceedings.
- Rule 86, Section 5 of the Rules of Court dictates the filing of such claims within specified notice periods.
- An unenforced writ of execution (prior to levy) against a deceased cannot proceed; claimants must resort to estate proceedings.
- Litigants can initiate estate proceedings for deceased debtors if none exist, either as testate or intestate, depending on the presence of a will.

****Historical Background:****

This case exemplifies the procedural nuances surrounding the execution of judgments against deceased debtors in the Philippines. It underscores the principle aimed at protecting estates' interests, expediting the settlement of affairs, and ultimately ensuring the rightful distribution to claimants, heirs, or legatees. The decision reflects the judiciary's adherence to procedural statutes that govern the execution process post-judgment debtor's death, dictating the transition of claim enforcement from civil court judgments to estate settlement jurisdictions.