

IN RE ADMINISTRATION OF THE ESTATE OF PASCUAL VILLANUEVA, MAURICIA G. DE VILLANUEVA, PETITIONER VS. PHILIPPINE NATIONAL BANK, DEFENDANT AND APPELLANT.

G.R. No. L-18403. September 30, 1963

Ponente: PAREDES, J.

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PAREDES, J.:

A case certified by the Court of Appeals on the ground that the issues involved are purely of law. For the administration of the estate of her deceased husband, Pascual Villanueva, the widow Mauricia G. de Villanueva, on December 19, 1949, petitioned the Court of First Instance of Agusan, for letters of Administration (Sp. Proc. No. 67). The petition was set for hearing and Notice thereof was published on February 25, March 4 and 11, 1950, the Manila Daily Bulletin. At the hearing, the other heirs while agreeing to the placing of the estate under administration, opposed the appointment of the widow. The name of Atty. Teodulo R. Ricaforte, was suggested and all the parties agreed. After the taking of the required oath, Atty. Ricaforte entered into the performance of his duties. Under date of November 9, 1950, the Clerk of the Agusan CFI, issued the following Notice to Creditors:

"Letters of administration having been issued in the above entitled case in favor of Teodulo R. Ricaforte for the settlement of the intestate of Pascual Villanueva, deceased; Notice is hereby given to all persons having claims for money against the decedent, the said Pascual Villanueva, arising from contract, express or implied, whether the same be due, not due, or contingent, for funeral expenses and expenses of last sickness of the deceased, and judgment for money against him, requiring them to file their claims with the clerk of court within six but not beyond twelve months after date of the first publication of this notice, serving copies of such claims upon the administrator, the said Teodulo R. Ricaforte."

The above notice contained the usual order for publication thereof (once a week for three consecutive weeks), which was effected, thru the Morning Times of Cebu City, a newspaper of general circulation, on November 16, 23 and 30, 1950, which expired on November 16, 1951.

On July 20, 1953, the defendant-appellant Philippine National Bank filed in the administration proceedings a Creditor's Claim, of the following tenor—

"The Philippine National Bank, Creditor of Pascual Villanueva', deceased, respectfully presents its claim against the estate of the said deceased for Approval as follows:

Original amount thru Agusan Agency on Dec. 20, 1939

.....

P600.00

To int. at 10%: on P600.00 fr. 12-20-39 to 5-5-53

747.45

Total due as of June 5, 1953 (Daily int. of P0.1644 after June 5, 1953)

.....
P1.347.45

That the said obligation has been due and demandable since December 20, 1940; that the same is true and just claim and that it is still unpaid without any set-off."

On October 12, 1954, the Philippine National Bank filed a Motion for Admission of Claim, stating—

- "1. That the Philippine National Bank filed its claim dated July 20, 1953;
2. That the last action taken on the claim was an order of this Honorable Court issued on March 20, 1954, transferring the hearing of the claim until the next calendar of the court, without objection of the administrator;
3. That the administrator has not answered the claim nor denied the same.

Wherefore, it is respectfully prayed that an order be issued admitting and approving the claim and ordering the administrator to pay the Bank the amount of the claim."

The administrator, on November 5, 1954, opposed the claim, alleging that he had no knowledge or information sufficient to form a belief as to the truth of the allegations therein. As special defenses, he interposed—

"That the same indebtedness; if it existed, has already been paid" That the cause of action for the recovery of the aforesaid amount of P1,347.40 is barred by the statute of limitations, for more than ten (10) years have elapsed since the cause of action accrued up to the present time;

That the said claim is barred forever or; the ground that the notice to creditors having been published in the MORNING TIMES of City, a newspaper of general circulation in the province, on November 10, 23 and 30, 1950, * * * the Philippine National Bank failed to file its claim within the time limited in the notice, * *

The appellant PNB, on November 11, 1958, more than four (4) years after the opposition of the claim presented by the administrator, filed a pleading captioned "Petition for an Extension of time within which to File the Claim of Philippine National Bank", alleging, among others, that Sec. 2, Rule 87 of the Rules, allows the filing of claims even if the period stated in the notice to creditors had elapsed, upon cause shown and on such terms as are equitable; that its failure to present the claim within the period stated in the notice, was its lack of knowledge of the administration proceedings, for while said bank maintains a branch office in Agusan, the employees there did not come to know of the proceedings, the notice having been published in the Morning Times, a newspaper of a very limited circulation.

On January 16, 1959, the CFI issued the following Order—

"It appearing that the claim of the Philippine National Bank against the estate of the deceased Pascual Villanueva is already barred by the statute of limitations because the claim was due and demandable since December 20, 1940, but was filed on July 20, 1953, after the expiration of ten years, and considering that said filing was furthermore not presented in court within the period fixed by Sec. 2, Rule 87 of the Rules of Court, and no reason having been shown to justify the extension of time for its filing, the Court resolves to deny as it hereby denies the petition for an extension of time for the filing of the claim by the Philippine National Bank. The failure of the Bank to present on time the claim was due to its own fault and can hardly be considered excusable negligence."

Appellant Bank moved to reconsider the above Order, arguing that the statute of limitations had been suspended by the Moratorium Law, and that the courts can extend "the period limited in the notice, under special circumstances, and on grounds of equity (Velasquez vs. Teodoro, 46 Phil. 757). The PNB listed five incidents,

which it considered special circumstances to warrant the granting the extension to present claim, among which are the lack knowledge of the pendency of the administration proceedings; the legitimacy of the loan secured by the deceased; that when it filed the claim, it did not know that the period stated in the notice had already expired. In disposing of the motion for reconsideration, the lower court, on March 3, 1959, said—

"The Court believes that the filing of money claim on July 20, 1953 in the Office of the Clerk of Court did not suspend the running of the period of prescription because said claim was filed out of time and therefore invalid for all legal purposes. A careful revision of the record shows that the Philippine National Bank, contrary to the pretension of its counsel, had knowledge of the present administration proceedings long before July 20, 1953, because the second payment of the claim due to the deceased Pascual Villanueva from the Philippine War Damage Commission in the amount of P6,441.30, was deposited in the Agusan Agency of the Bank in June, 1951. And in the inventory filed by the new administrator Francisco S. Conde, on February 27, 1957, the following item appears:

Money belonging to the said deceased, which came into the hands of the administrator on December 1, 1951, appearing in the Bank A-1114, Agusan Agency deposited by the late administrator Teodulo R. Ricaforte.—PG.897.52.

WHEREFORE, the motion for reconsideration is denied for lack of merits."

The order of January 16, 1959 was the subject of the appeal to the Court of Appeals which, as stated in the threshold of this opinion, certified the same to this Court. The important issue presented is whether or not the claim in question is already barred. Admittedly, the claim was filed outside of the period provided for in the Order of the lower court, within which to present claims against the estate. The period fixed in the notice lapsed on November 16, 1951 and the claim was filed on July 20, 1953 or about 1 year and 8 months late. This notwithstanding, appellant contends that it did not know of such administration proceedings, not even its employees in the Branch Office in Butuan City, Agusan. It is to be noted that the petition for Letters of Administration and the Notice to Creditors were duly published in the Manila Daily Bulletin and in the Morning Times, respectively, which was a full compliance with the requirements of the Rules. Moreover, the supposed lack of knowledge of the proceedings on the part of appellant and its employees had been belied by uncontested and eloquent evidence, consisting of a deposit of an amount of money by the administrator of the estate in said Bank (Agusan Agency). The deposit was made on December 1, 1951, in spite of which the appellant Bank only filed its claim on July 20, 1953. It is quite true that the Courts can extend the period within which to present claims against the estate, even after the period limited has elapsed; but such extension should only be granted under special circumstances. The lower court did not find any justifiable reason to give the extension and for one thing, there was no period to extend, since the same had lapsed.

Having reached the above conclusions, We deem it unnecessary to determine the question as to whether or not the Moratorium Law had suspended the prescriptive period for filing of the claim under consideration.

Wherefore, the order, subject of the appeal is hereby affirmed, with costs against appellant Philippine National Bank, in both instances.

Bengzon, C. J., Padilla, Bautista Angelo, Labrador, Dizon, Regala and Makalintal, JJ., concur.

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