

TESTATE ESTATE OF THE DECEASED LORENZO ZAYCO. FELIX BARRACA, CLAIMANT AND APPELLANT, VS. SOCORRO ZAYCO, ADMINISTRATRIX AND APPELLEE.*G. R. No. L-3325. May 21, 1951*

Ponente: BAUTISTA ANGELO, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/426f84189de6/>**BAUTISTA ANGELO, J.:**

On December 2, 1935, Felix Barraca filed in the testate estate proceedings of Lorenzo Zayco, then pending in the Court of First Instance of Iloilo, a claim for the sum of P5,410.75, with legal interest thereon from October 16, 1935. The claim was denied, but, on appeal, the Court of Appeals reversed the order of the lower court and ordered the administratrix to pay the claim within ninety (90) days. Then war came and later liberation. The claim was not paid, and no further action was taken thereon until February 16, 1949, when the claimant filed a motion praying that the administratrix be ordered to pay the claim within the shortest time possible. To this motion the administratrix objected claiming that the estate has not yet received the proceeds of the war damage claim she has filed with the Philippine War Damage Commission, and that under the Moratorium Act (Act No. 342) the estate cannot be required to pay its debt until the expiration of the time set forth in said act. The court sustained the objection and denied the motion stating that the claim has not yet become due under the provisions of the moratorium law. Hence this appeal.

The only issue before us is whether the moratorium law applies to a claim for a sum of money filed against the estate in the light of the provisions of the rules of court relative to the settlement of estates of deceased persons. It is claimed that the spirit of these rules is to expedite as much as possible the settlement and distribution of the estates in order that the heirs may enjoy the benefits of the shares to which they are entitled without unnecessary delay, and indicative of this spirit is the rule that requires that all debts and legacies be paid within one (1) year at the earliest and within two (2) years at the latest (section 16, Rule 89), and that while these sections are merely directory, "all Courts of First Instance should exert themselves to close up estates within twelve (12) months from the time they are presented, and they may refuse to allow any compensation to executors and administrators who do not actively labor to that end, and they may even adopt harsher measures" (*Lazarraga Hermanos vs. Abada*, 40 Phil., 124, 134-135).

We are in full accord with this spirit of the rules which have been devised to bring about the early termination of all estate proceedings, and it is indeed to be desired that they be settled as early as possible for the benefit of the heirs, but there are cases where this plausible objective cannot be achieved because of certain incidents and claims that arise which make delay inevitable, such as those contemplated by the same rules of court. Thus, when a party to a civil action dies and the claim is not extinguished, the rule requires that the legal representative be substituted for the deceased within a period of-thirty (30) days from notice (sec. 17, Rule 3); and when an action concerns the recovery of real or personal property from the estate, or the enforcement of a lien or the recovery of damages for an injury thereto, the rule also requires that the action be filed against the administrator (Section 1, Rule 88). Should any of these case arise, delay in the settlement of the estate cannot be avoided, and the proceedings may be

prolonged indefinitely. And this is because the final outcome of these incidents has to be awaited. It is, therefore, not correct to say that the moratorium law cannot apply to a claim for money against the estate for the reason that it may delay its settlement and distribution, more so when the impediment is caused by the administratrix or the heirs of the deceased. It should be observed that the moratorium injunction is a privilege. that can be waived by the debtor (*Ma-ao Sugar Co., Inc. vs. Barrios*, 45 Off. Gaz., 2444)[*], but far from waiving this privilege, the administratrix is the one who opposes the payment of the claim. This is an indication that the heirs do not want to pay the claim and, therefore, are not interested in the prompt settlement of the estate. Inasmuch as the claim falls within the purview of the moratorium law because the deceased is a war sufferer who filed a claim with the Philippine War Damage Commission, the only alternative left is to declare its payment suspended until the period set forth in the moratorium law has expired.

The order appealed from is affirmed without pronouncement as to costs.

Paras, C. J., Feria, Pablo, Bengzon, Padilla, Montemayor and Jugo, JJ., concur.

[*] 79 Phil., 666.

ABOUT BATAS.ORG

Study smarter at BATAS.org

The Philippine bar review and law-school companion built around how your brain actually remembers.

The complete Philippine law library - free for everyone.

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

Audio case-brief lectures.

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

Bar review built on the science of memory.

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

The full law-school curriculum.

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

Mock exams that tell you where you stand.

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

A study planner that keeps you on pace.

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

Start free at <https://batas.org>

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.