

**RUFINA C. DE PAULA, IN HER CAPACITY AS ADMINISTRATRIX OF
THE INTESTATE ESTATE OF THE LATE VICTOR GASTON,
PETITIONER, VS. JOSE ESCAY, ET AL., RESPONDENTS.***G.R. No. L-8559. September 28, 1955*

Ponente: LABRADOR, J.

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This is a special civil action of certiorari instituted in this Court, seeking to annul an order of the Court of First Instance of Negros Occidental, the Honorable Jose Teodoro, Sr., presiding, approving the claim of respondent Jose Escay in the amount of P5,418.31 plus legal interest of P2,682.06 and P810.03 as attorney's fees and approving its payment by the administratrix out of the funds of the estate. The claim arose out of a contract of lease between claimant Jose Escay as lessee of Hacienda Puyas No. 1, and the administratrix as lessor. This contract of lease was executed on May 12, 1937, with the court's approval, and amended on April 29, 1942, also with the court's approval. Under the original contract of lease (Exhibit A of Annex A), the administratrix was obliged to deliver to Escay ten per cent of the sugar, rice and corn produced from Hacienda Puyas No. 1 from 1943 until the full sum of P7,000, the estimated cost of property transferred to the estate, was fully covered. In the subsequent amendment of the contract, the lease was declared terminated with the close of the 1942-43 harvest, with the right on the part of either party to demand a liquidation of the accounts in relation to the lease one year after the re-establishment of the peace.

Pursuant to the above agreement, Jose Escay filed his claim on June 29, 1954, attaching thereto a copy of the contract of lease and a detailed statement of accounts showing that the administratrix is indebted to him in the sums of P5,418.31 as principal and P2,682.06 as interest. The administratrix opposed the claim on the following grounds, namely, (1) that it can not be presented as a claim because the administration proceedings were commenced since 1932 yet and the claim can not now be presented as one under section 5 of Rule 87 of the Rules of Court; and (2) that the court sitting in probate has no jurisdiction to entertain the claim, especially as the same is being controverted. The lower court held that the claim was properly filed (under the authority of III Moran, Comments on the Rules of Court, pp. 393-94 and the case of Escueta vs. Sy Juilliong, 5 Phil., 405). As to the contention that the claim is not chargeable against the estate but against the administratrix in her personal capacity because there is an over payment of rentals, the trial court held that as the contract of lease was approved by the court and the claim is an offshoot of said contract, she may not now repudiate it. As to the claim that the administratrix had not been given opportunity to contest the correctness of the claim, the court held that the administratrix had not offered to disprove the items contained in the statement of accounts.

The first legal issue submitted to us for resolution is the supposed lack of authority or jurisdiction on the part of the court to consider the claim in the administration proceedings. There is no question that the claim does not fall under the provisions of section 5 of Rule 87 of the Rules of Court, because the same is not a debt or money claim incurred by the deceased during his lifetime and collectible after his death. It is an ordinary demand or claim for the payment of the balance of an account due under a contract of lease entered into by the administratrix under the

court's approval. There is no express provision of the Rules governing the method by which the demand for payment may be made. May the claim be enforced by a simple motion in the administration proceedings, or by an ordinary action?

Under our judicial system, there is only one grade of court of general jurisdiction invested with power to take cognizance of all kinds of cases, whether civil or criminal, or all kinds of special proceedings, whether probate, or land registration, or naturalization. In the same grade, we have the Court of Industrial Relations and the Agrarian Court, but these are courts of limited jurisdiction. We do not have probate courts dedicated to the trial of probate cases alone; our courts of first instance have jurisdiction of probate proceedings, such as administration and distribution and guardianship, jointly with the civil or criminal actions, and when taking cognizance of probate cases they do not hold court or sessions at specified places, or periods, or terms, and their power over the same is not separate and distinct, as is the case in common law countries where the same court may at one time sit as a court of common pleas, at another as a probate court, and still at another as a court of claims. As a result the practice has been for demands against administrators (not by those against third parties) to be presented in the court of first instance where the special proceeding of administration is pending, if the demand has relation to an act of administration and in the ordinary course thereof. This is because the administration is under the direct supervision of the court and the administrator is subject to its authority. When the demand is in favor of the administrator and the party against whom it is enforced is a third party, not under the court's jurisdiction, the demand can not be by mere motion by the administrator, but by an independent action against the third person. For obvious reasons, the demand can not be made because third persons not under the jurisdiction of the court are involved.

From the above considerations, it can be seen, in the case at bar, that as the lease contract was entered into by the administratrix with the approval of the court in the ordinary course of administration and with the court's approval in the administration proceedings, to consider the claim in the same administration proceedings may not be denied for the claim purpose to make the administratrix comply with the obligations contracted in the course of administration with the court's consent and approval. There is no question that the court has jurisdiction of the administrator in so far as the property and the contract are concerned; as to the movant, he submitted himself to the court's jurisdiction by filing his claim. The claimant is not prohibited from filing an independent action to recover the claim, but the existence of such a remedy is not a bar to the remedy that he had pursued in the case at bar.

The objection of the administratrix to the presentation of the claim before the court may have been impelled by the belief that the amounts she may be compelled to pay by virtue of the demand of Escay may be charged against the estate, when the same should fall under her personal responsibility. She was entitled to receive only the amount of the rentals under the lease contract and no more, and Escay should not make the estate under administration responsible for the amount received by the administratrix in excess of the rentals actually due. The consideration of the claim in the administration proceedings, however, does not necessarily mean that the administratrix may not be held personally liable for the excess. The mere fact that the court in passing upon the claim may order her, the administratrix, to pay the full amount of the demand, does not mean that the total amount which she is compelled to pay could be chargeable against the said estate under administration. Certainly, the estate would only be responsible for the amount which she is legally entitled to receive as rentals; it can not be held responsible for the excess of the amount collected over and above the rentals due under the lease. For this excess the administratrix will have to be personally responsible and the court in ordering payment of the said excess would order the administratrix to be personally responsible therefor. The above circumstances, however, do not deprive the court of power to consider the claim; and the administratrix for herself is estopped from denying that the amounts received in excess of the true rentals were received by her in such capacity. One who

contracts with another in a representative capacity cannot claim that amounts received by her in said representative capacity are /due from her in another capacity (Arnold vs. International Banking Corporation, 50 Phil., 477; Kellerman vs. Miller [1897] 5 Pa. Super. Ct. 44S and Magee vs. Mellon [1852] 23 Miss. 585, cited in 64 A. L. R. 1558-1559; In re Glover, 29 S. W. 982).

Insofar as the correctness of the amounts stated in the claim or demand, we find that the administratrix never offered to disprove the amounts stated in the claim. Notwithstanding the fact that the account is itemized to the last detail, with a description of the methods by which payment were made, only a general denial was made which is not even under oath. The administratrix should have indicated the items the truthfulness or correctness of which she wanted to deny. There was in fact, therefore, no valid denial of any item and all the items were deemed admitted. It must be taken into account that the present action is one of certiorari, based on lack or excess of jurisdiction and Vor abuse of discretion. Under these circumstances, we are constrained to find that the court did not abuse its discretion in approving the claim, there being no specific denial of any of the items of the claim or specific offer of proof by her of the incorrectness of any of the items of the claim.

In view of the foregoing considerations, the petition should be as it hereby is denied. With costs against the petitioner.

Bengzon, Acting C. J., Padilla, Montemayor, Reyes, A., Jugo, Bautista Angelo, Concepcion, and Reyes, J.B.L., JJ.. concur.

Petition denied.

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