

ESTATE OF AMADEO MATUTE OLAVE, REPRESENTED BY JOSE S. MATUTE, IN HIS CAPACITY AS CO-ADMINISTRATOR OF THE ESTATE OF AMADEO MATUTE, SP. PROCEEDING 25876, COURT OF FIRST INSTANCE O...

G.R. No. L-39984. April 30, 1987

Ponente: GUTIERREZ, JR., J.

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GUTIERREZ, JR., J.:

Jose S. Matute, co-administrator and heir of the estate of Amadeo Matute Olave seeks to annul the sale of certain properties effected by Matias Matute, a former co-administrator. The sale of the so-called "Ponciano Reyes Street property" was executed with approval of the probate court in favor of private respondent Rufino Nasser.

The basic issue in this case is whether or not Mr. Nasser, as buyer of the land in question, paid the P280, 000.00 consideration for the sale.

The disputed sale was authorized in relation to testate proceedings docketed as Special Proceedings No. 25876 in the then Court of First Instance of Manila, Branch IV.

The authority given on July 11, 1963 by the probate court to administrator Julio V. Matute and Matias S. Matute, co-administrator to sell the Ponciano Reyes property covered by Transfer Certificate of Title No. 182 (T-543) of the Register of Deeds of Davao City was under the following conditions:

x x x x x x x x

"x x x [A] price of not less than P35.00 per square meter. The said administrators may execute the corresponding deed of sale, the original of which shall be submitted to this Court for approval. The proceeds of the sale shall be deposited by them in the name of the estate in a reputable bank in Manila within twenty-four (24) hours following the receipt thereof and shall inform the Court the day following. No withdrawal therefrom shall be made by the administrators without the express authority from this Court."

On November 3, 1966, the probate court approved the deed of absolute sale of the disputed property in favor of Rufino Nasser. The court also set aside its earlier order dated October 28, 1966 approving the deed of absolute sale of the same property in favor of La Urbanizadores, Inc.

In the meantime, on January 1, 1966 the probate court removed Matias Matute as co-administrator of the estate and replaced him with Jose S. Matute. The new administrator then filed motions to cancel the deed of sale in favor of Rufino Nasser, and to cite Matias S. Matute and Rufino Nasser for judicial examination as regards the purchase price of the Ponciano Reyes property. He alleged that no money was deposited in court nor was any manifestation to that effect made, contrary to the court's July 11, 1963 order.

The probate court in its April 22, 1967 order denied the cancellation of the questioned absolute deed of sale on the ground that this should be the subject of an independent action for an annulment. In this order, the probate court

also lifted its earlier order restraining the Register of Deeds of Davao from registering the deed of sale.

Upon motion for reconsideration filed by Jose Matute, the probate court issued the order dated June 7, 1967. The motion to reconsider paragraph 2 of the April 22, 1967 order was denied while that of paragraph 10 thereof was granted, to wit:

"WHEREFORE, the motion for reconsideration of the Order dated April 22, 1967 with respect to paragraph 10 thereof is hereby granted and said paragraph 10 of the order in question is modified in the sense that the verified specific report and account submitted by Matias S. Matute regarding the disposition of the proceeds of the sale of the Ponciano Reyes property is disapproved for lack of authority to dispose the same. Matias S. Matute is directed to deposit with the Clerk of Court the full consideration of the Deed of Sale within five (5) days from receipt of this Order, in default of which, the order of November 3, 1966 approving the sale is set aside, and the regular administrator Carlos V. Matute is directed to file immediately an action for the annulment of the sale, and to record the requisite lis pendens over the property with the Register of Deeds, of Davao."

Rufino Nasser and Matias Matute filed separate motions for reconsideration of the aforementioned portion of the June 7, 1967 order. Lately, Matias Matute withdrew his motion. The record shows that Rufino Nasser's motion remained unresolved.

Pursuant to the June 7, 1967 order of the probate court, Jose Matute as co-administrator of the estate and heir of Amadeo Matute Olave filed an action for recovery of real property against Rufino Nasser before the Court of First Instance of Davao. The case was docketed as Civil Case No. 6663. It is the decision in this latter case which was reversed by the Court of Appeals and which led to the instant petition.

After leave of court had been granted, Rosario Matute, Trinidad Matute, and the heirs of the late Carlos S. Matute, who are all heirs of the estate, and Mariano Nasser, successor-in-interest and vendee of the hereditary rights of some of the heirs of the estate, intervened by joining the plaintiff and by filing complaints-in-intervention.

Matias Matute also filed a complaint-in-intervention which he later tried to withdraw. The court however, denied his motion to withdraw his complaint-in-intervention.

Rufino Nasser filed a motion to dismiss on the grounds that the action is barred by res judicata, referring to G.R. No. L-30023, and that the case is premature since his motion for reconsideration of the June 7, 1967 remained unresolved. The motion was denied. He then filed his answer ad cautela refuting the allegations in the complaints.

After trial on the merits, the lower court promulgated a decision annulling the sale of the Ponciano Reyes property to Rufino Nasser. The dispositive portion of the decision reads:

"WHEREFORE, judgment is hereby rendered,

"1. Annulling the deed of absolute sale covering the Ponciano Reyes Street property of the plaintiff executed by Matias S. Matute on its behalf in favor of Rufino Nasser on October 14, 1966, acknowledged on the same date before Notary Public Enrique Al. Capistrano and appearing as Document No. 150 on Page 33, Book No. 1, Series of 1966 of the said Notary Public;

"2. Cancelling Transfer Certificate of Title No. 19015 in the name of Rufino Nasser appearing on Book T-96, page 15, of the Register of Deeds of Davao City;

"3. Directing the Register of Deeds of Davao City to issue in favor of the Estate of Amadeo Matute Olave a new transfer certificate of title for the land covered by Transfer Certificate of Title No. T-19015 which was cancelled in the next preceding paragraph:

"4. Directing Rufino Nasser to turn over to the plaintiff estate the possession of the property in question:

"5. Directing Rufino Nasser to pay the plaintiff estate the amount of P25, 000.00 as attorney's fees; and

"6. Directing Rufino Nasser to turn over to the plaintiff estate all the rentals on the land he received from the time that he took possession of the land and those that he will receive from now on until possession of the property is turned over to the plaintiff, with costs."

On appeal by Rufino Nasser, the lower court's decision was set aside by the Court of Appeals. The appellate court dismissed the complaints.

The petitioners maintain that the June 7, 1967 order which disapproved the deed of sale of the Ponciano Reyes property in favor of herein respondent Rufino Nasser, was final and executory, hence the Court of Appeals had no jurisdiction to rule on the validity of the subject sale; that the findings of the Court of Appeals to the effect that Rufino Nasser paid P280,000.00 for the Ponciano Reyes property is not substantiated by the evidence on record and that the appellate court erred in applying the *res judicata* principle to the instant case.

The petitioners' reference to the June 7, 1967 order is premised on their allegation that no motion for reconsideration of the said order was filed resulting in its becoming final and executory.

The record reveals otherwise.

On June 20, 1967, Rufino Nasser filed a motion for reconsideration of a portion of the June 7, 1967 order of the probate court which set aside the earlier order approving the sale and directed Carlos V. Matute to file the action for annulment, alleging among other things that:

x x x x x x x x

"x x x (a) the alleged failure of the administrator to deposit the proceeds with the probate court or to render an accounting satisfactory to the said court of the proceeds of the sale cannot affect or be made to bear adversely upon the validity of each and/or upon the vested rights of the innocent vendee Rufino T. Nasser; (b) after the Order of November 3, 1966, approving the sale and new Transfer Certificate of Title issued to vendee, the property ceased to be in *custodia legis* and the probate court has lost jurisdiction to annul the sale and the Order of November 3, 1966 has become fixed and final; x x x."

On June 27, 1967, Matias Matute likewise filed a motion for reconsideration of this June 7, 1967 order stating therein that:

"x x x a) he has express authority under the Order of September 28, 1966 and Deed of Absolute Sale approved on November 3, 1966 and inherent power under Sec. 3, Rule 84 to apply the proceeds of the sale of the Ponciano Reyes property to pay the unpaid obligations of the Estate as itemized in his Specific Report and Account; b) the Probate Court has no jurisdiction to cancel the sale and the new Certificate of title issued to Rufino T. Nasser, a fortiori, it has no jurisdiction to further set aside the order of approval of November 3, 1966; and c) the alleged failure of the co-administrator to deposit in court the proceeds of sale is not a valid ground to set aside the approved sale in favor of Rufino T. Nasser."

Matias Matute later withdrew his motion but not Rufino Nasser. The record shows that the probate court never resolved Nasser's motion for reconsideration of the June 7, 1967. The motion was not yet resolved when Civil Case No. 6663, the case in the instant petition, was filed on October 6, 1969 or two years after the motion was filed so much so that Rufino Nasser in his motion to dismiss alleged that Civil Case No. 6663 was premature. During the trial of the instant case in Davao, it surfaced that this motion was yet to be resolved by the probate court in Manila.

Therefore, technically, it may be said that the probate court's June 7, 1967 order which set aside its earlier order approving the sale of the Ponciano Reyes property in favor of Rufino Nasser has not attained finality.

The Court of Appeals was convinced that Rufino Nasser paid the purchase price of P280,000.00 for the Ponciano Reyes property as shown by its following findings:

"The co-administrator Matias S. Matute, upon receiving the full consideration, issued the following receipt:

R E C E I P T

P280,000.00

November 3, 1966

"This is to acknowledge and confess receipt from Mr. RUFINO T. NASSER as of this date the sum total of TWO HUNDRED AND EIGHTY THOUSAND (P280,000.00) PESOS, Philippine Currency, representing Full payment of the purchase price of the Ponciano Reyes property covered by the Deed of Absolute Sale executed in favor of RUFINO T. NASSER dated October 14, 1966 and notarized by Notary Public Enrique Capistrano under Doc. No. 150; Page 33; Book No. I; Series of 1966 and duly approved by the Probate Court of Manila in the Order of November 3, 1966, Sp. Proc. No. 25876.

"Manila, Philippines, November 3, 1966

(Sgd.) MATIAS S. MATUTE

Administrator

Sp. Proc. No. 25876

Estate of Amadeo Matute Olave'

(Exhibit "9")

"Co-administrator Matias S. Matute later filed a sworn statement with the probate court acknowledging receipt of the amount of P280,000.00 as purchase price of the sale which reads:

"V E R I F I C A T I O N

"I, MATIAS S. MATUTE, of legal age, married, and a resident of Cebu City, after being duly sworn to in accordance with law, hereby depose and say:

"1. That in my capacity as co-administrator of the Intestate Estate of my deceased father, Don Amadeo Matute Olave, subject of the above-entitled proceedings, I received from Mr. Rufino T. Nasser the purchase price of the Ponciano Reyes property in the total sum of TWO HUNDRED EIGHTY THOUSAND (P280,000.00) PESOS. Philippine Currency as evidenced by a RECEIPT dated November 3, 1966, for the aforesaid sum, and duly signed by me, a signed carbon copy of which is attached to the original of this verification as Annex

"2. That this verification is being executed upon request of Mr. Rufino T. Nasser vendee of the said Ponciano Reyes property, in view of the observation of this Honorable Court in its ORDER dated February 7, 1967, that the photostat of the said RECEIPT submitted by him to the Court is not verified by me.

"Manila, Philippines, February 10, 1967.

(Sgd.) MATIAS S. MATUTE

Affiant

"REPUBLIC OF THE PHILIPPINES)

CITY OF MANILA) S.S.

"SUBSCRIBED AND SWORN to before me this 10[th] day of February, 1967, in the City of Manila, Philippines, affiant exhibiting to me his Residence Certificate No. A-1461058 issued at Cebu City on February 2, S967.

(Sgd.) CENON C, SORRETA

Notary Public

Until December 31, 1967

"Doc. No. 35; Page No. 99

"Book No. III; Series of 1967

(Exhibif"10")

"And subsequently said co-administrator Matias S. Matute submitted to the probate court in Manila a specific report and accounting of the proceeds of the sale, the pertinent portion of which reads:

"Sale of Ponciano Reyes property Davao Dity over an area of 8,000 sq. meters excluding an area of 1,116 sq. meters proposed to be expropriated by the Government as per receipt dated

November3, 1966

P280,000.00

"Less Disbursements:

"Registration Fees

P 1,472.25

Accumulated realty taxes as per statement of Delinquency

11,183.25

Agent's Commission

14,000.00

Accounts Payable

30,000.00

Freight & handling expenses

3,500.00

Expenses for the preservation of
the land sold

13,200.00

Cost of Betterment and additions
to the properties

60,750.00

Cost of Ranch Maintenance in Caima
Plantation (partial)

8,380.00

Salaries and wages of overseers and
employeers of Hacienda Guinayangan
and Caima Plantation

8,150.00

Cost of Maintenance of Hacienda
Guinayangan

5,200.00

Representation, allowances. Hotel
Expenses, etc.

3,678.12

Unpaid salaries and Administrators'
fees and other money claims against
estate

69,970.00

Attorney's fees and litigation expenses
in Davao, Manila, Gumaca, Quezon, Court of

Appeals and Supreme Court

50,000.00

Total Disbursements

P279,483.47

Cash balance on hand

516.53

vvvvvvvvvv

(Exhibit "11")"

The petitioners now object to these findings.

Firstly, they question the admissibility of the cited documents (Exhibits "9", "10" and "11") which clearly show that Rufino Nasser paid P280, 000.00 as purchase price for the Ponciano Reyes property. They argue that the documents do not constitute evidence as they were not identified during the trial in the lower court and that Matias Matute later manifested in the probate court that Rufino Nasser did not actually pay any money for the Ponciano Reyes property.

The records reveal that the three aforequoted documents were presented and were admitted as evidence for Rufino Nasser. In fact, the admissibility of these documents was extensively discussed during the hearings in the lower court as the petitioners then questioned the admissibility of these documents. They raised the ground that these documents form part of the record in the probate court proceedings certified to by Jose Agustin, Assistant Clerk of Court of the then Court of First Instance of Manila, and, therefore, are public records of private writings. They argued that under the Rules of Court, a public record of a private writing is a public document and when the same is admitted in evidence, its genuineness need not be proved. The lower court rejected the objection to admissibility. (TSN.. August 19, 1970. pp. 147-159).

Matias Matute, on the other hand, denied that Rufino Nasser paid P280,000.00 for the Ponciano Reyes property, in his manifestation to withdraw his motion for reconsideration of the June 7, 1967 order. In this June 2, 1970 manifestation which was sworn to before Assistant Fiscal Roque M. Barnes of Davao City, Matias Matute stated that he filed the motion for reconsideration merely to delay and to forestall any action which the other heirs of Mr. Matute Olave may file against Rufino Nasser. He confessed that there was really no consideration paid by Rufino

T. Nasser for the Ponciano Reyes property. He reiterated this manifestation in his complaint for intervention filed in the instant case. However, he retracted these statements later in a sworn supplementary manifestation which he filed with the probate court. He manifested that the sale of the Ponciano Reyes property in favor of Rufino Nasser was perfectly legal and valid and the full consideration thereof was duly paid to him and that he was compelled by force, intimidation and undue pressure by certain parties to file a motion for intervention and complaint-in-intervention. He also stated in his supplementary motion that "he has nothing to fight for" because Rufino Nasser had actually paid the full purchase price of the Ponciano Reyes property.

Under Section 22 of Rule 130 of the Revised Rules of Court, the statements of Matias Matute as reflected in the three vital documents (Exhibits "9", " 10" and " 11") are considered judicial admissions.

"Admission distinguished from self-contradiction. — An admission is for a party-opponent what a self-contradiction is to a witness. — A statement made somewhere else, and inconsistent with his allegations of claim or defense in the case on trial. His two statements being inconsistent, one or the other must be incorrect; hence a doubt is thrown on his present allegation. He may be able to explain away the other and inconsistent statement; but unless he does so, the present allegation remains discredited. (Wigmore on Evidence, [Stud. Textbook]. 197.)" (cited in Francisco, *The Revised Rules of Court, Evidence*, Volume VII. Part I, 1973 ed., p. 292)

Certainly, the contradictory manifestations cannot overcome the evidentiary value of the judicial admissions of Matias Matute in the probate proceedings, to the effect that Rufino Nasser paid the full purchase price of P280,000.00 of the Ponciano Reyes property. Matias was a principal party in the sale of the Ponciano Reyes property and a party in the instant case.

Secondly, the petitioners contend that there was collusion between Matias Matute and Rufino Nasser to defraud the estate by entering into a simulated sale of the Ponciano Reyes property. They cite the following circumstances: (1) the alleged payment was in legal tender instead of a check; (2) Matias Matute and Rufino Nasser did not deposit the P280,000.00 purchase price for the Ponciano Reyes property in a bank as required by the order of June 11, 1963 or with the Clerk of Court of the Probate Court as embodied in the order of June 7, 1967 and (3) that Matias Matute and Rufino Nasser had the same counsel.

These circumstances do not prove collusion between Matias Matute and Rufino Nasser. The order of the probate court authorizing the sale of the Ponciano Reyes property did not provide for the mode of payment of its purchase price.

This same order directed only Matias Matute and Carlos Matute, administrators of the estate to deposit the P280,000.00 purchase price. Therefore, the buyer, Rufino Nasser, should not be blamed for the non-deposit of the P280, 000.00 as called for by the orders of the probate court. And the mere fact that Matias Matute and Rufino Nasser had the same counsel, in the absence of any clear evidence, does not prove that both conspired to defraud the estate.

Carlos Matute was actually the one directed by the probate court to file the annulment case. However, he refused to file the case even after Matias Matute himself stated that he failed to deposit the money with the Clerk of Court of the probate court. Carlos Matute is one of the heirs of the estate and a brother of the petitioner, Jose. He stands to be benefited by the annulment of the sale of the Ponciano Reyes property, which according to Jose Matute is a prime commercial area worth more or less P380,000.00 in 1966. This revelation creates doubt regarding the stand of Jose Matute and the other heirs and enhances the credibility of the accounting of the proceeds of the sale of the Ponciano Reyes property submitted by Matias Matute with the probate court. In fact intervenor Rosario Matute and other heirs of the estate signified their conformity to this report and accounting when they jointly filed a

"motion and manifestation" (Exhibits "16", "16-A" and "16-1") before the probate court, to wit:

"MOTION AND MANIFESTATION

"COMES NOW the heir, ROSARIO S. MATUTE, in her own behalf, to this Honorable Court respectfully manifests:

"1. That she has not adopted and is not joining the Motion to Remove Carlos V. Matute as Administrator. Etc. filed by Amadeo C. Matute, Jr., and duly heard on February 26, 1968 at 2:30 p.m.;

"2. That as a matter of fact she has already filed her sworn Manifestation dated January 4, 1968 together with the other majority heirs expressing her conformity and full agreement to all the Reports and Accounts filed by the incumbent administrators Carlos V. Matute and Matias S. Matute as well as to any and all Specific Reports and Accounts for the year 1966 of the administrator Carlos V. Matute and the Specific Report and Account of the Disposition of the Proceeds. Etc., dated March 2, 1967 filed by the co-administrator, Matias S. Matute;

"3. That she hereby expresses her conformity to the administration and management of the Estate of the incumbent administrators Carlos V. Matute and Matias S. Matute and hereby adopts as her own their OPPOSITION AND ANSWER TO: 'Motion To Remove Carlos V. Matute as Administrator Etc.. dated December 27, 1967; I. MOTION TO DISMISS ON THE GROUND OF RES JUDICATA and II. SUPPLEMENTAL OPPOSITION TO: 'Motion To Remove Carlos V. Matute, etc., dated December 29, 1967; as well as their I. SUPPLEMENTAL OPPOSITION TO: 'Motion To Remove. Etc., and II. MOTION TO APPOINT LUIS S. MAIUTE. dated December 28, 1967;

"4. That she hereby reiterates her conformity and expresses consent to any and all contracts for attorney's fees entered into by the administrators Carlos V. Matute and Matias S. Matute with Atty. Paterno R. Canlas as counsel for the Estate.

"WHEREFORE, it is respectfully prayed that the MOTION TO REMOVE CARLOS V. MATUTE AS ADMINISTRATOR AND TO APPOINT AMADEO C. MATUTE, JR., OR ANY REPUTABLE BANK AND ADMINISTRATOR OF THIS ESTATE be denied.

"Manila, Philippines, March 1, 1968.

(Sgd.) ROSARIO S. MATUTE

(Tpn.) ROSARIO S. MATUTE

In Her Own Behalf
2504 F. Balagtas Street
Pandacan, Manila"

Petitioner Rosario Matute has not clearly explained her inconsistent position in the present case. Consequently, her allegation that Rufino Nasser did not pay the P280,000.00 purchase price of the Ponciano Reyes property is discredited.

The records fail to show any reason why the findings of facts of the appellate court should be set aside. The only issue in this annulment case, is whether or not Rufino Nasser paid the amount of P280,000.00 for the Ponciano Reyes property. We are convinced that Rufino Nasser paid P280,000.00 as full purchase price for the Ponciano Reyes property.

Finally, contrary to the Court of Appeals' finding the instant case is not barred by G.R. No. L-33023. Suffice it to say that the only issue raised therein was the propriety of the filing of an independent civil action to annul the sale of the Ponciano Reyes property. The petition for certiorari filed by Jose Matute was dismissed which led to the

filing of the instant case to resolve the issue as to whether or not Rufino Nasser paid the P280,000.00 purchase price for the Ponciano Reyes property.

WHEREFORE, the petitions are DISMISSED. The questioned decision of the Court of Appeals is hereby AFFIRMED. Costs against the petitioners,

SO ORDERED.

Teehankee, C.J., Fernan, Narvasa, Melencio-Herrera, Cruz, Paras, Feliciano, Gancayco, Padilla, Bidin, Sarmiento, and Cortes, JJ., concur.

Yap, J., on leave.

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