

THE INTESTATE ESTATE OF DOMINADOR DANAN, REPRESENTED BY ITS ADMINISTRATRIX, ADORACION F. VDA. DE DANAN, AND THE HEIRS OF THE LATE DOMINADOR DANAN, ET AL., PETITIONERS, VS. HON. ...

G.R. No. L-57205. December 14, 1981

Ponente: ABAD SANTOS, J.

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ABAD SANTOS, J.:

The proceedings in the lower court which are narrated below were culled mostly from the expediente of the case because the annexes to the petition are not well organized.

Dominador Danan died on November 7, 1970, in Lubao, Pampanga. He did not leave a will. Service Engineers, Inc. which claimed to be a creditor of the deceased filed a petition dated November 12, 1971, in the Court of First Instance of Pampanga praying that letters of administration of the intestate estate of Dominador Danan be issued in favor of Engineer Carlos B. Navarro. The petition was docketed as Special Proceeding No. G--22. It was, however, Adoracion F. Vda. de Danan, widow of the deceased, who was appointed administratrix of the estate.

On November 13, 1973, the court issued an order directing all persons having money claims against the estate to file them within six (6) months after the date of the first publication of the order which was December 10, 1973. On June 12, 1974, Benito Manalansan and Ines Vitug Manalansan filed a contingent claim in the amount of P98,411.17 plus interest in anticipation of a deficiency after the spouses shall have foreclosed a real estate mortgage which the deceased and his wife had executed in their favor. On July 11, 1974, the administratrix filed an answer to the contingent claim wherein she admitted the existence of the debt which was secured by a mortgage; however, she prayed that the contingent claim be denied because it had no basis for the mortgage had not yet been foreclosed and ergo there was no deficiency.

Notice was given by the Clerk of Court on July 26, 1974, that the hearing on the contingent claim would be held on September 2, 1974, and in fact there was such a hearing on that day wherein only the claimants in the person of Ines Vitug Manalansan appeared. Atty. Juanito I. Vitug, counsel for the administratrix did not appear because according to the interpreter he was sick or attending to his fishpond which had overflowed according to a son of the administratrix. At the request of Atty. Lorenzo P. Navarro who represented the Manalansans, the court allowed the claim to be heard without prejudice to the right of the administratrix to present rebuttal evidence. In that hearing, Mrs. Manalansan testified that she and her husband had a final judgment against the Danans for P62,574.80 with 12% interest compounded annually, 10% of the amount due and unpaid for attorney's fees and moral damages in the amount of P5,000; that on June 6, 1974, the debt had grown to P264,121.17; and that if the market value of the properties mortgaged and the P5,000 award for moral damages be deducted from P264,121.17, the net amount due would be P98,411.17. The following exhibits were marked during the hearing: The Record on Appeal in CA G. R. No. 49109-R, Exhibit A - Contingent Claim; the decision in said case, Exhibit B - Contingent Claim; Notice of Judgment attached thereto, Exhibit B-1-Contingent Claim; Motion for

Reconsideration, Exhibit C - Contingent Claim; and Denial of Motion for Reconsideration, Exhibit D-Contingent Claim. Atty. Navarro, however, asked that the presentation of the exhibits be made during the next hearing wherein the administratrix shall be given the opportunity to present rebuttal evidence. Accordingly, the court set the next hearing to October 3, 1974, but was re-set to November 18, 1974, at the request of the administratrix who said that her lawyer had an urgent personal engagement in Baguio City on the first setting. On November 18, 1974, the following order was given in open court: "Counsel for the administratrix is given ten (10) days upon receipt hereof within which to interpose objection, if any, to the exhibits offered by Atty. Navarro. " From the tenor of the order which gave Atty. Vitug ten days "upon receipt hereof" to interpose objection, he did not appear on November 18, 1974. The record does not show that an objection was ever interposed.

On February 28, 1979, the court held in abeyance the claim of the Manalansans pending the resolution by this Court of a motion for reconsideration in Manalansan vs. Castañeda, G. R. No. L-43607 which was decided on June 27, 1978, 83 SCRA 777, on an ancillary question.

On November 12, 1979, the court set the hearing of the contingent claim of the Manalansans on January 28, 1980, but the record does not show that a hearing was actually held on that date.

On October 28, 1980, the Manalansans filed a Motion to Resolve Claim Against the Estate, dated October 24, 1980. Attached to the motion is a Statement of Account stating that the amount of the deficiency judgment which the administratrix should be ordered to pay as of November 2, 1980, is the sum of P294, 298.26. The motion contained a notice that it would be submitted for the consideration and approval of the court on November 5, 1980, but the record does not show that it was so considered on that day. In an order dated November 18, 1980, the court gave the administratrix ten (10) days from receipt to file her comment on the aforesaid motion. The same order stipulated that, "After the submission of the same [comment], the instant motion is deemed submitted for resolution. "The record does not show that the administratrix submitted a comment as required. On January 3, 1981, the court issued the following order:

"Acting upon the Motion to Resolve claim against the estate filed by the claimants Benito Manalansan and Ines V. Manalansan dated October 24, 1980, based on the grounds therein stated which the Court finds to be well-taken, the said claim of P294, 298.26 as of November 2, 1980 is hereby approved and ordered to be paid, pursuant to Section 5 and 11, Rule 86 of the Rules of Court and for failure of the administratrix to comply with the order of this Court dated November 18, 1980."

It was only on January 8, 1981, that the administratrix filed an Opposition to Contingent Claim against Estate. There the administratrix questioned the jurisdiction of the court to entertain the claim "for being exorbitant and shocking to the senses and that the same was filed out of time or beyond the reglementary period provided by law."

In the meantime, Ines Vitug Manalansan died in a vehicular accident on December 22, 1980, so she was substituted by her co-claimant Benito Manalansan and their children, namely: Elsa, Gil, Anita, Jesus, Luz and Martin.

On January 27, 1981, the administratrix filed a Motion for Reconsideration of the Order of January 3, 1981 (which ordered payment of the claim of P294, 298. 26) on the ground that the claim was "exorbitant, shocking to the senses and that the same was filed out of time or beyond the reglementary period provided by law."

After an exchange of comments and reply to the Motion for Reconsideration, the Court issued an order, dated May 30, 1981, as follows: "For lack of merits, the Motion for Reconsideration is hereby denied."

The administratrix now wants Us to review the actuations of the lower court by raising the following issues:

"I. Can a trial Judge legally and validly consider, take cognizance of and render judgment on a claim filed against the Estate in an Intestacy Proceeding when said claim was filed outside the period prescribed by Section 2, Rule 86 of the Re-vised Rules of Court?

"II. Can a trial Judge adjudicate and render judgment on a contingent claim against the Estate in an Intestacy Proceeding on the basis merely of the direct testimony of a claimant, such direct testimony not subjected to the rigid test of cross examination by the adverse party, the documentary evidence or exhibits presented by the claim in the course of such direct testimony not having been formally offered nor formally admitted by the Court and such claimant not having formally rested his/her case; and that the adverse party against whom the claim is being asserted not having had the opportunity to adduce controverting or rebutting evidence?

"III. Can a claim against the Estate in an Intestacy Proceeding that is not supported by the evidence on record be awarded?

On the first issue, there is no question that the contingent claim was filed two (2) days beyond the six-month period stipulated in the order which directed all persons having money claims against the estate to file them. However, it is to be noted that the claim was filed on June 12, 1974, whereas the timeliness of its filing was raised only on January 8, 1981, in the Opposition to the Con-tingent Claim against Estate. In the interregnum the administra-trix had acquiesced to the entertainment of the claim by filing an answer thereto on July 11, 1974, and again by asking for postponement of the October 3, 1974, hearing wherein she was to present her re-buttal evidence. She is not only estopped by her conduct but laches also bar her claim. (See Tijam vs. Sibonghanoy, L-21450, April 15, 1968, 23 SCRA 29; Rodriguez vs. Court of Appeals, L-29264, August 29, 1969, 29 SCRA 419.) Moreover, Rule 86, Sec. 2 of the Rules of Court gives the probate court discretion to allow claims presented beyond the period previously fixed provided that they are filed within one month from the expiration of such period but in no case beyond the date of entry of the order of distribution. The contingent claim of the Manalansans was filed within both periods.

The second and third issues are impressed with merit.

True it is that the probate court gave opportunities to the admi-nistratrix to contest the contingent claim. Thus she filed an answer thereto on July 11, 1974; a hearing was held on September 2, 1974, but she did not appear; the hearing on October 3, 1974 was re-set to November 18, 1974 at her request but she failed to appear on the latter date; she did not interpose objection to the exhibits offered by the Manalansans as stipulated in the order of November 18, 1974; and lastly the administratrix was given ten days within which to file her comment to the Motion to Resolve Claim Against the Estate. These notwithstanding, We believe that the opportunities given to the admi-nistratrix were not ample enough and do not meet the minimum require-ments for due process. On June 12, 1974, when the claim was filed it amounted to only P98,411.17. However, on January 3, 1981, when the probate court approved the claim it had ballooned to the enormous amount of P294, 298. 26. Noteworthy is the fact that the order approving the claim does not explain how it reached that amount. The probate court should not have been satisfied with merely asking for objections or comments from the administratrix but it should have conducted a full dress hearing on the claim by using its coercive powers if necessary.

WHEREFORE, the orders of the court a quo dated January 3, 1981 and May 30, 1981, are hereby, set aside and it is directed to conduct a thorough and full dress hearing on the claim of the private respondents. No special pronouncement as to costs.

SO ORDERED.

Barredo, (Chairman), Aquino, Concepcion, Jr., and De Castro, JJ., concur.

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