

**IN THE MATTER OF THE TESTATE ESTATE OF THE LATE
MARGARITA DAVID. CARLOS M. SISON, JUDICIAL ADMINISTRATOR,
PETITIONER VS. THE COURT OF APPEALS AND NATIVIDAD
SIDEKO, IN HER CAPACITY...**

G.R. No. L-3846. December 21, 1951

Ponente: BAUTISTA ANGELO, J.

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BAUTISTA ANGELO, J.:

This is an appeal by way of certiorari from a decision of the Court of Appeals affirming the order of the lower court ordering the executor of the estate of Margarita David to pay the estate of Crispulo Sideco P17,010.43, with legal interest at the rate of 6% per annum from March 11, 1945, until the same is fully paid.

On October 29, 1936, Margarita David gave Crispulo Sideco an option to repurchase twelve (12) parcels of land within a period of three years for the sum of ₱191,000 (Exhibit "A"). On March 20, 1939, Crispulo Sideco sold and assigned his right to repurchase three (3) parcels of land to Adriano Tanjangco for the sum of ₱224,000, payable in five installments, with the conformity of Margarita David (Exhibit BB"). By virtue of an express stipulation of the parties, the initial payment of ₱35,000 was divided between Margarita David and Crispulo Sideco as follows: ₱19,010.43 to Margarita David and ₱15,989.57 to Crispulo Sideco. It was also agreed upon that all the payments would be made direct to Margarita David but all for the account of Crispulo Sideco in view of his obligation to Margarita David under the written option to repurchase. On February 24, 1941, Margarita David died and the corresponding testamentary proceedings were instituted for the settlement of her estate. On March 26, 1943, Crispulo Sideco also died and the corresponding intestate proceedings have also been instituted, and on April 10, 1943, the estate of Sideco filed a claim for ₱17,010.43 against the estate of Margarita David.

It should be stated that Adriano Tanjangco paid all the installments due under his contract of assignment with Crispulo Sideco and all the payments were made to Margarita David or her estate. The difference between the amount of ₱224,000 paid by Adriano Tanjangco under the assignment and the amount of ₱191,000 representing the obligation of Crispulo Sideco to Margarita David is ₱33,000, but inasmuch as Crispulo Sideco already received the sum of ₱15,989.57, the estate of Crispulo Sideco now claims the balance of ₱17,010.43 against the estate of Margarita David. The probate court allowed the claim in its order of October 10, 1947, from which order the estate of Margarita David appealed to the Court of Appeals.

It is claimed that the Court of Appeals erred in affirming the order of the probate court because the undisputed documentary evidence available in this case shows that said order is erroneous. And in support of his claim, counsel for petitioner invites the attention of the court to paragraph 5 of the contract (Exhibit "B"), wherein it was expressly stipulated that in the event Adriano Tanjangco satisfies in full the payments of the amount of the obligation as expressly agreed upon therein, Margarita David will execute a deed of sale of the three parcels of land in favor of Adriano Tanjangco, and another deed of sale of the nine (9) parcels of land in favor of Crispulo Sideco. This express stipulation, according to counsel, clearly means that the obligation of Margarita David, after

Adriano Tanjangco had paid the amount of P224,000, was only to execute the necessary deed of sale in favor of Adriano Tanjangco and Crispulo Sideco over the lands specified therein. Nowhere in the contract does it appear that Margarita David shall reimburse Crispulo Sideco the amount of P17,010.43 now being claimed.

This claim is apparently correct if we will consider the payment of the sum of P224,000 to Margarita David independently of the obligation of Crispulo Sideco to her under the option to repurchase the twelve (12) parcels of land. But the two transactions cannot be considered one independent from the other, for they are directly connected and dependent one from the other. There are many reasons in support of this view. One is the fact that the only obligation of Crispulo Sideco to Margarita David is P191,000. This is the only amount to which Margarita David was entitled. If the conformity of Margarita David to the assignment of the option to buy the three parcels of land was found necessary, it was because said parcels of land were still in the name of Margarita and were covered by the option to repurchase given to Crispulo Sideco. Otherwise her intervention was not necessary and there was no need for her to sign the agreement. It is precisely for this reason why it was expressly agreed in the contract that all the payments to be paid by Adriano Tanjangco should be made direct to Margarita David with the express understanding that the payments would be made for the account of Crispulo Sideco. And this arrangement was found necessary for the obvious reason that the right of Tanjangco to these three parcels of land was dependent upon the fulfillment by Sideco of his obligation to Margarita David. Tanjangco wanted that arrangement obviously for reasons of security. Inasmuch as the amount paid to Margarita David, or her representative, is more than the amount owed by Crispulo Sideco under the contract, it is but just and proper that she should return the difference to Crispulo Sideco.

Counsel also invites the attention of the court to the receipt signed by Crispulo Sideco when he received the sum of P5,989.57 from Margarita David (Exhibit "1-Executor"). This exhibit recites that Crispulo Sideco received the aforesaid amount "representing my participation on the profit obtained ' by me from the sale of my right of option to repurchase the three (3) parcels of land". This means, according to counsel, that Crispulo Sideco agreed to divide with Margarita David the P33,000 profit realized in the transaction covering the sale of the three parcels of land to Adriano Tanjangco. We do not agree to this interpretation. In the first place, Crispulo Sideco at that time was in such financial straits that he could hardly afford to give to Margarita David part of the profit that he was lucky enough to realize out of the transaction. The payment of the sum of P35,000, which was divided between Margarita David and Crispulo Sideco, was the first installment to be made under the assignment and so it is not strange if Sideco had considered it as his first participation in the profit. As the balance was more than enough to pay Sideco's obligation to Margarita, there was also nothing strange if Margarita had agreed to pay him part of the money to help him ease up his financial situation. At any rate, there is no clear evidence that the difference of P17,010.43 was given by Sideco to Margarita as a gift, or an act of gratitude, and in the absence of a clear proof to this effect we have to interpret it in the light of the provisions of the two contracts affected (Exhibits "A" and "B"). Under these two contracts, Margarita David was only entitled to collect P191,000, and having received more, she is in duty bound to return the difference.

The contention that the claim of the estate of Crispulo Sideco was filed out of time has no merit, it appearing that the objection interposed by the estate of Margarita David has been overruled and the claim was admitted by the court. Under section 2, Rule 87 of the Rules of Court, at any time before an order of distribution is entered, on application of a creditor who has failed to file his claim within the time fixed by law, the court may, for cause shown, allow such claim to be filed within a time not exceeding one month. This matter is, therefore, discretionary on the part of the court, and there being no showing that the court has abused its discretion, there is no valid reason to disturb its ruling.

Wherefore, the Judgment appealed from is hereby affirmed, with costs against petitioner.

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

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