

H.P. HOSKYNs, AS ADMINISTRATOR OF INTESTATE ESTATE OF J.E.H. STEVENOT, PLAINTIFF AND APPELLEE, VS. NATIONAL CITY BANK OF NEW YORK, DEFENDANT AND APPELLANT; WELLS FARGO BANK AND ...

G.R. No. L-1877. December 29, 1949

Ponente: TUASON, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/db73cb7f94d4/>

TUASON, J.:

This is an action for a declaratory relief filed in the Court of First Instance of Manila. The judgment is in favor of the plaintiff, H.P. Hoskyns, and the National City Bank of New York, defendant, and Wells Fargo Bank and Union Trust Co., intervenor, has appealed.

The facts and allegations necessary to a proper understanding and determination of the case may be condensed as follows:

J.E.H. Stevenot, a citizen of the United States and of the State of California, died in New Caledonia on June 8, 1943, while serving as an officer of the U. S. Army. He was survived by his widow, Elma Kimball Stevenot, and two daughters, Myre Gene Stevenot and Shirley Joanne Stevenot, who are all at present in the United States. For more than ten years immediately prior to his death, J. E. H. Stevenot had been a resident of the Philippines and upon his death left real and personal properties situated therein, properties which he acquired during his married life.

On April 19, 1943, while in California, Stevenot executed a private written instrument, agreed to by his wife, in which he appointed himself as trustor or trustee of his properties and declared that he was holding them in trust for the beneficiaries named therein including his wife, daughters, and other relatives. The deed of trust provided that Stevenot should himself have a life interest in the trust properties and that after his death the income and corpus should go principally to his wife and family.

The trust indenture provided finally that upon Stevenot's death, Wells Fargo Bank and Union Trust Co. should succeed as trustee for the properties located in the United States and the National City Bank of New York at Manila for the properties in the Philippines. Both of these trustees accepted the trust.

After Stevenot's death, administration proceedings were commenced in the Court of First Instance of Manila, H. P. Hoskyns, plaintiff in the instant action, being appointed as administrator. The application for Hoskyns' appointment as administrator was made by the present attorneys for the defendant and appellant and intervenor and appellant on behalf of Stevenot's widow.

The action for declaratory relief prays that the court "determine the question of construction or validity of the declaration of trust and for the declaration of the rights and duties of the defendant hereunder." In an amended complaint plaintiff alleges, besides the facts set forth above, that defendant National City Bank of New York and intervenor Wells Fargo Bank and Union Trust Co. claim the real and personal properties of Stevenot in the

Philippines which are under his administration, alleging that as Stevenot's successor trustees they are entitled to their possession and administration in order to be able to discharge their obligation under the trust for the benefits of Stevenot's widow, daughters, brothers and sisters, for whose accounts and benefits the declaration of trust was created; that contrary to this claim of the defendant and intervenor, the plaintiff believes that as administrator duly appointed by the court of the Philippines in Special Proceeding No. 71768 of the Court of First Instance of Manila, he has the right, to the exclusion of all others, to the possession and administration of the deceased's properties located in the Philippines, subject only to the supervision, control and approval of the estate court; that in the above intestate proceeding claims have been presented against the estate, claims which have not yet been admitted; that the laws and rules which outline the procedure for the admission and payment of these claims can not be enforced if the declaration of trust be given force and effect in the Philippines; that in view of these conflicting claims "it is expedient to determine the construction or validity arising under the declaration of trust above stated and for a declaration of rights and duties of the defendant therein with respect to the properties of the deceased located in the Philippines."

The defendant and the intervenor maintain that the declaration of trust is valid under the laws of California where it was executed and should be recognized as valid in the Philippines, and pray, upon the facts stated in the complaint, that the plaintiff be ordered to turn over to the trustees for administration, in accordance with the terms and conditions of the declaration of trust, all properties located in the Philippines and subject to the said trust and which are now or which may at any time hereafter come into his possession or under his control. In a well written decision, Hon. Conrado Sanchez, Judge, held "that plaintiff H.P. Hoskyns, as administrator of the intestate estate of the deceased J.E.H. Stevenot, is entitled to the possession of the properties under his administration and described in Annex B of the original complaint." The decision is silent regarding the validity of the trust.

In appellant's brief (first assignment of error) the trial court is alleged to have "erred in not holding that J.E.H. Stevenot created a valid trust and in not giving effect to the provisions of the trust indenture."

We think that the court below properly declined or omitted to make declarations regarding the validity of the trust agreement. Section 3 of Rule 66 enjoins that "when declaratory relief is sought, all persons shall be made parties who have or claim any interest which will be affected by the declaration," while section 6 authorizes the courts to "refuse to exercise the power to declare rights and to construe instruments where a decision under it would not terminate the uncertainty or controversy which gave rise to the action."

The persons most vitally if not solely affected by the validity or invalidity of the trust are the widow, daughters, other heirs, and the creditors of the deceased. None of them are before the court now, and without them any decision on the validity or invalidity of the trust would not put an end to the uncertainty or controversy which the administrator and the trustees wish to have clarified and adjudicated. Not being parties to this suit, the heirs and the creditors would not be bound by any judgment holding the trust valid or invalid and might later "raise the identical issue and deprive the declaration of that final and pacifying function it is calculated to subserve."

The judicial administrator and the trustees, it is evident, are not concerned about the intrinsic validity of the trust. They are concerned at the most with who, as between them, should have possession of and manage the properties involved in the trust. The latter question is independent of, and would not be concluded by, a declaration that that instrument should be given force and effect in this jurisdiction. Regardless of the validity or invalidity of the trust, the Philippine courts may assert jurisdiction in the administration of trust properties located in the Philippines to protect the beneficiaries or creditors. (Sections 1 and 5, Rule 99.)

The appellants object that the basic question on this appeal is as to whether the trust was validly created; they are not, they insist, interested in the estate proceedings now pending in court. If this were correct, we could stop right

here, having dismissed and disposed of the first point. The truth of the matter, however, is that the second assignment of error assails the decision precisely for "not directing H.P. Hoskyns, * * *, to turn over to the successor-trustees under the trust created by J.E.H. Stevenot possession and control of the properties located in the Philippines which were the subject of the trust." And in defendant's and intervenor's answers and in their motions for summary judgments on the pleadings they asked the same relief. More, the ultimate desire of the trustees, as we see it, is the virtual revocation of the plaintiff's appointment as administrator, the quashing of intestate proceeding No. 71768, and the turning over of the estate to them. It can be gathered from the pleadings and argument that the parties seek a declaration of the validity of the trust indenture mainly because of the notion that if the trust is valid the right of the trustees to take charge of the estate for administration and settlement should follow. This belief can also be inferred from the contention in the first assignment of error transcribed above, namely, that effect should be given to the provisions of the trust indenture on the premise that that instrument was validly created. The effect referred to can be no other than the delivery of the properties to the trustees.

Nevertheless, His Honor the trial Judge should have refrained, in our opinion, from entering a judgment on the conflicting claims of the parties over the control and administration of the estate, just as he refrained from passing on the validity of the trust. The parties should be referred to the intestate proceeding where this matter belongs and where the purpose of the parties, which in effect is the removal or revocation of the appointment of the plaintiff as administrator, can be more than conveniently accomplished with the simple device of filing a motion or petition to that end. In fact, it is in that proceeding and in the court which appointed him where the plaintiff could, with absolute propriety and without violating the prescribed practice and procedure, obtain a ruling on his right to continue as administrator. If the plaintiff does not want to move—as indeed he need not, since the initiative should come not from him but from the trustees—a petition of the nature suggested above, filed by the trustees in the intestate proceeding already commenced, will afford a complete remedy for the attainment of the desired objective.

The courts are given discretionary power to refuse to, make a declaration of rights "in any case where the declaration is not necessary and proper at the time under all the circumstances." (Section 6, Rule 66.) The reason for this rule is thus stated in *Corpus Juris Secundum*. "A declaratory judgment proceeding is intended to supplement, and not to be a substitute for, or supersede, other existing remedies, in use at the time of the enactment of the declaratory judgment acts; it may be used as an alternative or auxiliary to other proceedings for an executory judgment; and it is within the discretion of the court to permit such an action or proceeding to be maintained where another remedy is available to plaintiff. As a general rule, however, to justify such an action the situation must be such that adequate relief is not presently available through the means of other existing forms of action or proceeding, and, conversely, jurisdiction for a declaratory judgment ordinarily will not be entertained where another equally adequate and appropriate remedy is already available for the issues or rights sought to be determined and declared, as where another equally serviceable statutory remedy has been specially provided in cases of similar import, and particularly where such statutory remedy is exclusive." (1 C. J. S., 1027, 1028.)

It has been seen that there is at present a pending intestate proceeding (case No. 71768) in which the plaintiff was appointed administrator. And as has been pointed out also, a petition for the closing or termination of that proceeding will at least be equally serviceable for the purpose for which the present action was brought. Such petition has the additional advantage over one for a mere declaration of the comparative rights of the plaintiff and the defendant and intervenor, in that the relief in the first case would be conclusive and executory and would dispose of the dispute once and for all, aside from the fact that conflict of jurisdiction would be avoided, and the issues would be placed before the forum or branch of the court which by law deals with intestate, intestate, and trust matters under Part II, entitled "Special Proceedings," of the Rules of Court.

Moreover, the objection noted above regarding the non joinder of necessary parties also obtains here, making improper if not useless any declaration that might be made in the instant suit concerning the rights of the trustees to the possession and administration of the trust properties. It is undoubted that the intervention of at least Mr. Stevenot's widow and of the creditors in the proposed change in the methods of settling the estate and in the men to carry out the settlement is not only expedient but essential for the reason already emphasized. Mrs. Stevenot, as has been seen, initiated the intestate proceeding, and it was on her application that the administrator was appointed. As to the creditors, these already have filed claims in that proceeding aggregating P162,455.30. Under the circumstances, the heirs and the creditors are of right entitled to be heard on a matter so vital to their interest.

Incidentally, an ordinary motion or petition in the intestate proceeding for the desired change will afford an opportunity to cure the defect; the probate court handling the estate has the authority and the duty to require the heirs and the creditors to appear, if they do not voluntarily do so, so that they may contest the petition or motion if they so desire. And with all the interested parties intervening, the case will be ripe for the adjudication in a definite manner of the validity of the declaration of trust, if that be material to the issues and if any of the parties should question such validity.

Upon the foregoing considerations, the action will be dismissed, without costs. It is so ordered.

Moran, C.J., Ozaeta, Paras, Pablo, Bengzon, Padilla, Montemayor, Reyes, and Torres, JJ., concur.

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.