

**TESTATE ESTATE OF CARLOS PALANCA. Y TAGUINLAY, DECEASED.
ROMAN OZAETA, SPECIAL ADMINISTRATOR, APPELLANT, VS.
TERESA PALANCA DEL RIO, CARMEN PALANCA, CONSUELO
PALANCA, MANUEL PAL...**

G. R. No. L-9776. July 31, 1957

Ponente: LABRADOR, J.

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LABRADOR, J.:

On May 5, 1955, the special administrator filed a petition in court for authority to pay the accounting firm of Sycip, Gorres, Velayo & Co. the sum of P3,650, for services rendered in taking inventory of assets in 1950, tax consultations in 1950 to 1954, and preparation of income tax returns for 1953 and 1954. The court below denied this motion, on the ground that the services covered by the fees of the accounting firm were rendered to the former special administrator Philippine Trust Company. Upon being notified of the denial of the special administrator's petition to pay it, the accounting firm appeared in court and asked for the reconsideration of the order of denial. Opposition to this motion for reconsideration was filed by heirs Teresa, Carmen, Consuelo, Manuel, Elena and Alfredo, all surnamed Palanca y Cuartero, on the following grounds: as to the fees for services in the taking of the inventory in 1950, Mr. Ozaeta, who asked for said services, was not yet the special administrator when said services were rendered; the tax consultations from 1950 to 1954 cover years in which Mr. Ozaeta was not yet the special administrator, and as the same was rendered during the incumbency of the Philippine Trust, the fees should be paid for by Mr. Ozaeta himself. After various arguments, the court refused to grant the re-consideration of its original order denying the petition, and so appeal therefrom was taken to this Court.

Since the pendency of the case in court, the oppositors-appellees have presented a withdrawal of their opposition, on the ground that they have already assigned their rights, titles and participations in the said estate to the eight children of Rosa Gonzales Vda. de Palanca, and no longer have any interest in the estate, nor do they have any personality to further intervene in the proceedings. A similar motion has also been filed by Sebastian Palanca, who states that he has transferred his share to the inheritance to Carlos Palanca, Jr. For their part. Rosa Gonzales Vda. de Palanca and her eight children have filed a statement expressing conformity to the payment of the fees.

The withdrawal of the objections notwithstanding, it seems that it is still necessary to decide the. questions raised, i.e., whether the services rendered to the special administrator named in the will, previous to his actual appointment as such and at his instance, are chargeable against the estate.

There is no question .that the services rendered were for the benefit of the estate. The Rules require that the administrator should submit an inventory of the properties of the estate within three months from his appointment (Sec. 1, Rule 84, Rules of Court). As Mr. Ozaeta expected to be appointed administrator of the estate immediately, in view of his designation as executor of the will of the decedent, it was proper, necessary and expedient for him, even before his actual appointment, to employ the services of accountants in order that they

can prepare the accounts or the inventory in due time and within the period prescribed by the Rules.

The general rule is that acts done by an executor in the interest of his trust, prior to his qualification as such, become binding on the estate upon his qualification (*Baker vs. Cauthorn, et al.*, 55 N. E. 963). In the said case the court held:

"It is contended by appellant that the services rendered by appellees were to the said James E. Baker before he actually became the executor of decedent's will, and that said Baker is individually liable for the value of whatever services were so rendered, and not said estate. It is not contended that appellees were not retained, nor that the advice was not given, nor that the services were not of the value of \$100, but the sole contention seems to be that, because the actual work which was done occurred prior to "the time appellant in fact qualified as executor, said Baker was individually liable, and appellees had no claim against the estate which he (Baker) was representing. x x x x x

"We think the evidence sustains the finding and judgment of the lower court. It shows that the services rendered by appellees were connected with the settlement of his decedent's estate. There was no special agreement between James E. Baker and appellees that they were to look to the estate alone for payment; hence they could, if they so desired, look to said James E. Baker personally for the value of such services. *Long vs. Rodman*, 58 Ind. 58. Appellees "waived the right to hold said James E. Baker personally and elected to hold the estate, for the value of such services. x x x. After the executor has qualified, Ms authority over the decedent's property reaches back to the time of the decedent's death, and covers all acts done by him in the interest' of his trust. *Gilkey m; Hamilton*, 22 Mich. 283. Under the evidence in this case, we think the executor of the will oil Nancy L. Baker could have the claim of appellees, and rightfully insisted upon its allowance as a credit in his settlement of the trust. Not having done this, the only "way open to appellees to secure payment for their services from the trust fund was to file his claim against the estate, and proceed as the record shows they have done. We find no error in the record." (*Baker vs. Cauthorn, et al.*, supra, pp. 963-964.)

The services tendered in the years 1953-1954 were also as useful to the estate as those rendered in connection with the preparation of the inventory. Whoever may have contracted the services of the accountants, whether it was Mr. Ozaeta before his appointment or the Philippine Trust, such services were for the benefit of the estate and have redounded to the estate's benefit.

For the foregoing considerations, the order denying payment to the firm of Sycip, Gorres, Velayo & Co, of the sum of P3,650 is hereby reversed, and the authority for the payment of the same by the special administrator from the funds of the estate is hereby granted. Without costs.

Paras, C. J., Padilla,, Montemayor, Reyes, A., Bautista Angelo, Concepcion, Endencia and Felix, JJ., concur.

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