

A. H. HENRY, PLAINTIFF AND APPELLEE, VS. JOSE VELASCO ET AL., DEFENDANTS AND APPELLANTS.

G.R. No. 10120. July 22, 1916

Ponente: TRENT, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/g-r-no-10120/>

TRENT, J.:

From a judgment in favor of the plaintiff and against the defendant, Jose Velasco, for the sum of P500, together with interest and costs, the latter appealed.

It is urged that the trial court erred (1) in failing to dismiss this action because the same was brought against Jose Velasco personally, and (2) in giving judgment against the defendants and appellants for the sum of P500.

Jose Velasco, as the administrator of the estate of Mariano Velasco, entered into a contract with the plaintiff wherein the latter agreed to effect the sale and lease of a certain livery business and the premises used therein belonging to the estate. The plaintiff was to receive all over P8,000 obtained for the business if the buyer would rent the premises for P250 per month. Shortly after the plaintiff began to negotiate for the sale and lease of this property, the authority conferred upon him for this purpose was suspended for a few days by the appellant, but soon thereafter the latter directed the plaintiff to go forward with the negotiations in accordance with the contract. The plaintiff presented a buyer who was willing to pay P9,000 for the business, but offered only P200 rent for the premises. The appellant finally accepted this offer, making the sale himself and later tried to cancel his contract with the plaintiff. Under these facts the trial court was of the opinion that the contract was abrogated, but allowed recovery for the services rendered in the amount above stated.

The question raised by the first assignment of error is whether, admitting the liability, the estate or the administrator should be charged with the obligation. The contract was made for the benefit of the estate, but without the sanction of the court. In *Escueta vs. Sy-Juilliong* (5 Phil. Rep., 405), the court said:

"The provisions of the present Code of Civil Procedure relating to the settlement of estates of deceased persons are taken from similar provisions in the United States. There the decisions, which are numerous, are practically unanimous in holding that in a case like the present, the contract made between the administrator and the lawyer does not bind the estate to such an extent that the lawyer can maintain an action against it and recover a judgment which is binding upon it. In such a case the creditor has two remedies: He can prosecute an action against the administrator as an individual. If judgment is rendered against the administrator and it is paid by him, when he presents his final account to the Court of First Instance as such administrator he can include the amount so paid as an expense of administration. The creditor can also present a petition in the proceeding relating to the settlement of the estate, asking that the court, after notice to all persons interested, allow his claim and direct the administrator to pay it as an expense of administration. Whichever course is adopted the heirs and other persons interested in the estate will have a right to inquire into the necessity for making the contract and the value of the work performed by the attorney."

The general rule applicable in the United States and which is supported by many cases, is stated in 18 Cyc, 881 thus:

"Contracts of executors and administrators, although made in the interest and for the benefit of the estate they represent, if made upon a new and independent consideration moving between their promisee and themselves, are their personal contracts, which do not bind the estate, and they must be sued on these contracts in their individual and not in their representative capacity."

Further citations of authorities on this point are unnecessary.

The second assignment of error raises the question whether the plaintiff should recover any amount. The fact that the appellant took over the operation of completing the sale with the purchaser furnished by the plaintiff, voluntarily changing the terms from P250 to P200, the monthly rental value agreed upon for the premises, did not, in our opinion, abrogate the contract. The plaintiff furnished a purchaser ready, willing, and able to buy the business and to rent the premises, thereby complying with his part of the contract as modified by the appellant. But the amount cannot now be increased because the plaintiff did not appeal.

The judgment appealed from is affirmed, with costs against the appellant. So ordered.

Torres, Johnson, Moreland, and Araullo, 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.