

ANGEL GONZALEZ, PLAINTIFF AND APPELLEE, VS. JEREMIAS J. HARTY, ARCHBISHOP OF MANILA, AND THOMAS L. HARTIGAN, ADMINISTRATOR OF THE SAGRADA MITRA, DEFENDANTS AND APPELLANTS.

G.R. No. 10185. November 24, 1915

Ponente: TORRES, J.

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TORRES, J.:

This appeal by bill of exceptions was taken by counsel for the defendants from a judgment, rendered on June 12, 1914, by the Court of First Instance of Manila, which held the plaintiff, Angel Gonzalez, entitled to collect the income from certain property, situated in Calle Rosario, District of Binondo, this city, assigned by its owner, Petronila de Guzman, for the maintenance of a collative chaplaincy founded by her; ordered the defendants, as agents of the foundress, to reimburse and deliver to the plaintiff the sum of P19,090.28, and to pay the costs.

By a written complaint of November 15, 1912, presented in the Court of First Instance of this city, counsel for the plaintiff alleged that Mgr. Harty is the Roman Catholic Apostolic Archbishop of the Archdiocese of Manila; that Thomas L. Hartigan is the administrator of the funds of the Sagrada Mitra; that since June 20, 1901, the plaintiff has been the owner of a chaplaincy founded in the Archdiocese of Manila by Dona Petronila de Guzman; that the capital of the said chaplaincy is a rubble-work building located at Nos. 210, 212 and 214, Calle Rosario, Binondo; that the plaintiff, as the chaplain, incumbent and beneficiary of the said chaplaincy, had the right, by virtue of a title in perpetuity, from June 20, 1901, to receive and to retain all the income and revenues of the said property; that the property mentioned had been producing and yielding from the said date to the present time not less than P650 per month; that said sums had been collected by the defendants who had refused to deliver to the plaintiff the property in question and its revenues except a small portion of the latter, that is to say, the sum of ^12,500; that the said chaplaincy had not been filled—was without any incumbent—during the four years immediately preceding the 20th of June, 1901; that during said period the Sagrada Mitra collected the revenues and income of the said property at the rate of P400 per month, with the obligation of delivering them to the plaintiff; and that the defendants, in whose control and possession are the revenues produced by the property during the four years immediately preceding the 20th of June, 1901, refused to deliver same to the plaintiff and to render him a detailed account thereof. Therefore plaintiff's counsel prayed the court to order the defendants (a) to deliver to the plaintiff the aforementioned property, together with its products, income and revenues at the rate of 7650 per month from the 20th of June, 1901, until the termination of this suit, after deducting the amounts defendants may prove they delivered to the plaintiff on account or in partial payment of the said income and revenue; (b) to render an account of the income and revenues produced by the said property during the four years immediately preceding the 20th of June, 1901, and to promptly deliver them to the plaintiff; and (c) to pay to the plaintiff the legal interest, and the costs.

A demurrer was filed to the complaint on the grounds that the plaintiff lacked personality to bring this suit; that the facts alleged in the complaint do not constitute a cause of action; and that the complaint is vague, ambiguous

and unintelligible. The demurrer was overruled and the defendants, after excepting to this ruling, on January 18, 1913, answered the said complaint by a general and specific denial of each and all of the allegations therein contained, and, as a special defense, alleged that, on September 16, 1910, the plaintiff filed a complaint in the Court of First Instance of Manila substantially identical with the one herein, against the defendant corporation sole, by means of which all the rights alleged by the plaintiff in this case were definitely compromised, adjusted and settled; that as a result thereof he waived all his rights forever and resigned his office of chaplain; and that by the said compromise the case was closed and the complaint finally dismissed.

The plaintiff answered the special defense filed by the defendants by denying each and all of the facts alleged therein.

After a hearing of the case, during which the plaintiff desisted from his demand for the delivery of the property in question, confining himself solely to a petition for payment of the revenues and for an accounting of the administration of the property from the year 1901 to the date of the termination of this suit, the court rendered the judgment aforementioned, to which the defendants excepted and, in writing, moved for a rehearing and a new trial. This motion was overruled, with exception on the part of the defendants, and when the proper bill of exceptions had been presented, it was approved and transmitted to the clerk of this court.

The question to be decided in this litigation consists of whether, after the plaintiff had received the sum of P12,500 and executed, on November 15, 1910, the document Exhibit 3 (p. 41, record) in favor of the "Administracion de Obras Pias de la Sagrada Mitra," he is still entitled to collect further sums as revenues of the chaplaincy which he had filled, and, in the event that he has such a right, whether the administrator of the chaplaincy that belonged to the deceased Petronila de Guzman is obliged to render to the plaintiff accounts of the said revenues.

The following facts are proved by the evidence: By virtue of the provisions contained in the will executed by Dona Petronila de Guzman on March 13, 1816, a collative chaplaincy was founded in this Archdiocese of Manila. It entailed certain obligations of a spiritual character and possessed a capital of 1,700 pesos, invested in a house of strong materials, belonging to the foundress, designated as Nos. 210, 212 and 214, Calle Rosario, District of Binondo, Manila, (Exhibit 4). There was also provided, in clause 11 of the said will, that the first executor of the estate of the testatrix, should act as administrator of the property subject to the chaplaincy during the minority of Esteban de Guzman, the first chaplain appointed for the foundation. In due course of time the foundation of this chaplaincy was approved by the ecclesiastical authorities who agreed to all the conditions contained in the foundation charter (p. 11, Exhibit 4). The resignation of the then incumbent chaplain being on November 17, 1897, (Exhibit 5; p. 45, record) the spiritual charge remained unfilled until the 21st of August, 1901, the date when the plaintiff, Angel Gonzalez de Guzman, a descendant of the foundress Petronila de Guzman, was appointed chaplain of the said foundation which was to be "administered as up to the present time by the administrator of the funds of the Sagrada Mitra," with the proviso-that if the new appointee failed to perform the duties appertaining to his charge, the revenues which he might be entitled to collect should be reduced or withheld in such proportion as might be necessary (Exhibits A and 5). The new chaplain, Angel Gonzalez, undertook to pursue such studies as are indispensable to the ecclesiastical profession, for the better performance of his spiritual duties, and, for this purpose, entered the San Carlos Seminary; but, after a stay therein of fifteen days, he left the institution on September 21, 1909, without prior authorization of his superiors. On the following day he informed the Archbishop of Manila of his departure, stating that, owing to his weak constitution, he could not live on the food furnished him in the said seminary; and at the same time requesting that the administrator of the chaplaincy be ordered to proceed with a general settlement of accounts; that they pay him "the accumulated interest;" and that the question of the chaplaincy be submitted to the head ecclesiastical authority for such action in the premises as

the same might deem proper (Exhibit 2).

Granting the petition above referred to, the Archbishop ordered the administrators of the "Obras Pias de la Sagrada Mitra" to effect a final settlement of the accounts of the chaplaincy with relation to the plaintiff and, when it had been made, the said administrators delivered to Gonzalez, on November 15, 1910, the sum of P12,500 in full satisfaction for the revenues of the benefice enjoyed by him (Exhibit 3); and, in accordance with the decree transcribed in the document Exhibit C (p. 21, record) the Archbishop of Manila declared the chaplaincy founded by Petronila de Guzman, of which the plaintiff was chaplain, to be unfilled on and after December 6, 1910.

The plaintiff's claim amounts to a prayer that the defendants be compelled to restore and deliver to him the net revenue obtained from the property subject to the chaplaincy from the 20th of June, 1901, to the date of a rendition of accounts, and to pay him the proceeds derived from the said property for the four years immediately preceding the said 20th of June, 1901.

It is an indisputable fact that, from June, 1901, when the plaintiff was appointed to fill the chaplaincy founded by Petronila de Guzman, until the month of December, 1906, he received at the end of each year the balances of the accounts which the administrator of the "Obras Pias" rendered him, and that such sums, according to the statement furnished by plaintiff's counsel, taken from the account-book Exhibit B, amounted to P16,100.81, the net amount of the revenues of the said property for six years. In the respective pages of this account-book, Exhibit B, appears the plaintiff's signature together with a record of his having received the sums which constitute the balances of the annual accounts to which they refer, and in each record, at the foot of the accounts and included in the writing immediately preceding the signature, appear the words: "I have received the amount above specified;" or "the said amount;" or, "the foregoing amount."

The said account-book of this chaplaincy, Exhibit B, contains entries only up to December 31, 1906, and no debit accounts have been recorded therein from the 1st of January, 1907, to the present date. For this reason the defendants had to admit at trial that from January 1, 1907, the property had been producing P550 in monthly rental, according to the agreement found on page 125 of the record. Although no account was carried of the debits and credits after the said date, the administrator of the Mitra, charged also with the administration of the property of this chaplaincy, must have made a final settlement of all the sums due the plaintiff as chaplain of the said foundation up to December 31, 1910, and that settlement must have obtained the consent and approval of the plaintiff chaplain, for on November 15, of the same year, 1910, he received from the said administrator the sum of P12,500 in full satisfaction of all the revenues due him, as derived from the property up to December 31 of that year, and his receipt of this sum is evidenced by the document Exhibit 3 which literally transcribed runs thus:

"I have received from the 'Administracion de Obras Pias de la S. Mitra' the sum of twelve thousand five hundred pesos (P12,500), as the liquidated balance of, and in full satisfaction for, all the revenues due me or appertaining to the chaplaincy of Doña Petronila de Guzman, from the 18th of October, 1901, to the 31st of December of the present year, 1910.

"Manila, November 15, 1910.

"Witnesses:

"DANIEL BOQUER,

"PHIL. C. WHITAKER.

(Sgd.) "ANGEL GONZALEZ."

In spite of this receipt and of those which for six years were annually affixed at the end of the accounts of the years from 1901 to 1906 in the book Exhibit B, the plaintiff now contends the said accounts should be revised in

order that he may recover the amounts due which he did not collect and which he should have collected, as he alleges, while he held the chaplaincy in question.

When consent is given to a contract through error, the law declares that it shall be void, whenever the error affects the substance of the thing that may be the subject matter of the contract, or those conditions thereof which were the principal reason for execution; but when the error is merely one of account, it shall only give rise to its correction. (Arts. 1265, 1266, Civ. Code.)

The plaintiff who went on receiving sums, as balances of accounts during the years from 1901 to 1906 inclusive, did not prove, nor even try to prove, that, in signing the receipts in each of the said accounts, he did so under compulsion or by reason of any violence or intimidation, or that the nature and amount of the sums debited against him in these accounts were erroneous and prejudicial to his interests. On the contrary, he received the said amounts without any protest or reservation, giving the impression that in so doing correct and detailed accounts were presented to him to his entire satisfaction, for which reason he approved them.

The only case where the law allows the revision of approved accounts, without the reasons aforementioned for their correction appearing, is where there has been simply an error of account, and no such error has been proven by the plaintiff. Therefore, it is neither lawful nor just that, without proof of the existence of any of the reasons specified by law, he may demand a rendition of accounts already approved by him, for, as the supreme court of Spain held in its decision of February 7, 1895:

"The consent of the parties interested to a settlement of accounts, when there is perfect agreement with respect to the nature and amount of the items debited, necessarily implies their assent to the resultant balance and a simple error in the sum cannot vitiate the contract."

The plaintiff did not prove, nor try to prove, that he did not give his assent to the debit items and the amounts thereof, in the accounts of the book Exhibit B, when these accounts were presented to him. It necessarily follows then, that, when he signed the receipts attesting his collection of the respective balances in the said accounts, he gave his approval to them as rendered and, in the absence of proof that he acted under an erroneous belief in giving his consent, it must be understood that the accounts rendered for the years 1901 to 1906, inclusive, were approved, and it would be improper to revise and correct them.

Neither may a revision be demanded of the accounts for the years 1907 to 1910, inclusive, during which period no entries were made in the account-book, Exhibit B, of the said chaplaincy, inasmuch as the plaintiff approved the settlement, presented by the administrator, up to December 31, 1910, showing a balance in plaintiff's favor of P12,500 which he accepted "as the liquidated balance and in full satisfaction of all revenues that were due or might be due him from the chaplaincy of Doña Petronila de Guzman, from the 18th of October, 1901, to the 31st of December" of the year 1910, as set forth in Exhibit C, and did not then record his disagreement or protest with reference to the accounts rendered disclosing the amount of the balance he admits having received.

A settlement presupposes a balancing of accounts after due examination of the items which compose them and, although the truth is the record does not disclose that any document was drawn up containing a statement of such accounts from the 1st of January, 1907, to December 31, 1910, it is no less true that when, in November, 1910, an effort was made to determine the amount the plaintiff was entitled to collect, statements must have been made to him relative to the revenues and expenses of the property, which statements undoubtedly satisfied him since he made no objection to signing the receipt Exhibit C. With regard to presumptions concerning a person's business affairs and his acts, the Code of Civil Procedure, in section 334, subsections 3 and 25, respectively, provides that a person intends the ordinary consequence of his voluntary act, and that assent resulted from a belief that the thing assented to was conformable to the law or fact. Has the plaintiff shown that his act in signing the receipt Exhibit C

was performed against his will, or that the settlement which he accepted is not correct, was not in accord with the facts? The record does not so demonstrate.

Revision of accounts that have already been approved may be demanded only in the cases in which the law so permits for justifiable reasons, and as was said in the decision of *Castor vs. Nicasio* (6 Phil Rep., 152), such revision will not be permitted unless the plaintiff can show that there was fraud, deceit, error, or mistake in the approval of the accounts.

The plaintiff is now barred from assailing as false and incorrect the accounts approved by him for the years 1907 to 1910, inasmuch as he made no objection and took no exception to them before their acceptance and approval, nor has he shown that he was deceived for the purpose of obtaining his approval thereof. Even if the accounts were erroneous, they could not now be revised, since the plaintiff, by stating in his receipt that the sum received by him was the liquidated balance of, and full satisfaction for, all the revenues that appertained or might appertain to him, has explicitly and completely waived all right, he might have had to any amounts he may then have failed to collect.

With respect to the prayer for an accounting of the revenues of the property for the four years immediately preceding the appellant's appointment as chaplain, that is, from November, 1897, to June 20, 1901, the record shows that entries of the revenues and expenses of the property in question were made in the account-book of the said chaplaincy from the back of page 34 to page 36; that on December 31, 1900, the said account was closed and disclosed a balance in favor of the chaplaincy of P3,222.67 which was received by the plaintiff on October 18, 1901. For the same reasons hereinbefore stated, it must be held that the accounts from 1897 to December 31, 1900, were approved, and another accounting for the same period of time would not be lawful; still less would be the revision and correction of such accounts, because no error has been disclosed therein.

Our attention has been invited to the fact that the property affected by the chaplaincy should have been administered by the chaplains and not by the administrators of the *Sagrada Mitra*, inasmuch as clause 11 of the foundress' will so provided. To refute this assertion, it suffices to say that the provisions of the said will set forth that the first testamentary executor of the estate of the testatrix should act as the administrator of the property during the minority of the first chaplain appointed in that document, Esteban de Guzman. This provision must be understood to be mandatory, except as otherwise provided by the canonical laws and as, pursuant therewith, the chief ecclesiastical authority may order for, after the latter had accepted the foundation of the chaplaincy, the administration of its property appertains to the authorities established by the Church, pursuant to the latter's own laws, and this rule has been observed since 1863.

For the foregoing reasons the judgment appealed from is reversed and we should, as we do hereby, absolve the defendants from the complaint filed by Angel Gonzalez, without special finding as to the costs in both instances. So ordered.

Johnson and Araullo, JJ., concur.

MORELAND, J., with whom concur CARSON and TRENT, JJ., concurring:

I agree, basing my opinion on the receipt of plaintiff, Exhibit 3, dated November 15, 1910.

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