

THE SUN LIFE INSURANCE COMPANY OF CANADA, PLAINTIFF AND APPELLEE, VS. RUEDA HERMANOS & CO. AND JOSE DELGADO, DEFENDANTS. RUEDA HERMANOS & CO., APPELLANT.*G.R. No. 12005. March 21, 1918*

Ponente: JOHNSON, J.

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This is an action of interpleader. The plaintiff had in its possession the sum of P4,234.75, a sum which was due on a matured life insurance policy. Sometime prior to the commencement of the present action Jose Delgado had his life insured in the plaintiff company for the sum of \$2,500 United States currency, and received a policy representing said contract of insurance, which policy was No. 90854. Later said policy was assigned to Rueda Hermanos & Co. by Jose Delgado to guarantee the payment of a balance of a running account which then existed between said company and Jose Delgado. The policy matured. The amount due thereon was payable. Rueda Hermanos & Co. and Jose Delgado each claimed the amount due. The present action was commenced by the plaintiff and the sum of P4,234.75 was deposited in court. The plaintiff prayed that the defendants be required to interplead and litigate their several claims in or to the said sum of money among themselves. Thereupon Rueda Hermanos & Co. filed their petition setting up their claim to said sum of money. Later Jose Delgado presented an answer, in which he set up not only his claim to the said sum of money but in addition thereto prayed for a judgment against Rueda Hermanos & Co.

The following facts are admitted:

- (1) That a running account existed between Rueda Hermanos & Co. and Jose Delgado; that Rueda Hermanos & Co. were merchants and doing business in the city of Manila; that Jose Delgado was engaged in the business in the provinces and was principally employed in cutting timber from time to time and sending the same to Manila to be sold by Rueda Hermanos & Co.; that from time to time Rueda Hermanos & Co. sent to Jose Delgado money and merchandise.
- (2) That during the existence of said current account, upon request of Jose Delgado, and with ample authority thereunto granted, Rueda Hermanos & Co. sold for and on behalf of Jose Delgado a certain piece of real property located in the city of Manila for the sum of P3,000; that said sum was accredited by Rueda Hermanos & Co. to the account of Jose Delgado.
- (3) That from time to time Rueda Hermanos & Co. rendered an account to Jose Delgado showing in detail the nature of their various transactions together with a net balance of the same; that upon a receipt of said accounts Jose Delgado made certain exceptions thereto but generally accepted them as a true statement of their accounts.
- (4) That the present action was commenced on the 29th day of April, 1915; that Rueda Hermanos & Co. filed their answer upon the 1st day of June, 1915; that Jose Delgado presented his answer on the 26th day of June, 1915; that on the 30th day of June, 1915, Rueda Hermanos & Co. rendered a final account of their various transactions with Jose Delgado and delivered a copy of the same to him, which showed that the balance due the

former from the latter on said date was the sum of P4,211.93 (Exhibit I) ; that on the 7th day of September, 1915, and sometime after the commencement of the present action, Jose Delgado (Exhibit A) objected to certain items contained in the final account, which taken together amounted to P1,700.89.

Passing for the moment, the question of special damages claimed by Delgado, we proceed to an examination of the current account between him and Rueda Hermanos & Co. at the time issue was joined in the present action. It appears that Jose Delgado objected to certain small items in said current account which, upon an examination of the proof, seems to be without foundation. In addition to said objection he made the further objection to the allowance of four items of interest charges on the amounts due in said current account before a final settlement was made. These items are the charges for interest, on December 31, 1912, June 30, 1914, December 31, 1914, and June 30, 1915, amounting to the sum of ^842.07. That objection we think is tenable. There was no agreement to pay interest on the amounts due in said current account from time to time. There was no time fixed when the balances of said current account were due and payable. No demand was made at any time for the payment of such balances. There is, therefore, no authority in law or fact justifying the collection of said items of interest in the present case. The objection of Jose Delgado to said items is, therefore, sustained and they are disallowed and eliminated from said account.

Jose Delgado objects to another item in said current account of P700. His contention is that that was an indebtedness due to Pujalte & Co. It appears from the record, however, that with his knowledge and consent said indebtedness was paid by Rueda Hermanos & Co. and was passed to them and therefore became a proper charge in their favor in said current account. It should, therefore, be allowed.

Our conclusion is with reference to said final account rendered by Rueda Hermanos & Co., that said items for interest should be deducted from the total amount and that the account so corrected is the true and correct account between Rueda Hermanos & Co. and Jose Delgado. Said interest items amount to P842.07. There should be deducted, therefore, from the total amount of said account, or the sum of P4,211.93, the sum of P842.07, leaving a balance of P3,369.86 due on said account from Jose Delgado to Rueda Hermanos & Co. That being the status of the accounts between Rueda Hermanos & Co. and Jose Delgado, and considering that the said life insurance policy above noted had been assigned to Rueda Hermanos & Co. for the purpose of guaranteeing the payment of said account, in the absence of any other question Rueda Hermanos & Co. is entitled to the sum of P3,369.86 out of the money deposited in court and Jose Delgado is entitled to the balance, or the sum of P864.89.

Jose Delgado, however, claims that he had been damaged in the sum of several thousand pesos by reason of the fact that Rueda Hermanos & Co. failed and refused to deliver to him the sum of P3,000 which they received as a result of the sale of the property mentioned above. It will be remembered that Rueda Hermanos & Co. was authorized by Jose Delgado to sell the property in question for the sum of P3,000. The property was sold. The money was received by Rueda Hermanos & Co. in the months of January and May, 1912, and said amount was duly accredited to the account which they held against him. The record shows that at the time said credit was given Jose Delgado was indebted to Rueda Hermanos & Co. in the sum of about P4,500. Did Rueda Hermanos & Co. have a right to accredit Jose Delgado on the current account with the said sum of P3,000? If so, then the claim for damages made by him is not tenable. Rueda Hermanos & Co. received said sum by express authority granted by Delgado. Said sum was not received on condition that it should be delivered to Delgado. At that time Delgado was indebted to them in a sum much in excess of the P3,000. No demand was made that said sum should be paid nor accredited on said account until sometime later. Delgado asserts that Rueda Hermanos & Co. held his life insurance policy as a guaranty for the payment of the balance of said account and, therefore, had no right to retain nor to accredit said sum. It will be remembered, however, that in the months of January and May, 1912, when said sum was received, said policy had not yet become the property of Rueda Hermanos & Co. for said purpose. There

was at that time some questions pending relating to the existence of said policy at all, for the reason that Delgado had failed to pay the premiums promptly in accordance with the terms of his contract. Those questions were not settled, and the policy was not finally restored and made effective, until on or about the 18th day of March, 1913. At the time said sum was received, therefore, the policy did not constitute a guaranty for the payment of any balance of said account. We are of the opinion, therefore, that Rueda Hermanos & Co., under the facts in the present case, had a right to and was fully justified in accrediting said sum on the account of Jose Delgado.

Considering the conclusion which we have reached, that Rueda Hermanos & Co. had a right to accredit the amount received (P3,000) on the current account, then, of course, Jose Delgado is not entitled to any damages for their failure to deliver to him said sum. But even though it be admitted that Rueda Hermanos & Co. should have paid to Jose Delgado the said sum and failed so to do, that then and in that case, in the absence of fraud, etc. (arts. 1100 to 1108, Civil Code) the only recoverable damages would be the legal interest upon said amount. (Art. 1108, Civil Code; *Gonzalez Quiros vs. Palanca Tan-Guinlay*, 5 Phil. Rep., 675; *Tin Fian vs. Tan*, 14 Phil. Rep., 126; 13 Cyc, 56.)

The damages which Jose Delgado is now claiming are based upon losses which he incurred in certain business transactions which might have resulted in gains or profits had he received the said P3,000. Even granting that contention his claim is entirely too remote, speculative and consequential to justify a judgment in his favor. Speculative profits are too remote to be included in an accurate estimate of damages. (*Beckley vs. Munson*, 22 Conn., 299; *Abbott vs. Gatch*, 13 Md., 314.)

The appellant contends that the various claims for damages interposed by Jose Delgado were not proper claims to be made in an action of interpleader. That contention is based upon the theory that the only question which may be considered in such proceedings is, which of the contending parties is entitled to the money deposited in the court. Without attempting at this time to define the exact limit of the questions which may be litigated between the parties in an action of interpleader, it is sufficient to say that the questions raised by Jose Delgado in his answer have a direct bearing upon the question of who was entitled to the money deposited in the court and with reference to which the action was instituted. That contention, therefore, is dismissed and disallowed.

From all of the foregoing, our conclusion is: That the judgment of the lower court be modified and that a judgment be entered ordering and directing the lower court to pay to Rueda Hermanos & Co. out of the moneys deposited by the plaintiff herein the sum of P3,369.86 and to Jose Delgado the sum of P864.89 out of the said sum, and without any findings as to costs. So ordered.

Arellano, C. J., Torres, Araullo, Street, Malcolm, and Avanceña, JJ., concur.

Carson, J., dissents.

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