

MANUEL M. ANTONIO, PLAINTIFF AND APPELLANT, VS. MAURO SAMONTE, ET AL., DEFENDANTS. THE NATIONAL WATERWORKS AND SEWERAGE AUTHORITY (NAWASA), CREDITOR OF THE JUDGMENT DEBTOR, PETI...

G.R. No. 15410. April 26, 1961

Ponente: REYES, J.B.L., J.

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REYES, J.B.L., J.:

Against the spouses Mauro Samonte and Mely Samonte, Civil Case No. 50846 of the Municipal Court of Manila was filed by Manuel Antonio on June 8, 1957 for recovery of sums of money. After trial by default, judgment was rendered on June 25, 1957 in favor of Antonio against the spouses in the sum of P915.00, with interest. In due time, said judgment became final.

A writ of execution to enforce said judgment, issued on August 1, 1957 against defendants therein, was later returned unsatisfied. On September 5, 1957, pursuant to the writ of execution, the Sheriff of Manila levied on the credits of judgment debtor Samonte in the hands of petitioner-appellee herein, the National Waterworks Sewerage Authority, hereinafter to be called NAWASA for short. Subsequently, despite the notice of garnishment served upon it, the NAWASA made disbursements to Samonte in the total sum of P6,527.33. Pursuant to a motion filed by Antonio on March 1, 1958, an examination of NAWASA was thereafter conducted by the Municipal Court, which found that the NAWASA still had in its possession, credits owing to defendant Samonte, in the amount of P1,377.00. Accordingly, in an order dated April 10, 1958, the Municipal Court, without objection on the part of NAWASA, directed the latter to pay plaintiff Antonio the sum of P992.25, representing the amount of the judgment credit, with interest, against defendant Samonte.

However, in a petition dated April 21, 1958, and alleging that it had discovered prior claims against Samonte's credits, NAWASA prayed that the order of April 10, 1958—

"be set aside and petitioner be given sufficient time within which to determine as to how much is really due to defendants after the rights of prior claimants shall have been satisfied." (Italics supplied)

The claims above-referred to, allegedly for unpaid wages of Samonte's laborer for services rendered on the former's contracts with the NAWASA, amounted to P3,853.50 (pp. 32-33, Record on Appeal).

On May 10, 1958, the Municipal Court issued the following order, to wit:

"This is a petition by the National Waterworks Sewerage Authority praying that the order of this Court dated April 10, 1958, be set aside until the credits due the defendants with the petitioner be determined after the rights of prior claimants shall have been satisfied.

"It appearing that the said petition be meritorious, the same is hereby granted. Let the order of this Court dated April 10, 1958, directing the NAWASA to pay plaintiff the sum of P992.25, be withheld for the time being." (Italics supplied)

The above order was appealed to the Court of First Instance of Manila, which, however, by resolution dated December 26, 1958, dismissed it on the ground that the order of May 10, 1958 was interlocutory, and, therefore, unappealable. A motion for reconsideration by plaintiff-appellant was also denied on January 31, 1959. Hence, this appeal, which presents the sole issue of whether or not the order of the Municipal Court, dated May 10, 1958, is final and appealable.

The following will shed light on the subject:

"The test of whether an order is a final order is its effects on the rights of the parties; * * *.

"In the absence of a statutory definition, a final judgment, order or decree has been held to be * * * one that finally disposes of, adjudicates, or determines the rights, or some right or rights of the parties, either on the entire controversy or on some definite and separate branch, thereof, and which concludes them until it is reversed or set aside." (4 C.J.S. p. 257-58).

Viewed in the light of these rulings, the order dated May 10, 1958 cannot be anything but a final order. For, while on its face, it purported merely to withhold the order of April 10, 1958 "for the time being", its net effect was to give priority to the claims filed with NAWASA against Samonte's credits, which were authorized to be satisfied ahead of plaintiff-appellant's judgment credit. Since the alleged claims for unpaid wages alone amounted to P3,853.50 (there are other claims of different nature), while the balance of Samonte's credits with the NAWASA was only P1,377.00, no astute reasoning is needed to appreciate that the order of May 10, 1958, authorizing the prior satisfaction of the claims alleged, was nothing less than air adjudication of substantial rights of the parties. More than that, the order left nothing else to be done by the Municipal Court in order that NAWASA could satisfy the other claims existing against the balance of Samonte's credits, as alleged in the petition of April 21, 1958. The order in question not only fixed the rights of the parties, but also gave final relief, and by its own force, authorized the satisfaction of the other claims alleged without any further necessary action on the part of the Municipal Court (see *Caudill Coal Co. vs. Rosenheim & Co.*, 258 S.W. 315).

"Where no issue is left for future consideration except the fact of compliance or non-compliance with the terms of the judgment or order, such judgment or order is final and appealable." (4 C.J.S. p. 268).

Particularly as to the adjudication of preference, as a rule, judgments, orders or decrees definitely determining the priority of claims or liens, and directing distribution, are final for the purpose of an appeal (see *Miller vs. Gibbs*, 132 S.E. 626; *Nolan's Exe's. vs. Nolan*, 295 S.W. 893; *Caudill Coal Co., vs. Rosenheim & Co.*, supra; *Reyes vs. Kingman Texas Implement Co.*, 188 S.W., 450, cited in 4 C.J.S., p. 398; *Halsted vs. Forest Hills Co.*, 109 Fed 820; *Potter vs. Beal*, 50 Fed. 860). Some cases have declared that an order is interlocutory which does not adjudicate a definite fund to the respective claimants (*Harris vs. Tuttle*, 62 S.W. 729; *Montgomery vs. Anderson*, 16, L. Ed., 160, cited in 4 C.J.S. 398), but that rule is inapplicable where, as in this case, the order authorized the disposition of the funds without any further action on the part of the court. Thus, the withholding of the execution of appellant's judgment, although made "for the time being", actually left its satisfaction dependent on the existence of a balance in the hands of NAWASA after the other claimants are paid, and destroyed the priority of appellant's garnishment.

We hold that the order dated May 10, 1958 adjudicated on substantial rights, particularly as to priorities and preferences; that in effect, it left nothing more for the municipal court to do in order that the other claims against Samonte's credits alleged by NAWASA should be satisfied and paid by the latter ahead of appellant's; that consequently, it was a final order, and, therefore, appealable. For appellant to await a further ruling on his claim by the Municipal Court before appealing is to risk that the funds garnished should be exhausted in paying other creditors that the NAWASA considers preferred.

Wherefore, the order appealed from is reversed, and the case remanded to the court below, with the directive that it give due course to the appeal interposed from the order dated May 10, 1958. Costs in this instance against appellee National Waterworks and Sewerage Authority.

Bengzon, Acting C.J., Padilla, Bautista Angelo, Labrador, Concepcion, Barrera, Paredes, and Dizon, JJ., concur.

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