

WILSON S. UY, AS JUDICIAL ADMINISTRATOR OF THE INTESTATE ESTATE OF THE DECEASED JOSE K. C. UY, PETITIONER, VS. THE HON. COURT OF APPEALS, HON. ANASTACIO C. RUFON, AS PRESIDING J...

G.R. NO. 167979. March 16, 2006

Ponente: YNARES-SANTIAGO, J.

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YNARES-SANTIAGO, J.:

Petitioner assails the August 20, 2004 Decision of the Court of Appeals in CA-G.R. SP No. 72678,[1]affirming the January 22, 2002 Order of the Regional Trial Court, Branch 52 of Bacolod City in Special Proceedings No. 97-241,[2] as well as the April 29, 2005 Resolution denying the motion for reconsideration.[3]

The facts of the case show that Jose K.C. Uy (Deceased) died intestate on August 20, 1996 and is survived by his spouse, Sy Iok Ing Uy, and his five children, namely, Lilian S. Uy, Lilly S. Uy, Livian S. Uy-Garcia , Lilen S. Uy and Wilson S. Uy (Petitioner).

On February 18, 1997, Special Proceedings No. 97-241 was instituted and Lilia Hofileña was appointed as special administrator of the estate of the deceased. Petitioner moved to reconsider the order appointing Lilia Hofileña as special administrator with prayer that letters of administration be issued to him instead.[4]

On June 9, 1998, Judge Ramon B. Posadas revoked Lilia Hofileña's appointment as special administrator and denied her petition to be appointed as regular administrator. Meanwhile, letters of administration were granted to petitioner, who took his oath of office as administrator on June 23, 1998.

On February 17, 1999, Johnny K. H. Uy (Private Respondent) filed a motion to intervene, praying that he be appointed as administrator of the estate in lieu of petitioner. He alleged that he is the brother and a creditor of the deceased, and has knowledge of the properties that should be included in the estate.

The trial court initially denied private respondent's motion to intervene,[5] but on March 16, 2000,[6] it reconsidered its earlier order and appointed private respondent as co-administrator of the estate. Petitioner's motion for reconsideration was denied.

Petitioner then moved that private respondent bring into the estate properties belonging to the deceased, which motion was granted by the trial court. Not satisfied with the compliance of private respondent, petitioner reiterated his motion for removal of the former as co-administrator, but the same was denied.

The trial court found that private respondent substantially complied with the order directing him to bring into the estate properties owned by or registered in the name of the deceased not subject of any adverse claim or controversy when he listed the alleged properties suspected to be concealed, embezzled or conveyed away by the persons named therein. Thus, it found no cogent reason to remove private respondent as co-administrator.[7]

Thereafter, petitioner appealed to the Court of Appeals by way of a petition for certiorari which however,

dismissed the petition.

The Court of Appeals held that the refusal of the trial court to remove private respondent as co-administrator of the estate is neither an error of jurisdiction nor a grave abuse of discretion; that the appointment of private respondent was justified; that the order of preference under Section 6 of Rule 78 of the Rules of Court does not rule out the appointment of co-administrators; that the institution of a case for annulment of title and reconveyance against respondent does not justify private respondent's removal as co-administrator.

Petitioner's motion for reconsideration was denied, hence, this petition on the following grounds:

WHETHER OR NOT THE COURT OF APPEALS AND THE RESPONDENT REGIONAL TRIAL COURT HAVE ACTED WITHOUT JURISDICTION OR IN GRAVE ABUSE OF THEIR DISCRETION TANTAMOUNT TO LACK OF JURISDICTION (sic), IN VIOLATION [OF] THE ESTABLISHED AND ACCEPTED RULE OF LAW AND IN COMPLETE DISREGARD OF SUBSTANTIAL JUSTICE AND EQUITY IN APPOINTING A CO-ADMINISTRATOR OF AN ESTATE (IN THE PROCESS OF SETTLEMENT) WHERE THERE IS AN INCUMBENT ADMINISTRATOR WHOSE APPOINTMENT IS FIRM, FINAL, IMPLEMENTED AND INAPPEALABLE, AND WHICH (sic) APPOINTMENT HAS NOT BEEN CANCELLED, RECALLED, REVOKED OR RESCINDED BY APPOINTING, AT THAT, A PERSON

(A)

ALIEN TO THE ESTATE OF THE DECEASED, WITH VARIOUS SERIOUS INTERESTS (ACTUAL JUDICIAL CONTROVERSIES) IN CONFLICT WITH THOSE OF THE ESTATE, AND

(B)

WITH NO PROPER INTEREST IN THE ESTATE AND WHO IS PERSONALLY UNFIT, UNSUITABLE, UNWORTHY, UNDESERVING OF THE TRUST INHERENT IN THE POSITION OF CO-ADMINISTRATOR OF THE ESTATE, AND UNACCEPTABLE AND REPULSIVE TO THE FAMILY OF THE LEGAL HEIRS OF THE DECEASED; AND THEN REFUSING TO REMOVE HIM AS CO-ADMINISTRATOR AFTER IT WAS SHOWN THAT HIS REPRESENTATIONS ON WHICH HE WAS APPOINTED CO-ADMINISTRATOR WERE EMPTY AND FALSE; AND

WHETHER OR NOT THE RESPONDENT COURT OF APPEALS DENIED PETITIONER HIS CONSTITUTIONAL RIGHTS TO DUE PROCESS OF LAW AND HIS RIGHT TO PETITION THE GOVERNMENT FOR REDRESS OF GRIEVANCES BY NOT ADDRESSING AND RESOLVING THE ISSUES BROUGHT TO IT BY THE PETITIONER, MORE ESPECIFICALLY THE ISSUES OF

(1)

RES JUDICATA AND STABILITY OF THE JUDGMENT APPOINTING THE PETITIONER HEREIN AS JUDICIAL ADMINISTRATOR OF THE ESTATE IN QUESTION, AND

(2)

DECIDING THE ISSUES INVOLVED IN A MANNER CONTRARY TO THE RULES SET DOWN BY THE SUPREME COURT ON THE MATTER.[8]

The main issues for resolution are: (1) whether the trial court acted with grave abuse of discretion in appointing private respondent as co-administrator to the estate of the deceased; and (2) whether the Court of Appeals deprived petitioner of his constitutional right to due process and his right to petition the government for redress of grievances by not addressing the issues raised before it.

The petition is without merit.

Petitioner asserts that his appointment as a regular administrator is already final, unassailable or *res judicata*; that the inferior court has no authority to re-open the issue of the appointment of an administrator without removing the incumbent administrator; that private respondent is not only alien to the estate, but has a conflict of interest with it; that the trial court's appointment of private respondent as co-administrator constitutes grave abuse of discretion tantamount to lack of jurisdiction.

There is no question that petitioner was appointed as regular administrator of the estate of the deceased Jose K. C. Uy on June 9, 1998. However, private respondent in his motion to intervene sought to be appointed as administrator as he is not only the brother of the decedent but also a creditor who knows the extent of the latter's properties. Thus, the trial court, while retaining petitioner as administrator, appointed private respondent as co-administrator of the estate.

The main function of a probate court is to settle and liquidate the estates of deceased persons either summarily or through the process of administration.[9] In the case at bar, the trial court granted letters of administration to petitioner and thereafter to private respondent as co-administrator. Under Section 6, Rule 78 of the Rules of Court, the preference to whom letters of administration may be granted are as follows:

SEC. 6. When and to whom letters of administration granted. — If no executor is named in the will, or the executor or executors are incompetent, refuse the trust, or fail to give bond, or a person dies intestate, administration shall be granted:

(a) To the surviving husband or wife, as the case may be, or next of kin, or both, in the discretion of the court, or to such person as such surviving husband or wife, or next of kin, requests to have appointed, if competent and willing to serve;

(b) If such surviving husband or wife, as the case may be, or next of kin, or the person selected by them, be incompetent or unwilling, or if the husband or widow, or next of kin, neglects for thirty (30) days after the death of the person to apply for administration or to request that administration be granted to some other person, it may be granted to one or more of the principal creditors, if competent and willing to serve;

(c) If there is no such creditor competent and willing to serve, it may be granted to such other person as the court may select.

The order of preference in the appointment of an administrator depends on the attendant facts and circumstances.[10] In *Sioca v. Garcia*,[11] this Court set aside the order of preference, to wit:

It is well settled that a probate court cannot arbitrarily and without sufficient reason disregard the preferential rights of the surviving spouse to the administration of the estate of the deceased spouse. But, if the person enjoying such preferential rights is unsuitable, the court may appoint another person. The determination of a person's suitability for the office of administrator rests, to a great extent, in the sound judgment of the court exercising the power of appointment and such judgment will not be interfered with on appeal unless it appears affirmatively that the court below was in error.

x x x Unsuitableness may consist in adverse interest of some kind or hostility to those immediately interested in the estate. x x x.[12] (Emphasis supplied, citations omitted)

In the instant case, the order of preference was not disregarded by the trial court. Instead of removing petitioner, it appointed private respondent, a creditor, as co-administrator since the estate was sizeable and petitioner was having a difficult time attending to it alone. In fact, petitioner did not submit any report regarding the estate under his administration. In its March 16, 2000 Order,[13] the trial court found thus:

Going over all the arguments of the parties, after hearing has been set relative thereto, this Court has observed that indeed the judicial administrator had not submitted to the Court any report about the Estate under his administration except those involving the cases he filed and/or intervened in other branches. This may be due to his being inexperienced, but this fact will not be reason enough to remove him from the administration of the Estate as Judicial Administrator thereof. However, considering that the Intervenor is claiming to be the patriarch of the Uy family and who claims to have enormous knowledge of the businesses and properties of the decedent Jose K.C. Uy, it is the feeling of this Court that it will be very beneficial to the Estate if he be appointed co-administrator (without removing the already appointed Judicial Administrator) of the Estate of Jose K.C. Uy, if only to shed more light to the alleged enormous properties/businesses and to bring them all to the decedent's Estate pending before this Court.[14]

A co-administrator performs all the functions and duties and exercises all the powers of a regular administrator, only that he is not alone in the administration.[15] The practice of appointing co-administrators in estate proceedings is not prohibited. In *Gabriel v. Court of Appeals*,[16] this Court reaffirmed that jurisprudence allows the appointment of co-administrators under certain circumstances, to wit:

Under both Philippine and American jurisprudence, the appointment of co-administrators has been upheld for various reasons, viz: (1) to have the benefit of their judgment and perhaps at all times to have different interests represented; (2) where justice and equity demand that opposing parties or factions be represented in the management of the estate of the deceased; (3) where the estate is large or, from any cause, an intricate and perplexing one to settle; (4) to have all interested persons satisfied and the representatives to work in harmony for the best interests of the estate; and (5) when a person entitled to the administration of an estate desires to have another competent person associated with him in the office.[17] (Emphasis supplied)

Thus, petitioner's argument that the trial court cannot re-open the issue of the appointment of an administrator without removing the incumbent administrator is erroneous. In probate proceedings, considerable latitude is allowed a probate court in modifying or revoking its own orders as long as the proceedings are pending in the same court and timely applications or motions for such modifications or revocations are made by the interested parties.[18] In the instant case, the estate of the deceased has not yet been settled and the case is still within the jurisdiction of the court.

The foregoing discussion renders moot the second issue raised by petitioner. We see no cogent reason to set aside the findings of the Court of Appeals, because its findings of fact is conclusive and binding on the parties and not subject to review by this Court, unless the case falls under any of the exceptions to the rule.[19]

WHEREFORE, the petition is DENIED. The August 20, 2004 Decision of the Court of Appeals in CA-G.R. SP No. 72678 affirming the January 22, 2002 Order of the Regional Trial Court in Special Proceedings No. 97-241, as well as the April 29, 2005 Resolution denying the motion for reconsideration are AFFIRMED.

SO ORDERED.

Panganiban, C.J., Austria-Martinez, Callejo, and Chico-Nazario, JJ., concur.

[1] Rollo, pp. 63-67. Penned by Associate Justice Vicente L. Yap and concurred in by Associate Justices Arsenio J. Magpale and Ramon M. Bato, Jr.

[2] Id. at 77-79. Penned by Judge Anastacio C. Rufon.

[3] Id. at 69-71.

[4] Id. at 64.

[5] Id.

[6] Id. at 204-205.

[7] Id. at 80-82.

[8] Id. at 23-25.

[9] Intestate Estate of the late Don San Pedro v. Court of Appeals, 333 Phil. 597, 616-617 (1996), citing Maniñgat v. Castillo, 75 Phil. 532, 535 (1945).

[10] Silverio, Sr. v. Court of Appeals, 364 Phil. 188, 210 (1999).

[11] 44 Phil. 711 (1923).

[12] Id. at 712.

[13] Rollo, p. 205.

[14] Id.

[15] De Borja v. Tan, 97 Phil. 872, 874-875 (1955).

[16] G.R. No. 101512, August 7, 1992, 212 SCRA 413.

[17] Id. at 423-424.

[18] Oñas v. Javillo, 54 Phil. 602, 604 (1930).

[19] Siasat v. Court of Appeals, 425 Phil. 139, 145 (2002).

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