

PEDRO ARENAL ET ALV PLAINTIFFS AND APPELLEES, VS. CHARLES F. BARNES, DEFENDANT, AND LUIS PALOMAR BALDOVI, INTERVENER AND APPELLANT.*G.R. No. 3395. September 16, 1907*Read online (full-text search, related cases, audio case brief): <https://batas.org/library/g-r-no-3395/>

The plaintiffs brought this action in the court below to set aside a document executed by them on the 25th of August, 1902, in favor of the defendant, Charles F. Barnes. During the progress of the case in the court below, Luis Palomar Baldovi was allowed to intervene, setting up an interest in the property in question which he had derived from the defendant, Barnes. Judgment was rendered by default against Barnes, and after trial judgment was rendered in favor of plaintiffs, annulling and setting aside the document in question. From that judgment the intervener, Baldovi, has appealed.

The plaintiffs, Pedro Arenal and Juana Trinidad, were heirs at law of Ana Endicott, deceased. Her estate had never been settled in court. Barnes represented to them that if they would give him a power of attorney for that purpose he could settle and liquidate the inheritance and after doing so would divide the property among the heirs, he to receive for his services the rent accruing from a certain house belonging to the estate. Belying upon Barnes's promises in this respect, the plaintiffs appeared before a notary public on the 25th day of August, 1902, and executed the document which they now seek to have set aside. The important parts of that document are as follows:

"First. That Ana Endicott died intestate in the town of Legaspi, leaving personal property and real estate at her death.

"Second. The parties, Juana Trinidad and Pedro Arenal, are relatives of the deceased Ana Endicott within the sixth degree of consanguinity, and they have therefore a right to receive the estate of the deceased.

"Third. That it being impossible for the said plaintiffs to themselves engage in the necessary proceedings for the possession of the property which may belong to them, they have agreed to the division of the same, and have accordingly transferred to Charles F. Barnes all the rights they have to the estate of Ana Endicott for the sum of 1,000 pesos, Mexican, which sum they acknowledge to have received from said Mr. Barnes before the making of this contract, in consideration of which they renounce the exception of not counted money, transferring their rights to Barnes so that he may proceed to make the corresponding declaration of heirs in the court, and receive the share of property belonging to them in the above-mentioned estate."

The plaintiff, Juana Trinidad, testified that before she signed this document it was read over to her in the Bicol dialect, which she understood. The notary testified to the same effect, that he read the document in Bicol to both of the plaintiffs before; it was signed. This positive testimony of one of the plaintiffs and of the notary public cannot be overcome by the statement of the other plaintiff, Arenal, that the document was not read to him in Bicol before he signed it. We take it as an established fact, therefore, that no matter what representations Barnes made to the plaintiffs as to the character of the document which they were going to sign, when they came to sign it they were fully informed as to what it was and that they knew what they were signing. The fact that they may not have fully understood the legal effect of the document is no ground for setting it aside.

The transaction here presented was before this court in the case of the United States vs. Barnes (3 Phil. Rep., 704), in which we held that Barnes could not be convicted of the crime of estafa under paragraph 7 of article 535 of the Penal Code upon the evidence presented in that case.

In view of the fact that in order to fully settle and liquidate this inheritance it would undoubtedly be necessary that Barnes have authority to sell the property belonging thereto for the purpose of paying debts and expenses, it is not altogether improbable that the document which the plaintiffs in fact signed was the very kind of a document which they intended to sign, or in any event, it is probable that they intended to sign a document giving Barnes power to sell the property belonging to the estate.

Under this document, Barnes sold all of the inheritance to the intervener by deed dated the 19th day of March, 1903. The consideration expressed in that deed is 7,500 pesos. It was admitted in the court below by the respective parties to this litigation that prior to the commencement of this action, Baldovi had paid to Barnes 1,250 pesos on account of the purchase price. There is no evidence "that Baldovi, the intervener, had any notice or knowledge of the relations between Barnes and the plaintiffs other than what was furnished by the document executed by the plaintiffs in favor of Barnes. Whether this action for the annulment of this contract on the ground of fraud can be maintained against a third person who acquired the property as Baldovi acquired it, is a question which we do not find it necessary to decide, for we hold that the plaintiffs, knowing fully before they signed the document what its terms were, cannot now have it set aside.

It is very evident that Barnes has defrauded the plaintiffs, because he not only did not pay them the thousand pesos mentioned in the document referred to but also he has never paid them any money received from Baldovi, or any money received from other property of the estate. They undoubtedly have a cause of action against him to recover the money so paid by Baldovi, and are undoubtedly the owners of any sums of money which still remain due from Baldovi to Barnes by virtue of the conveyance in March, 1903, and this right they could probably make available in the appropriate action.

The judgment of the court below in favor of the plaintiffs, and against the intervener, Baldovi, is reversed and the preliminary injunction dissolved. No costs will be allowed to either party in this court. So ordered.

Arellano, C. J., Torres, Johnson, and Tracey, JJ., concur.

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