

IN THE MATTER OF INTESTATE ESTATE OF JOSE B. YUSAY, JAIME VILLANUEVA, ESTEBAN TUANTE, VIVENCIO BIGSAT, ANACLETO LIBO-ON, FELECITO ARAQUIEL, NARCISO PARCON, JOSE JEONGCO, ARISTON...

G.R. No. 53966. May 21, 1988

Ponente: GUTIERREZ, JR., J.

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GUTIERREZ, JR., J.:

The Court of Appeals forwarded this appeal to us on the ground that the question raised is a purely legal one. The order appealed from was issued by the then Court of First Instance of Iloilo, Branch IV which sustained the refusal of the administratrix of the late Jose B. Yusay's estate to pay P26,907.22 earlier awarded to the petitioners by the National Labor Relations Commission (NLRC).[*]

The facts of the case are found in the Court of Appeals' resolution, as follows:

xxx xxx xxx

"x x x The claimants-appellants were laborers working for Jose B. Yusay. After Mr. Yusay's death on September 19, 1969 the workers filed a claim with the National Labor Relations Commission for their share in the sugar amelioration fund. The NLRC office at Iloilo City awarded them P26,907.22 corresponding to their participation in the said fund from the 1968-69 crop year to the 1973-74 crop year but excluding the 1972-73 crop year. The award was affirmed by the National Labor Relations Commission, Second Division, on May 13, 1975. The decision became final and executory. It could not be enforced, however, because the administratrix of the Yusay estate refused to pay the award.

"The only issue on appeal is the correctness of the lower Court's ruling that the claim was filed out of time.

"The lower Court stated:

"The records show that the late Jose B. Yusay died on September 17, 1969 and the petition was published in the Visayan Tribune in its October 6, 12 and 20, 1969 issue. The notice of creditors dated November 26, 1969 was published on December 1, 8 and 15, 1969 issues of the Visayan Tribune. The present claim in question was filed on January 13, 1976 or a period of almost seven (7) years from the first notice of publication of the creditors on December 1, 1969 and a period of almost two (2) years from the approval of the project of partition which was on February 5, 1974. So many years have lapsed before movants-claimants have realized that they have a claim against the estate. They alleged that the delay in filing of the claim was due to the pendency of their case before the National Labor Relations Commission. Where a money claim, which was still being litigated in a civil action was filed in the intestate proceeding after the expiration of the period fixed in the notice to creditors but before the order of final distribution was issued, the pendency of the civil action was good excuse for the tardy filing of the claim (*Ignacio v. Pampanga Bus Co., Inc.*, L-18936, May 23, 1967). It is to be noted that claims may be granted if filed before the final distribution of the properties. The Court is of the opinion that if such claim was filed after the final distribution, the same can be denied, otherwise, the heirs will wake up one day to find out that nothing has been left to the estate. In the case at bar,

movants-claimants rights have already lapsed. It is true that it is discretionary upon the Court to grant claims against the estate filed beyond the period fixed by law, but this is also limited. Thus, extension can be made, but the time is one month from the expiration of such period but in no case beyond the date of entry of the order of distribution. (*Afan v. de Guzman*, L-14713, April 28, 1960).

"All the arguments of the appellants refute the conclusion of the Court that a claim filed out of time may no longer be favorably considered." (p. 25, Rollo; pp. 2-3, Resolution of the Court of Appeals).

It is quite true that the courts can extend the period within which to present claims against the estate, even after the period limited has lapsed, but such extension could only be granted under special circumstances (*De Villanueva v. Philippine National Bank*, 9 SCRA 145). Given the law and facts of the case, the action taken by the lower court in disallowing the claim can not be considered an abuse of discretion to justify its reversal by this Court.

We agree with the appellee that the claim is barred by the Statute of Non-claims. The pendency of the claim before the National Labor Relations Commission is not a sufficient excuse for the belated filing of the disputed claim.

It appears from the records that the appellants instituted an action with the National Labor Relations Commission to recover their share of the sugar amelioration fund after the death of Jose B. Yusay. They were, therefore, trying to recover money from a deceased person. They had notice of the period within which to file claims against the estate. They were aware that settlement proceedings had been going on until a project of partition was approved on February 5, 1974. The decision of the labor arbiter awarding the appellants a sum of money was promulgated on January 10, 1975. The decision was affirmed in toto by the National Labor Relations Commission on May 13, 1975. The claim against the estate was filed only on January 13, 1976, one (1) year after the promulgation of the decision or eight (8) months after the same had become final and executory. Aside from the fact that the claim was filed almost seven (7) years from the notice of publication to the creditors on December 1, 1969 and a period of two (2) years from the approval of the project of partition, the appellants unreasonably allowed many months to lapse after judgment was rendered before their claim for money was filed.

Assuming arguendo that the appellants had a legitimate claim against the estate even after the project of partition had been approved two years earlier, due diligence should have been exercised in notifying the lower court immediately after the favorable judgment was rendered (See *De Rama v. Palileo*, 13 SCRA 228). Unfortunately; the appellants failed in the instant case. Absent any showing of excusable negligence, unavoidable mistake, accident or fraud warranting the interposition of a court of equity, the claim may no longer be allowed (*Nebraska Wesleyan University v. Bowan*, 103 NW 275).

WHEREFORE, finding no reversible error in the order appealed from, the appeal is hereby DISMISSED. The decision of the trial court is AFFIRMED.

SO ORDERED.

Fernan (Chairman), Feliciano, Bidin, and Cortes, JJ., concur.

[*] Since pure questions of law were raised, the Eleventh Division of the Court of Appeals where the case was also raffled to the present ponente refrained from arriving at any conclusions or decision in this case.

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